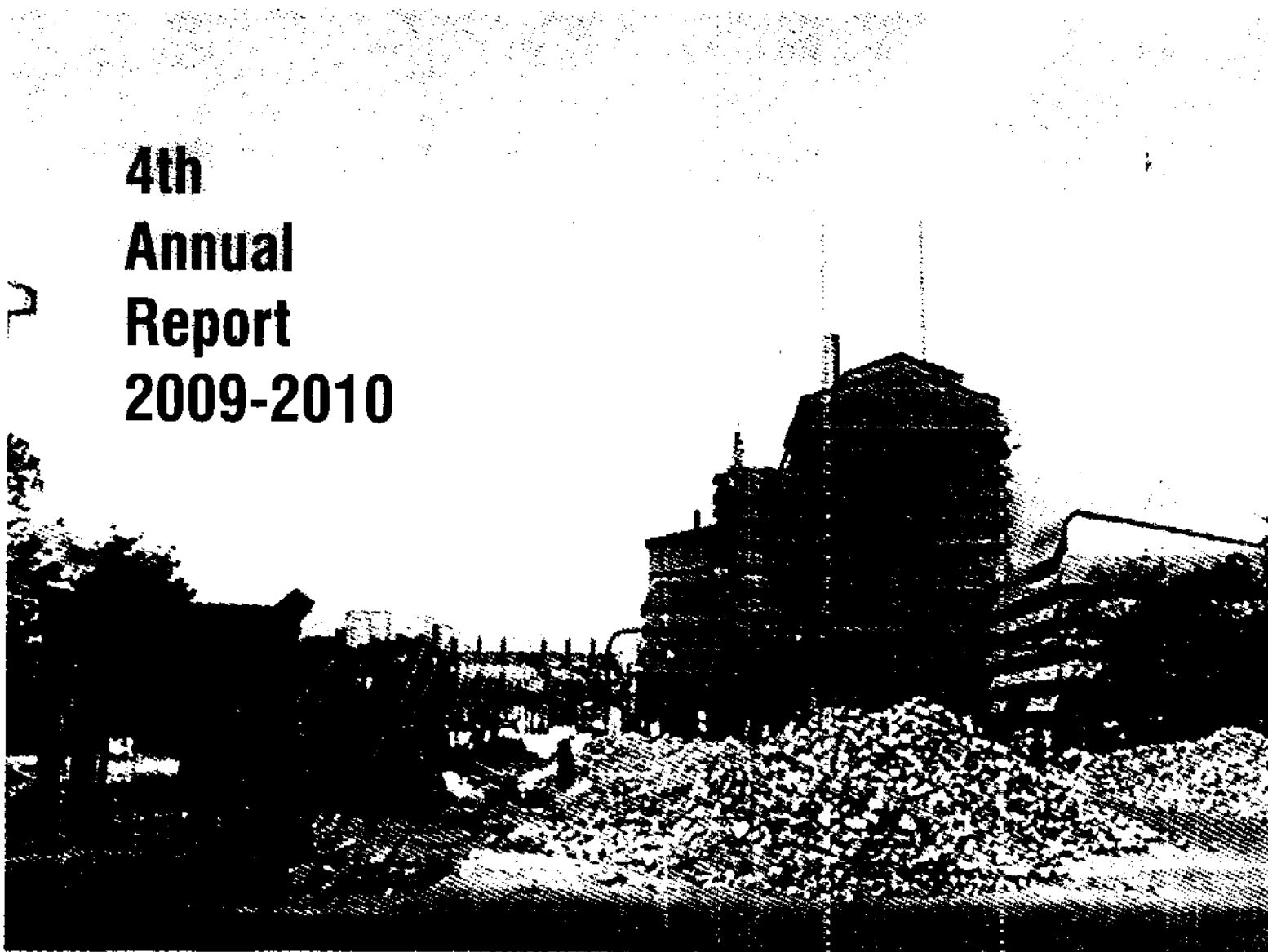


Cronimet Alloys India Limited

[formerly known as GMR Ferro Alloys & Industries Limited]

4th Annual Report 2009-2010



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GENERAL INFORMATION

Board of Directors	Mr. Rajiv Saxena Mr. S. Gajendran Mr. K. Malikarjuna Rao Mr. Harjith D Bubber Mr. A V L Narasimham Mrs. Sarita Boorugu	Chairman Director Director Director Director Director
Company Secretary	Mr. Chandrashekhar Hegde	
Statutory Auditors	M/s. S. Venkatadri & Company Chartered Accountants 1408, Babukhan Estate, Basheerbagh, Hyderabad - 500 001.	
Bankers	Andhra Bank State Bank of India State Bank of Travancore	
Registered Office & Operating Division	Ravivalasa Village - 532 212 Tekkali Mandal Srikakulam District Andhra Pradesh Tel : 08945 - 244701 / 244312 Fax : 08945 - 244545	
Registrar & Share Transfer Agents	Karvy Computershare Pvt. Ltd. (Unit : Cronimet Alloys India Limited) Plot # 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081 Tel : 040-23420819 to 824 Fax : 040-23420814	

NOTICE

Notice is hereby given that the 4th Annual General Meeting of **Cronimet Alloys India Limited** [formerly known as **GMR Ferro Alloys & Industries Limited**] will be held on Wednesday, the September 29, 2010 at 11.00 AM at the Registered Office, Ravivalasa Village – 532 212, Tekkali Mandal, Srikakulam District, Andhra Pradesh to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010, the Profit & Loss Account for the year ended as on that date and the reports of the Directors' and the Auditors' thereon.
2. To declare dividend on Preference Shares
3. To appoint Statutory Auditors and in this connection to pass, with or without modification, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Messrs S Venkatadri & Company, Chartered Accountants be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on a remuneration of such sum as may be fixed by the Board of Directors".

Special Business:

4. To consider, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Article 111 of the Articles of Association of the Company and Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr Rajiv Saxena who was appointed as Director in casual vacancy be and is hereby appointed as a Director of the Company, liable to retire by rotation".
5. To consider, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Article 111 of the Articles of Association of the Company and Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr S. Gajendran who was appointed as Director in casual vacancy be and is hereby appointed as a Director of the Company, liable to retire by rotation".
6. To consider, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Article 111 of the Articles of Association of the Company and Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr Harjit D. Bubber, who was appointed as Director in casual vacancy be and is hereby appointed as a Director of the Company, liable to retire by rotation".
7. To consider, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Article 111 of the Articles of Association of the Company and Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr K. Mallikarjuna Rao, who was appointed as director in casual vacancy be and is hereby appointed as a Director of the Company, liable to retire by rotation".
8. To consider, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Article 109 of the Articles of Association of the Company and Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr A V L Narasimham, who was appointed as an Additional Director by the Board under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation".
9. To consider, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Article 109 of the Articles of Association of the Company and Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mrs Sarita Boorugu, who was appointed as an Additional Director by the Board under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation".
10. To consider, if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, in the existing Article 119 of the Articles of Association of the Company relating to Delegation of Powers by Board, the following be inserted as second paragraph after the existing first paragraph:
Article 119 : Without prejudice to the general powers conferred by the preceding paragraph, the Directors may from time to time and at any time subject to the restrictions contained in the Act, delegate to such Managers, Secretaries, Principal Officers, and other employees or other persons (including any firm or body corporate) as they deem fit any of the powers and discretions authorized to be exercised by the Board for the time being vested with them.
11. To consider, if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 81(1A), 117 and other applicable provisions, if any, of the Companies Act, 1956, as amended for the time being, the provisions of the Securities and Exchange Board of India [Issue of Capital and Disclosure Requirements]

Regulations, 2009 (the "SEBI Regulations"), the provisions of the Foreign Exchange Management Act 1999 and the rules and regulations made thereunder, including the Foreign Exchange Management (Transfer and Issue of Securities by a resident outside India) Regulation, 2000, the Foreign Exchange Management (Borrowing or Lending in Rupees) Regulations, 2000 Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and the rules and regulations made thereunder if applicable, and such other statutes, notifications, circulars, rules and regulations as may be applicable and relevant and as amended from time to time and the Memorandum and Articles of Association of the Company as amended for the time being and subject to such further approvals, consents, permissions, if any, of the Government of India, The Reserve Bank of India (the "RBI"), the Foreign Investment Promotion Board (the "FIPB"), the Securities Exchange Board of India (the "SEBI"), the Registrar of Companies Andhra Pradesh, the relevant Stock Exchanges where the shares of Company are listed or to be listed or other regulatory authorities as may be required under applicable law or regulation and subject to conditions as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the "Board"), which the term shall be deemed to include any Committee constituted or to be constituted by the Board or any person(s) authorized by the Board or its Committee for such purpose(s), consent of the Company be and is hereby accorded to the Board in its absolute discretion, to create, offer, issue and allot in the course of either in one or more domestic offering(s) in India or in one or more foreign market(s) abroad (international offering(s)), including by way of qualified institutional placement under the ICDR Regulations ("QIP"), such number of equity shares and/or any securities linked to, convertible into or exchangeable for equity shares including without limitation through Global Depository Receipts ("GDRs") and or American Depository Receipts ("ADRs") and/or convertible preference shares and/or convertible debentures (compulsory and/ or optionally, fully and/or partly) and/or non-convertible debentures (or other securities) with warrants and/or warrants with a right exercisable by the warrant holders to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of non convertible debentures and/or Foreign Currency Convertible Bonds ("FCCB") and/or any other fully or partly paid securities / instrument / warrants, convertible into or exchangeable for equity shares at the option of the Company and/or the holder(s) of the security(ies) and/or securities linked to equity shares, (hereinafter collectively referred to as the "securities"), in one or more tranches, whether Rupee denominated or foreign currency denominated, to such investors who are eligible to acquire such securities in accordance with all applicable laws, rules, regulations, guidelines and approvals, through public issue (s), rights issue(s), preferential issue(s), private placement(s) or any combination thereof, through any prospectus, offer documents, offer letter or circular, placement document or otherwise, at such time or times and at such price or prices subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, at a discount or premium to make price or prices in such manner and on such terms and conditions including as regards security, rate of interest etc., as may be deemed appropriate by the Board in its absolute discretion, for an aggregate amount, in one or more offering(s) and/ or in one or more tranches, not exceeding Rs. 500 Crore (Rupees Five Hundred Crore), either by way of offer for sale or sponsored issue of Securities (by one or more existing shareholders of the Company) or through fresh issue of Securities or in any combination thereof, and the Board shall have the discretion to determine the categories of eligible investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such offer, issue and allotment considering the prevailing market conditions and all other relevant factors and wherever necessary in consultation with advisor(s), and underwriter(s) appointed by the Company.

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue(s) of Securities may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals have all or any terms or combinations of terms, in accordance with domestic and/or international practice, including, but not limited to, conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever and all other such terms as are provided in offerings of such nature including terms for issue of additional equity shares or variation of the conversion price of the securities during the duration of the securities".

"RESOLVED FURTHER THAT the Company and/or any agency or body authorized by the Company may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, issue certificates and/or depository receipts including global certificates representing the securities with such features and attributes as are prevalent in international and/or domestic capital markets for instruments of such nature and to provide for the tradability or transferability thereof as per the international and/or domestic practices and regulations and under the forms and practices prevalent in such international and or domestic capital markets".

"RESOLVED FURTHER THAT the securities issued in foreign markets shall be deemed to have been made abroad at the place of issue of the securities in international capital market and shall be governed by the applicable domestic or foreign laws and regulations".

"RESOLVED FURTHER THAT the Company may enter into any agreements with any agency or body for the issue, upon conversion of the securities of equity shares of the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per international practices and regulations, and under the form and practices prevalent in international capital markets".

"RESOLVED FURTHER THAT the Securities may be redeemed and/or converted into and/or exchanged for the equity shares of the Company, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, in a manner as may be provided in the terms of their issue".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares of the Company as may be required to be issued and allotted upon conversion, exchange, redemption or cancellation of any of the securities or as may be necessary in accordance with the terms of the offerings and all such equity shares shall rank pari passu with the existing equity shares of the Company in all respects, except such right as to dividend as may be provided under the terms of the issue and in the offer documents if any".

"RESOLVED FURTHER THAT the relevant date for the purpose of Pricing of securities (i) by way of QIP/GDRs/ADRs/FCCBs/FCEBs or by way of any preferential issue(s), shall be the date as specified under the applicable law or regulations or (ii) in the event of conversion or exchange of Securities issue under a QIP, shall be the date of the meeting in which the Board decides to open the issue".

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

"RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint such consultants, Lead Managers, Guarantor(s), Depositories, Custodian(s), Registrar(s), Agents(s) Authorized Representative(s), Trustee(s), Banker(s), Lawyer(s), Merchant Banker(s) and any other Advisor(s), Professional(s) and intermediaries as may be required and to pay them such fees, commission and other expenses as it deems fit and enter into or execute all such agreement(s)/arrangement(s)/MOU(s)/placement agreement(s) underwriting agreement(s)/deposit agreement(s) /trust deeds/subscription agreement/payment and conversion agency agreement(s)/ or any other agreement(s) or document(s) with any such agencies, listing of securities in domestic and/or international stock exchanges authorizing any Director(s) or Officer(s) of the Company, to severally sign for and on behalf of the Company offer document(s), agreement(s), arrangement(s), applications, authority letter or any other related paper(s)/document(s), give any undertaking(s), affidavit(s), certification(s), declaration(s) as he/she may in his/her absolute discretion deem fit including without limitation to the authority to amend or modify such document(s)".

"RESOLVED FURTHER THAT the Board and other designated officers of the Company, be and are hereby severally authorized to make all filings including as regards the requisite listing applications/prospectus/offer document/registration statement or any amendment(s) or supplement(s) thereof, and of any other relevant document(s) with the stock exchanges (in India or abroad), the RBI, the FIPB, the SEBI, the Registrar of Companies Andhra Pradesh and such other authorities or institutions in India and/or abroad for this purposes and to do all such acts, deeds and things as may be necessary or incidental to give effect to the resolutions above and the Common Seal of the Company be affixed wherever necessary".

RESOLVED FURTHER THAT the Board be and is hereby authorized to severally delegate all or any of its powers herein conferred to any Committee of Directors or any executive Director or Directors or any other officer of the Company, in order to give effects to the above resolutions.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.

12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**

"RESOLVED THAT pursuant to Section 94 of the Companies Act, 1956, and any other applicable provisions, if any, the Authorized Share capital of the Company be and is hereby increased from Rs. 22,00,00,000 (Rupees Twenty Two Crore only) divided into 1,32,00,000 Equity Shares of Rs. 10/- each and 80,00,000 (8%) Preference Shares of Rs.11/- each to Rs.47,00,00,000 (Rupees Forty seven Crore Only) divided into 3,82,00,000 equity shares of Rs. 10/- each and 80,00,000 (8%) Preference Shares of Rs.11/- each by further increase in equity share capital of Rs. 25,00,00,000 (Twenty Five Crore) consisting of 2,50,00,000 equity shares of Rs.10/- each ranking pari-passu with the existing equity share capital of the Company.

"RESOLVED FURTHER THAT Clause 5 of the Memorandum of Association of the Company be and is altered by substituting the following new clause:

Clause 5 : The Authorized share capital of the Company is Rs 47,00,00,000 (Rupees Forty seven Crore only) divided into 3,82,00,000 Equity Shares of Rs. 10/- each and 80,00,000 (8%) Preference Shares of Rs.11/- each. The Company has power from time to time to increase or reduce its capital and issue share in the original or new capital as equity or preference shares and to attach to any of such shares any preference, rights, privileges, conditions or priorities in payment of dividends or distribution of assets or otherwise subject to the same to any restrictions, limitations and conditions and to vary, modify, abrogate any such rights, privileges and conditions and to vary any regulations of the Company as far as necessary to give effect to the same and upon sub-division of a share, to apportion the rights to participate in the profits in any manner subject to the consent of the Government of India or other order of the court, if the same be necessary, being obtained before doing so..

By order of the Board of Directors

Bangalore
August 10, 2010

Chandrashekhar Hegde
Company Secretary

NOTES:

1. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. Members holding physical shares are requested to notify promptly any change in their addresses to our Registrars & Share Transfer Agents, viz., Karvy Computershare Pvt Ltd, Hyderabad and those who have shares in electronic mode to communicate to their depository participants.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2010 to 29.09.2010 [both days inclusive]
5. Members intending any information about accounts are requested to send their queries atleast 7 days in advance of the meeting.

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

ITEM NO.4:

The Board of Directors at their meeting held on December 17, 2009 appointed Mr. Rajiv Saxena in the casual vacancy caused by the resignation of Mr. B.V.N. Rao, whose term of office under Section 262 of the Companies Act, 1956 in the normal course would have expired on September 24, 2011.

It is proposed to appoint Mr. Rajiv Saxena as a Director of the Company. The Company has received a notice under the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Mr Rajiv Saxena for the office of Director, liable to retire on rotation.

Mr Rajiv Saxena holds no shares in the Company.

A Brief resume in relation to his experience, functional expertise and memberships on other Boards and Committees, as required under Clause 49 of the Listing Agreement is set out in the Annexure.

The resolution is recommended for the approval of the members.

Except Mr Rajiv Saxena, no other Director is interested or concerned in the proposed resolution.

ITEM NO.5:

The Board of Directors at their meeting held on December 17, 2009 appointed Mr. S.Gajendran in the casual vacancy caused by the resignation of Mr. N.C. Sarabeswaran, whose term of office under Section 262 of the Companies Act, 1956, in the normal course would have expired on September 24, 2011.

It is proposed to appoint Mr. S.Gajendran as a Director of the Company. The Company has received a notice under the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Mr S.Gajendran for the office of Director, liable to retire on rotation.

Mr S.Gajendran holds no shares in the Company.

A Brief resume in relation to his experience, functional expertise and memberships on other Boards and Committees, as required under Clause 49 of the Listing Agreement is set out in the Annexure.

The resolution is recommended for the approval of the members.

Except Mr S. Gajendran, no other Director is interested or concerned in the proposed resolution.

ITEM NO.6:

The Board of Directors at their meeting held on December 17, 2009 appointed Mr. Harjit D. Bubber in the casual vacancy caused by the resignation of Mr. N.V.Varadarajulu, whose term of office under Section 262 of the Companies Act, 1956 in the normal course would have expired on September 28, 2012.

It is proposed to appoint Mr. Harjit D. Bubber as a Director of the Company. The Company has received a notice under the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Mr Harjit D. Bubber for the office of Director, liable to retire on rotation.

Mr Harjit D. Bubber holds no shares in the Company.

A Brief resume in relation to his experience, functional expertise and memberships on other Boards and Committees, as required under Clause 49 of the Listing Agreement is set out in the Annexure.

The resolution is recommended for the approval of the members.

Except Mr Harjit D. Bubber, no other Director is interested or concerned in the proposed resolution.

ITEM NO.7:

The Board of Directors at their meeting held on December 17, 2009 appointed Mr. K. Mallikarjuna Rao in the casual vacancy caused by the resignation of Mr. Prem Kumar Amar and whose term of office under Section 262 of the Companies Act, 1956 in the normal course would have expired on September 24, 2011.

It is proposed to appoint Mr. K. Mallikarjuna Rao as a Director of the Company. The Company has received a notice under the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Mr K. Mallikarjuna Rao for the office of Director, liable to retire on rotation.

Mr K. Mallikarjuna Rao holds no shares in the Company.

A Brief resume in relation to his experience, functional expertise and memberships on other Boards and Committees, as required under Clause 49 of the Listing Agreement is set out in the Annexure.

The resolution is recommended for the approval of the members.

Except Mr K. Mallikarjuna Rao, no other Director is interested or concerned in the proposed resolution.

ITEM NO. 8

The Board of Directors of the Company at their meeting held on February 25, 2010 appointed Mr A V L Narasimham as an Additional Director w.e.f 25.02.2010. In terms of Section 260 of the Companies Act, 1956, Mr A V L Narasimham holds office upto the date of this Annual General Meeting and the Company has received a notice under the provisions of Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mr A V L Narasimham for the office of Director, liable to retire on rotation.

Mr A V L Narasimham holds no shares in the Company.

A Brief resume in relation to his experience, functional expertise and memberships on other Boards and Committees, as required under Clause 49 of the Listing Agreement is set out in the Annexure.

The resolution is recommended for the approval of the members.

Except Mr A V L Narasimham, no other Director is interested or concerned in the proposed resolution.

ITEM NO.9:

The Board of Directors of the Company at their meeting held on August 10, 2010 appointed Mrs Sarita Boorugu as an Additional Director w.e.f 10.08.2010. In terms of Section 260 of the Companies Act, 1956, Mrs Sarita Boorugu holds office upto the date of this Annual General Meeting and the Company has received a notice under the provisions of Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mrs Sarita Boorugu for the office of Director, liable to retire on rotation.

Mrs Sarita Boorugu holds no shares in the Company.

A Brief resume in relation to her experience, functional expertise and memberships on other Boards and Committees, as required under Clause 49 of the Listing Agreement is set out in the Annexure.

The resolution is recommended for the approval of the members.

Except Mrs Sarita Boorugu, no other Director is interested or concerned in the proposed resolution

ITEM NO.10:

Article 119 of the Article of Association of the Company defines about Delegation of Powers by Board to certain authorities. Due to transfers/ movement of authorized signatories from one place to other, difficulties are experienced in operation of Bank Accounts, representation to various statutory authorities etc.,. Therefore, the present amendment to the articles will enable the Board to revise / amend / modify delegations as they may deem think fit, from time to time.

As required under Section 31 of the Companies Act, 1956, a special resolution is required for alteration of Articles of Association. Accordingly, the proposed resolution is recommended for the approval of the members.

None of the Directors are concerned or interested in the resolution.

ITEM NO.11:

The Company is going through a phase of substantial expansion through organic and inorganic routes. The projects which the Company are pursuing includes expansion of existing Ferro Alloys units and mining activities, both in India and abroad. The company will be required to seek additional financial assistance to meet these expansion plans. The funds required would be used for meeting the long term working capital and capital expenditure requirements, acquisition of companies/business/projects, diversification into power sector and other general business requirements.

The consent of the shareholder is being sought by the special resolution for enabling the Board of Directors (the "Board") to issue securities under qualified institutional placements (QIPs) category to the qualified institutional buyers (QIBs) in accordance with the ICDR regulations and to any other international / domestic investor through public issues, rights issues, preferential issues, private placements or any combination thereof.

Pursuant to the above, the Board may, in one or more tranches, issue or allot equity shares, fully convertible debentures, partly convertible debentures, non convertible debentures, with warrant or any other securities which are convertible into or exchangeable with equity shares on such dates as may be determined by the Board but not later than such time period as permitted under the applicable law.

The QIP as proposed shall be subject to the provision of the ICDR Regulations including pricing as set out in the regulation. Accordingly, an enabling resolution is proposed to be passed to give adequate flexibility and discretion to the Board for finalise the terms of issue. The securities issued pursuant to the offering may be listed on the Indian Stock Exchanges or any other stock exchanges inside and outside India or issued without any listing on Stock Exchanges to the extent permissible by the law.

The securities issued under QIP or under domestic or international offering pursuant to an offer may, if necessary, be secured by way of mortgage, hypothecation on the company's assets as may be finalized by the Board in consultation with securities holders / trustees of the holders of the securities and enabling approval is also sought under section 293 (1) (a) of the Companies Act, 1956.

The approval of the shareholders is also sought by the special resolution for enabling the Board to create / offer / issue and allot in the course of either one or more international offering(s) in one or more foreign market and / or in the course of one or more domestic offering(s) including by way of QIP under ICDR regulations such number of equity shares and / or any securities linked to, convertible or exchangeable for equity shares, including without limitation through GDRs / ADRs / fully convertible debentures / partly convertible debentures / non convertible debentures with warrant / any other securities, which are convertible into or exchangeable with equity shares at the option of the company and / or holder(s) of the securities as the Board may decide, at such time and at such price as the Board may in consultation with lead managers, advisors and other intermediaries as they think fit.

Section 81(1A) of the Companies Act, 1956 and the relevant clause of the listing agreement with the stock exchanges provides, inter-alia that when it is proposed to increase the issued capital of a Company by allotment of further Equity Shares, such further equity shares shall be offered to the existing equity shareholders of such Company in the manner laid down in the Section 81(1A) of the Companies Act, 1956 unless the shareholders in the general meeting decide otherwise. As the aforesaid resolution provide for or may result into issue of equity shares to persons other than the existing shareholder(s) of the Company, consent of the shareholders is being sought pursuant to section 81(1A) and all other applicable provisions, if of the Companies Act, 1956 and the SEBI (Guidelin-s).

The Board believes that such issue is in the interest of the Company and therefore, recommends passing of the special resolution contained in the notice.

None of the directors are concerned or interested in the resolution except as shareholders of the Company.

ITEM NO. 12

It is proposed to increase the authorized share capital of the Company commensurate with the operations of the Company including the need to issue further shares in the near future. It is, therefore, proposed to increase the Authorized Share Capital of the Company from Rs. 22,00,00,000 [Rupees Twenty Two Crore only] divided into divided into 1,32,00,000 Equity Shares of Rs. 10/- each and 80,00,000 (8%) Preference Shares of Rs.11/- each to Rs.47,00,00,000 (Rupees Forty-Seven Crore Only) divided into 3,82,00,000 equity shares of Rs. 10/- each and 80,00,000 (8%) Preference Shares of Rs. 11/- each by further increase in Equity Share capital of Rs. 25,00,00,000 (Twenty Five Crore) consisting of 2,50,00,000 equity shares of Rs.10/- each which will rank pari-passu in all respect with the existing equity shares in the Company. The proposed increase of Authorised Share Capital requires approval of members at the General Meeting.

The resolution is accordingly recommended for the approval of the members.

None of the Directors are interested or concerned in the above resolution except to the extent of their share holding.

By order of the Board of Directors

Bangalore
August 10, 2010

Chandrashekhar Hegde
Company Secretary

**Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting
(Pursuant to Clause 49 of the Listing Agreement)**

Name of the Director Mr. / Mrs.	Date of Birth	Date of Appointment	Expertise in Specific functional areas	Qualification	Directorships in other Public Limited Companies	Membership of Committees in other Public Limited Companies
Rajiv Saxena	30.09.1958	12.12.2009	24 years of experience, including 5 years as practising Chartered Accountant and partner in a professional practice, in the metals & ferrous alloys business, entertainment, hospitality and construction industries and in the financial services industry.	C.A.	Six Sigma Investments Limited Matrix Entertainment Limited Matrix Metal Limited XPO Gulf Limited New Tasman Resources Ltd. Comunique Limited Dato Consult Limited World Media Group Limited Oceanic Enterprises Limited Matrix Investments Limited Matrix Properties Limited Bossco Offshore Limited	NIL
S. Gajendan	07.07.1944	17.12.2009	Retired as Executive Director of Industrial Development Bank of India. He has wide ranging experience in industrial development and financial sector	B.E. (Electrical)	Sun Flag Iron & Steel Industriel Limited Vijay Electrical Appliance Limited	NIL
K. Mallikarjuna Rao	19.06.1952	17.12.2009	Has over 35 years experience to his credit. Former head of Finance of GMR Group and joined GER Group of Companies in 2005 and taken the responsibility of Finance. Widely travelled and expert in finance management.	E.Com., L.L.B., F.C.A.	NIL	NIL
Harjith D Bubber	18.09.1958	17.12.2009	Over 30 years experience and has successfully run industries in the textile and Steel industries. He has been associated with expansions and setting up of Greenfield plants through successful project management techniques. He has been associated with raising finance for the projects through effective liaison and communication with banks and Financial Institutions.	B.Com	NIL	NIL
A V L Narasimham	30.04.1947	25.02.2010	40 years of experience in Production and Operation of Ferro Alloys. He is Technical Advisor to Sri Vasavi Industries Limited	B.E. (Metallurgical)	NIL	NIL
Sarita Boorugu	17.06.1980	10.08.2010	Over 10 Years experience in Top Level Management. Successful Entrepreneur and floated several companies in the field of Ports, Infrastructure, IT, Sugar, Textiles etc.,	MBA from UK	Satidham Syntex Limited Sri Vasavi Holdings & Investments Limited e-soft Consulting Limited SPS Textiles & Industries Ltd.	NIL

DIRECTORS' REPORT

To Members,

Your Directors are pleased to present their Fourth Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2010.

FINANCIAL RESULTS

(Rs. In Lakhs)

	2009-10	2008-09
Sales Income	11,475.39	10,080.36
Total Income	11,522.79	10,101.64
Profit before interest and depreciation	1186.02	(85.49)
Interest	39.73	159.96
Depreciation	229.09	227.22
Profit before Tax	917.20	(472.13)
Provision for –		
- Current Tax	251.39	-
- Deferred Tax	72.35	(157.57)
- Fringe Benefit Tax	-	0.43
Profit after Tax	593.46	(314.99)
Balance brought forward from previous year	(42.14)	272.85
Balance available for appropriations	551.32	(42.14)
Preference Dividend	138.42	-
Income-tax on Preference Dividend	22.99	-
Balance carried forward to Balance Sheet	389.91	(42.14)

REVIEW OF OPERATIONS AND PERFORMANCE

Your Directors are pleased to inform that the Company has put up a stellar performance with a record production of 20,847.91 MT of Ferro Alloys products as against 17,216.18 MT in the previous year, an increase of 21.09% and this exemplary performance was accomplished inspite of the remnants of global meltdown lingering on in the economy for part of the year and shut down of one of the furnaces for four months for relining. Sales of Ferro Alloys have touched 23,751.54 MT during the year as against 15,555.43 MT in the previous year, an increase of 52.69%. The turnover for the year has increased to Rs 11522.79 lakh registering a growth of 14% over 2008-09. Your Company is back on a healthy sign by registering a Net Profit of Rs.593.46 lakh against a loss of Rs.314.99 lakhs in the previous year.

DIVIDEND

Your Directors recommend Dividend of 8% on Preference Shares.

Keeping in view the need to conserve resources to plough back the same in the business for further expansions, your Directors do not recommend any dividend for the year on equity shares.

SHIFTING OF REGISTERED OFFICE

Effective from 30.11.2009, the Registered Office of the Company has been shifted from No 6-3-865/1/G2, Greenlands, Begumpet, Hyderabad – 500 016 to Ravivalasa Village – 532 212 Tekkali Mandal, Srikakulam District, Andhra Pradesh.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development:

The High Carbon Ferro Chrome (HCFC) is one of the major ingredients in the manufacture of stainless steel. The consumption of HCFC is directly proportional to the consumption of stainless steel. Hence the demand and supply of HCFC is decided based on the prospects of stainless steel industry. The global stainless steel market which is estimated at 20 million tones, is expected to grow at a steady pace of 10% p.a. However, the onset of Global economic meltdown from mid 2008 has seen the demand for stainless steel plummeted by around 7% with its consequential impact on the demand and prices of HCFC. The second half of the year 2009-10 witnessed signs of recovery with the prices of HCFC on the ascending mode.

FUTURE OUTLOOK:

After a sluggish three years period, the Company expects the demand for HCFC to grow at a steady pace in line with the demand for stainless steel. As stainless steel is linked to life style development across globally, the consumption is expected to constantly rise. The consumption of stainless steel in China has gone up by 25%. Though there is an intermittent fluctuations in the HCFC prices, it is expected to stabilize as

the gloomy atmosphere surrounding the global economy is over. As the global demand for stainless steel is expected to touch 25- 28 million tones by 2012, it will throw open vast opportunities for HCFC manufacturers.

OPPORTUNITIES AND THREATS

Domestic demand for Ferro Chrome stood at about 0.54 Million MT during the year 2009-10. A continuous demand for stainless steel in the international market will throw significant opportunities to this business. However, expansion of projects by existing players who are having both mines, power plants and established in other regions of the country may lead to negative impact. The procurement of raw material and the existing monopolistic pricing is always considered a threat to this industry in addition to frequent changes in power tariff.

EXPORT AND IMPORTS

During the year under review, your Company made exports worth Rs.3618.29 lakhs and not had made any direct imports.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

The Company has put in place a well developed internal control system and an internal Audit system commensurate with its size and activities. The periodical reports are securitized by the management and placed before the Audit Committee along with its reply. The weaknesses pointed out in the reports have been rectified and the suggestions for improvement were implemented in letter and spirit.

HUMAN RESOURCE DEVELOPMENT

Your Company has given a high degree of importance in developing the human capital and its continual improvement. The Management focuses on safe work practices and procedures at all times.

Initiatives such as rewards for suggestions, quality circles etc., have been taken up to involve the employees and take innovative ideas to solve day to day work related problems.

Industrial relations with the Union and the employees were good and harmonious. Your Company has implemented all employee welfare schemes as per the Company policy and wage agreement. As on March 31, 2010, the number of employees on the rolls of the Company stood at 231.

CAUTIONARY STATEMENT

The Management discussion and analysis report containing your company's objectives, projections, estimates and expectation may constitute certain statement, which are forward looking within the meaning of applicable laws and regulations. Your company's operation may inter alia be affected by the supply and demand situations, input price and the availability, changes in the government regulations, tax laws and other factors.

DIRECTORS

Mr B V N Rao, Mr N V Varadarajulu, Mr N C Sarabeswaran, Mr U Nareshkumar and Mr Frem Kumar Amar have tendered their resignation w.e.f. 17.12.2009 and ceased to be Directors.

Pursuant to Section 262 of the Companies Act, 1956 and Article No. 111 of the Articles of Association, Mr Rajiv Saxena, Mr Harjith D. Bubber, S. Gajendran, Mr Prashant Boorugu and Mr K Mallikarjuna Rao were appointed as Directors w.e.f. 17.12.2009 in the casual vacancies caused by the aforesaid resignations. Mr. Rajiv Saxena, Mr. S. Gajendran and Mr. K. Mallikarjuna Rao hold office upto September 24, 2011 and Mr. Harjit D. Bubber holds office upto September 28, 2012. However, it is proposed to appoint Mr. Rajiv Saxena, Mr. Harjit D. Bubber, Mr. S. Gajendran, and Mr. K. Mallikarjuna Rao as Directors at the ensuing Annual General Meeting. Notices have been received from a member, pursuant to Section 257 of the Companies Act, 1956, together with the prescribed deposit, proposing the appointments of Mr. Rajiv Saxena, Mr. Harjit D. Bubber, Mr. S. Gajendran, and Mr. K. Mallikarjuna Rao as Directors.

Mr Prashant Boorugu, Managing Director ceased to be Director and Managing Director of the Company with effect from 25.02.2010 consequent to his resignation.

In terms of Section 260 of the Companies Act, 1956, Mr A V L Narasimham and Mrs Sarita Boorugu were appointed as Additional Directors on the Board with effect from 25.02.2010 and 10.08.2010 respectively. They hold office until the date of the ensuing Annual General Meeting. Notices have been received from a member, pursuant to Section 257 of the Companies Act, 1956, together with the prescribed deposit, proposing the appointments of Mr. A.V. L. Narasimham and Mrs. Sarita Boorugu as Directors at the ensuing annual general meeting.

Suitable resolutions are being separately proposed for their appointments as Directors of the Company.

As the Board consists of Directors in casual vacancy and Additional Directors, there is no director who is liable to retire by rotation under Section 256(1) of the Companies Act, 1956 and consequently, no subject relating to appointment of Directors in place of those retiring is placed in the ordinary business of the notice of the ensuing Annual General Meeting

Your Board of Directors place on record, its appreciation of the services of all the outgoing Directors.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217[2AA] of the Companies Act, 1956 and on the basis of explanation given by the Executives of the Company and also subject to the disclosures in the Annual Accounts, your Directors confirm as under:

- i. That in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.
- ii. That the Directors had selected such accounting policies and applied them consistently and made judgments and that estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year of the Company for that period.
- iii. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors had prepared the annual accounts for the financial year ended March 31, 2010 on a going concern basis.

SOCIAL RESPONSIBILITY

Your Company actively supports the corporate social responsibility in the field of education, health, hygiene & sanitation, empowerment and community development programmes in the areas surrounding the company's project site. Your Company continues to make significant contribution to promote sustainable livelihoods of people living in and around its factory zones by providing educational support, technical assistance, financial assistance, organizing medical camps, etc., Your Company also provides hygiene drinking water to nearby village and facilitates, medical aid in times of emergency.

FIXED DEPOSITS

During the year under review, your Company neither invited nor accepted any fixed deposits from the public.

CORPORATE GOVERNANCE

Report on Corporate Governance and Certificate of Auditors of the Company for the due compliance of code of Corporate Governance pursuant to Clause 49 of the Listing Agreement are attached and form part of this Report.

PERSONNEL RELATIONS

During the year under review, relationship with the employees continued to remain cordial.

CONSERVATION OF ENERGY, TECHNICAL ABSORPTION, FOREIGN EXCHANGE EARNING; AND OUTGO.,

The information relating to Conservation of Energy, Technical Absorption, Foreign Exchange earnings and outgo pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies [Disclosure of Particulars in the Report of the Board of Directors] Rules, 1988, is given in the Annexure forming part of this report.

AUDITORS

The Auditors, M/s. Venkatadri & Co, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have confirmed their willingness to act as Auditors of the Company for the financial year 2010-11 and confirmed that their re-appointment, if made, would be within prescribed limits under Section 224 (1B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

The Information required under Section 217 [2A] of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, is given in Annexure forming part of this report.

ACKNOWLEDGEMENT

Your Directors acknowledge and express their grateful appreciation for the co-operation and assistance received from Banks, Government Authorities, Customers and Suppliers.

Your Directors wish to place on record their appreciation for the total commitment shown by each and every employee of the Company.

Your Directors also thank the shareholders for the confidence reposed by them in the management of the Company and for their continued support and co-operation.

On behalf of the Board of Directors

Bangalore
August 10, 2010

S Gajendran
Chairman of the Meeting

Information as per Section 217 (2A) read with Companies (Particulars) Employees) Rules, 1975
and forming part of the Directors Report for for the year ended March 31, 2010

S. No.	Name and Designation of the Employee	Remuneration Received Rs.	Nature of Employment whether contractual or otherwise	Nature of duties of the employee	Qualification & Experience	Date of commencement of employment	Age	Last employment held before joining the Company	
I	Employed through the year and in receipt of remuneration aggregating Rs. 24 00,000/- or more p.a.								
	NIL								
II	Employed for part of the year and in receipt of remuneration aggregating Rs. 2,00,000/- or more p.m.								
1.	U. Naresh Kumar	Rs. 31.43 Lakh	Contractual	Overall supervision of plant and designated as Executive Director	B.E., MBA.,	20.09.2006	57	Doshion Ltd. Ahmedabad Designation-CEO	

FORM A
[See Rule 2]

Conservation of Energy

A Power and Fuel Consumption

Sl. No.	Description	Current Year 2009-10	Previous Year 2008-09
1.	Electricity		
	a. Purchased – Units	8,15,02,200	6,76,79,600
	Total amount – Rs.	19,57,15,270	16,58,15,020
	Rate per Unit [Rs.]	2.40	2.45
	b. Own Generation:		
	i. Through Diesel Generator – Units	NIL	NIL
	Units per ltr of diesel – Cost/unit		
	ii. Through steam turbing/generator - Units	NIL	NIL
	Units per ltr of fuel oil/gas – cost/units		
2.	Coal [Specify quality and where used]	NIL	NIL
	Quantity [Tonnes]		
	Total Cost		
	Average rate		
3.	Furnace Oil		
	Quantity [ltr]	1,68,000	1,44,000
	Total Amount – Rs.	47,06,167	52,43,133
	Average Rate – Rs.	28.02	36.41
4.	Others internal generation [please specify]		
	Quantity	NIL	NIL
	Total Cost		
	Rate / Unit		
B Consumption per unit of production			
1.	Electricity – Units	3909.35	3,931.16
2.	Furnace Oil – ltr	8.06	8.36
3.	Coal [specify quality]	NIL	NIL
4.	Others [specify]	NIL	NIL

FORM B
[See Rule 2]

A. Conservation of energy:

(a)	Energy conservation measures taken:	NIL
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy:	NIL
(c)	Impact of the measures at (a) above for reduction of energy consumption and consequent impact on the cost of production of goods:	NIL
(d)	Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto	Form A enclosed
B. Technology absorption		
(e)	Efforts made in technology absorption	NIL
C. Foreign exchange earnings and outgo		
(f)	Activities relating to exports: initiatives taken to increase exports, development of new export markets for products and services; and export plans;	As the share of exports in the total turnover of the Company is very small, the Foreign Exchange earned is negligible. However, the Company will continue to lay more emphasis on increasing the share in export market
(g)	Total Foreign Exchange used and earned	2009-2010 2008-2009
	Foreign exchange earnings – in lakh	Rs. 3318.29 Rs. 7482.59
	Foreign Exchange outgo	NIL Rs. 462.93

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

The Company believes that sound corporate governance is critical and of paramount importance to enhance and retain investors trust. The philosophy of the Company is founded upon the basic tenets of transparency, integrity, honesty, accountability upholding its values and beliefs which will reverberate in every actions in line with the spirit of the principles of governance. We recognize that governance is a conscious and continuous process across the organization, which enables the Company to adopt best practices to retain and enhance the trust of all our stakeholders.

BOARD OF DIRECTORS

The Board comprises Directors including a Non-executive Chairman and Non Executive Directors who are independent as defined in Clause 49 of the Listing Agreement. All important strategic policy matters are deliberated at the Board Meetings where the role of Independent Directors are crucial. Independent Directors are Professionals with high credentials who actively contribute in the deliberations of the Board.

Name of the Director S/Shri	Category	Attendance Particulars		Membership in Boards of other public limited companies		
		Board Meeting	At last AGM 29.09.2009	As Director	As Committee	
					Chairman	Member
B V N Rao*	NEC	5	Yes	8	1	3
U Naresh Kumar*	ED	5	Yes	1	-	-
N C Sarabeswaran*	NEID	4	Yes	9	5	2
N V Varadarajulu*	NEID	5	Yes	1	-	1
Prem Kumar Amar*	NEID	4	Yes	-	-	-
Rajiv Saxena@	NEC	1	NA	12	-	-
Prashant Boorugu@	MD	3	NA	2	-	-
S Gajendran@	NEID	3	NA	2	-	-
K Mallikarjuna Rao@	NEID	3	NA	-	-	-
Harjith D Bubber@	NEID	3	NA	-	-	-
A V L Narasimham#	NEID	NA	NA	-	-	-

NEC - Non-executive Chairman ED - Executive Director NEID - Non-executive Independent Director

MD - Managing Director

* - upto 17.12.2009 @ - from 17.12.2009

@ - Mr Prashant Boorugu ceased to be a Director & MD w.e.f. 25.02.2010 and #Mr AVL Narasimham was appointed as Director w.e.f. 25.02.2010.

Seven Board Meetings were held during the year 2009-10 viz., on May 26, July 17, September 29, October 28, December 17, 2009 & January 30 and February 25, 2010.

The Company did not have any pecuniary relationship or transaction with any non-executive director during the year 2009-10.

The brief particulars of the Directors of the Company proposed to be appointed at the ensuing Annual General Meeting are given in the Annexure to the Notice.

Audit Committee

Composition of the Audit Committee

The Audit Committee comprises 3 members viz., Mr. N C Sarabeswaran, Chairman, Mr. B V N Rao and Mr. N V Varadarajulu, Members of the Committee upto 17.12.2009 and thereafter appointed Mr. S Gajendran, Chairman, Mr. K Mallikarjuna Rao and Mr. Harjith D Bubber as Members. All are independent Directors and have finance background.

The Auditors, Internal Auditors and other members of senior management are permanent invitees.

Meeting and attendance during the year

Four Meetings were held during the year 2009-10 viz., on May 26, July 17, October 28, 2009 and January 30, 2010. The attendance of the Committee members is as follows:

S.No.	Name of the Member	No. of Meeting	
		Held	Attended
1.	Mr B V N Rao@	4	3
2.	Mr N C Sarabeswaran@	4	3
3.	Mr N V Varadarajulu@	4	3
4.	Mr S Gajendran*	4	1
5.	Mr K Mallikarjuna Rao*	4	1
6.	Mr Harjith D Bubber*	4	1

@ ceased w.e.f. 17.12.2009 *appointed w.e.f. 17.12.2009
The terms of reference is as prescribed under provisions of the Companies Act, 1956.

3. Remuneration Committee

The Remuneration Committee meets to consider whenever matters pertaining to the remuneration payable including any revision to Managing Director / Executive Directors / Non Executive Directors.

A. Composition of the Remuneration Committee

The Remuneration Committee comprises three members viz., Mr. N. C. Sarabeswaran, Chairman, Mr. B. V. N. Rao and Mr. N. V. Varadarajulu as members upto 17.12.2009 and thereafter reconstituted with Mr S Gajendran as Chairman and Mr K Mallikarjuna Rao and Mr A V L Narasimham as Members.

The Remuneration Committee had not met during the year 2009-10 as there were no issues.

B. Terms of Reference

The Remuneration Committee, inter alia, shall:

- ◆ Determine and recommend to the Board, the remuneration payable including any revision in remuneration payable to Managing Directors/ Executive Directors/ Non-Executive Directors.
- ◆ Take into consideration and ensure compliance of provisions under Schedule XII of the Companies Act, while determining the remuneration.
- ◆ To consider such other matters as the Board may advise.

C. Remuneration Policy

i) Remuneration to Executive Directors

Remuneration to the Executive Directors comprises Salary, Allowances & Perquisites and performance incentive.

The Committee shall take into account the financial position of the Company, prevailing trend in the industry, qualification, experience and past performance of the persons. The incentive is determined on performance parameters as set out in the Company's Policy and is also based on certain pre-agreed performance..

Details of remuneration paid during the financial year 2009-10 are furnished hereunder:

Name of the Director	(Rupees in Lakhs)			
	Salary	Allowances & Perquisites	Incentive	Total *
Mr. U. Naresh Kumar	8.49	18.84	3.08	30.41

*Contribution to Provident Fund and other benefits are excluded.

D. Remuneration to Non-Executive Directors

The Non-executive Directors are paid sitting fee for attending each meeting of the Board and / or Committee thereof. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meeting. The details of sitting fee paid to the Non-executive Directors for the financial year 2009-10 are as under:

Name of the Director	Sitting Fees Rs.
Mr N C Sarabeswaran	65,000
Mr N V Varadarajulu	80,000
Mr Prem Kumar Amar	40,000
Mr Rajiv Saxena	10,000
Mr S Gajendran	20,000
Mr Harjith D Bubber	20,000
Mr K. Mallikarjuna Rao	20,000
Mr AVL Narasimhan	NIL
Total	2,55,000

4. Shareholders/Investors Grievance Committee

A. Composition of the Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee comprises Mr. U Naresh Kumar and Mr N V Varadarajulu, an Independent Director was the Chairman upto 17.12.2009 and thereafter reconstituted with Mr. Rajiv Saxena as Chairman and Mr Prashant Boorugu [upto 25.02.2010], Mr. Harjith D Bubber and Mr. A V L Narasimhan [from 25.02.2010] as Members.

The functions of the Committee include (i) dealing with the investors complaints viz., delay in transfer of shares, non-receipt of Annual Report, Dividends / Share Certificates, dematerialization of shares, replacement of lost/ stolen/ mutilated share certificates, etc, (ii) investigate into investors complaints and take necessary steps for redressal thereof

B. Meetings of the Shareholders'/Investors' Grievance Committee

Four meetings were held during the year 2009-10 viz., on May 26, July 17, October 28, 2009 and January 30, 2010.

C. Attendance of Shareholders'/Investors' Grievance Committee Members were as under:

S.No.	Name of the Member	No. of Meeting	
		Held	Attended
1.	Mr U Nareshkumar@	4	3
2.	Mr N V Varadarajulu@	4	3
3.	Mr Rajiv Saxena*	4	1
4.	Mr Prashant Boorugu*\$	4	1
5.	Mr Harjith D Bubber*	4	1
6.	Mr AVL Narasimham	-	-

@ceased w.e.f. 17.12.2009

*appointed w.e.f. 17.12.2009

\$Ceased to be a Director w.e.f. 25.02.2010 and Mr A V L Narasimham appointed w.e.f. 25.02.2010

D. The following details of complaints received and resolved during the financial year 2009-10

Sl. No.	Particulars	No. of complaints		
		Received	Resolved	Pending
1	Complaint relating to transfer of shares	20	20	-
2	Non receipt of Dividend Warrants	-	-	-
3	Non-receipt of Securities	30	30	-
4	Non-receipt of Annual Report	1	1	-
5	Non-receipt of duplicate/transmission/deletion of SCs	-	-	-
6	Non receipt of securities after transfer	5	5	-
	T O T A L	56	56	-

5. General Body Meetings

(a) Annual General Meetings

Details of last three Annual General Meetings held are furnished as under:

Year	Date & Time	Venue	Special Resolutions passed
2006-07	25.09.2007 11.30 AM	KLN Prasad Auditorium Federation House HYDERABAD – 500 004	NIL
2007-08	25.09.2008 11.30 AM	KLN Prasad Auditorium Federation House HYDERABAD – 500 004	NIL
2008-09	29.09.2009 10.30 AM	KLN Prasad Auditorium Federation House HYDERABAD – 500 004	NIL

Postal Ballot

During the Financial Year 2009-10, two resolutions were passed by Postal Ballot for Shifting of Registered Office from Hyderabad to Ravivalasa Village [within the State of Andhra Pradesh] and change of the Company name from GMR Ferro Alloys & Industries Limited to Cronimet Alloys India Limited.

6. Disclosures

- (i) **Disclosure on materially significant related party transactions that may have potential conflict with the interests of Company at large:**

There were no such transactions which may have potential conflicts with the interests of the Company at large.

- (ii) **Details of non-compliance, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. Hence no penalties or strictures have been imposed by the stock exchanges or SEBI or any statutory authority.

- (iii) **Whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee.**

With a view to maintain high level of legal, ethical and moral standards and to provide a platform for the employees to voice their concern on any malpractices, impropriety, abuse or wrongdoing, the Company has formulated a whistle blower policy. The employees can raise his/her concern to the designated person and necessary action will be taken. This mechanism has been communicated to the employees. During the year under review the Company has not received any complaint or concern.

- (iv) **Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause.**

The Company has complied with all the mandatory requirements on Corporate Governance as specified in Clause 49 of the Listing Agreement with the Stock Exchanges.

So far the adoption of non-mandatory requirements are concerned, the Company has constituted a Remuneration Committee of the Board of Directors and the whistle blower policy.

- (v) **Code of Conduct**

Company has adopted the code of conduct for all Board Members and Senior Management, as required under Clause 49 of the Listing Agreement. The code is posted on the company's website www.gfil.in. The Board members and Senior Management personnel have affirmed compliance with the Code on an annual basis. A declaration to this effect signed by the Director forms part of this report.

- (vi) **Corporate Identity Number (CIN)**

The Corporate Identity Number of the Company allotted by the Ministry of Corporate Affairs, Government of India is: L27101AP2006PLC049591

- (vii) **Compliance certificate of the auditors**

Certificate from the Auditors of the Company M/s. S. Venkatadri & Co., Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to this Report.

- (viii) **Entrepreneur Risk Management**

The Company has risk management systems commensurate with the size of the Company.

- (ix) **Secretarial Audit**

A qualified Practising Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited. (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued/paid up capital of the carried is in agreement with the total number of shares in physical form and the total number of dematerialized shares. This audit is carried out every quarter and report thereon is submitted to the Stock Exchanges and is placed before the Shareholders / Investors Grievance Committee as well Board of Directors.

7. Means of Communication

The Notice, Annual Report and other communications have been sent to shareholders by post. The quarterly/ annual financial results of the Company as per Clause 41 of the Listing Agreement with Stock Exchanges are published in "Business Line/ MINT" and "Andhra Bhoomi", Andhra Jyothi (regional daily). The quarterly /annual financial results, shareholding pattern and other updates of the Company have been posted on the Company's website: www.gfil.in. Besides, the Company also submits, inter-alia, to the Stock Exchanges, the Annual Report; quarterly/ half yearly/ yearly unaudited/ audited financial results; shareholding pattern; secretarial audit report; disclosure as per SEBI (SAST) Regulations and SEBI (Prohibition of Insider Trading) Regulations; Limited Review Reports of Auditors; details of appointment/ resignation of Directors and Company Secretary and such other reports as may be specified.

8. General Shareholder information

Annual General Meeting

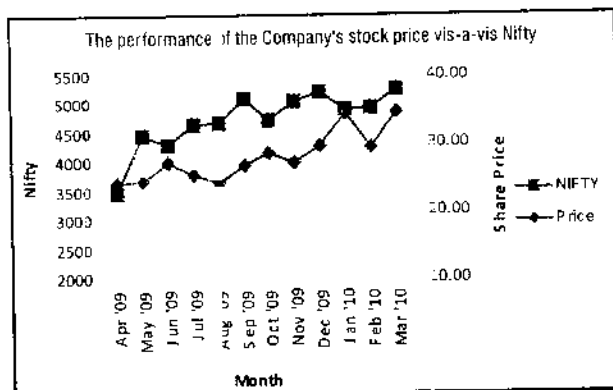
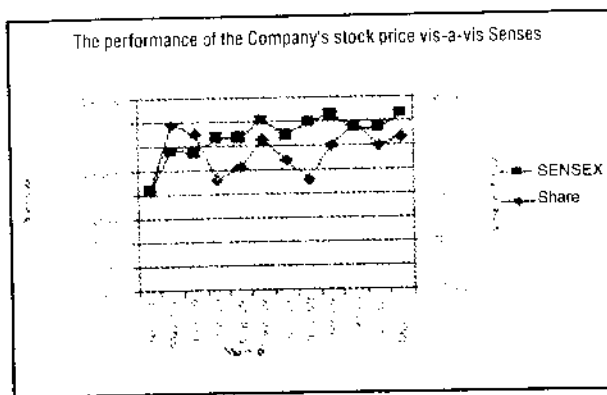
Date	::	September 29, 2010
Time	::	11.00 AM
Venue	::	Regd Office: RAVIVALASA VILLAGE – 532 21E Tekkali Mandal, Srikakulam Dist. A.P.

Financial Calendar :: Financial Year : April 1 to March 31

	Financial Calendar	Declaration of Unaudited Financial Results
Quarter 1	April to June 30, 2010	August 10, 2010
Quarter 2	July to September 30, 2010	Before 2 nd week of November 2010
Quarter 3	October to December 31, 2010	Before 2 nd week of February, 2011
Quarter 4	January to March 31, 2011	Before 2 nd week of May, 2011

Annual General Meeting for 2010-11	::	Before September 30, 2011
Date of Book Closure	::	September 23 to 29, 2010 [both days inclusive]
Dividend payment date	::	No dividend recommended for Equity Shares and recommended dividend on Preference Shares.
Listing on Stock Exchanges	::	The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, MUMBAI – 400 001 Tel Nos.: 022 – 2272 1233 / 34 Fax No. : 022 – 2272 3121
Stock Code	::	532990 National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1 G Block, Bandra-Kurla Complex Bandra [E], MUMBAI – 400 051 Tel Nos. : 022 – 26598100 - 14 Fax No. : 022 – 26598237/38
Stock Code	::	CRONIMET

Month	Mumbai Stock Exchange			National Stock Exchange of India Limited			
	High Price	Low Price	SENSEX	Month	High Price	Low Price	NIFTY
Apr '09	31.00	24.05	11403.25	Apr '09	30.90	24.10	3473.95
May '09	44.45	24.00	14625.25	May '09	43.70	24.25	4448.95
Jun '09	42.65	27.50	14493.84	Jun '09	42.00	27.10	4,291.10
Jul '09	32.90	24.15	15670.31	Jul '09	33.00	25.15	4636.45
Aug '09	35.55	20.15	15666.64	Aug '09	35.00	24.00	4,662.10
Sep '09	41.30	27.05	17126.84	Sep '09	41.50	26.70	5083.95
Oct '09	36.95	28.35	15896.28	Oct '09	35.10	28.50	4,711.70
Nov '09	32.95	27.15	16926.22	Nov '09	33.00	27.10	5,032.70
Dec '09	39.90	30.05	17464.81	Dec '09	40.00	29.50	5201.05
Jan '10	44.00	34.00	16357.96	Jan '10	41.50	34.25	4882.05
Feb '10	40.00	32.10	16429.55	Feb '10	39.40	29.25	4,922.30
Mar '10	41.75	34.45	17527.77	Mar '10	41.70	34.40	5,249.10



VIII. Registrar & Transfer Agents

Karvy Computershare Pvt. Ltd.
Unit: Cronimet Alloys India Limited
Plot No. 17 to 24, Vittal Rao Nagar
Madhapur, Hyderabad – 500 081
Phone : (040) 23420819 to 24
Fax : (040) 23420814
E-mail ID : einward.ris@karvy.com

IX. Share Transfer System

95.81% of the shares of the Company are in electronic form. Regarding transfer of shares held in physical form, the transfer documents can be lodged with Karvy Computershare Pvt. Ltd. or at the Registered Office of the Company and the same are processed within a period of 30 days from the date of receipt subject to the documents being valid and complete in all respects. The Board of Directors of the Company has delegated the powers of approving transfers, transmission, issue of duplicate share certificates etc., to the Share Allotment and Transfer Committee. The minutes of the Committee meetings are placed before the Board. The Company obtains half yearly certificate from a Company Secretary in practice on compliance regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of Clause 47(c) of the Listing Agreement.

X. Distribution of shareholding of equity shares as on March 31, 2010

Sl. No.	Category [Shares]	Holders	Shares	% to total shares
1	1 – 5000	19520	2184305	17.78
2	5001 – 10000	44	313027	2.55
3	10001 – 20000	15	195977	1.60
4	20001 – 30000	3	70285	0.57
5	30001 – 40000	2	72915	0.59
6	40001 – 50000	2	92218	0.75
7	50001 – 100000	5	390885	3.18
8	100001 and above	2	8965683	72.98
	TOTAL	19593	12285295	100

XI Shareholding pattern of Equity Shares as at March 31, 2010

Sl. No.	Category	No.	No of Shares	% to total equity shares
1	Promoters			
	i. Bodies Corporate	1	8658441	70.48
	ii. Individuals / HUF	-	-	-
2	Financial Institutions / Banks	3	237617	1.93
3	Clearing Members	54	49838	0.41
4	HUF	190	68328	0.56
5	Bodies Corporate	394	801159	6.52
6	Non Resident Indians	152	62829	0.51
7	Overseas Bodies Corporate	1	152	0.00
8	Individuals	18794	2260197	18.40
9	Trusts	1	146202	1.19
10	Mutual Funds	3	532	0.00
	TOTAL	19593	12285295	100.00

XII. Dematerialisation of shares and liquidity

The shares of the Company are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India viz., National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company's shares are regularly traded on the National Stock Exchange of India Ltd. and the Bombay Stock Exchange Ltd.,

XIII. Mode of Equity Shares held

The Company has registered with NSDL and CDSL and the ISIN issued to the equity shares of the Company is: INE592101011.

The mode of holding of the Company's equity shares as on March 31, 2010 is as under:

Description	No. of Shareholders	No. of shares	% to equity share :
PHYSICAL	7875	515181	4.19
NSDL	8629	10799161	87.90
CDSL	3089	970953	7.90
TOTAL	19593	12285295	100.00

XIV. The Company has not issued any GDRs or ADRs or Warrants or Convertible instruments.

XV. Presentation of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations 1992, the Company has instituted a Comprehensive Code of Conduct for prohibition of Insider Trading in the Company's shares.

XVI. Plant Location

Ravivalasa Village – 532 212, Tekkali Mandal, Srikakulam, Andhra Pradesh.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT BY THE CEO UNDER CLAUSE 49(1)(D)(II) OF THE LISTING AGREEMENT TO THE MEMBERS OF CRONIMET ALLOYS AND INDUSTRIES LIMITED

I, K. Mallikarjuna Rao, Director of Cronimet Alloys India Limited, here by declare - to the best of my knowledge and belief, that all the members of the Board and Senior Management personnel have affirmed compliances to the Code of Conduct of the Company in respect of the Financial Year ended March 31, 2010.

Place :: Bangalore
Date :: August 10, 2010

K Mallikarjuna Rao
Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Cronimet Alloys India Limited

We have examined the compliance of conditions of Corporate Governance by Cronimet Alloys India Limited, for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an express of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We, further, state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S Venkatadri & Co
Chartered Accountants

Place : Hyderabad
Dated : August 10, 2010

K Srinivasa Rao
Partner
Membership No. 201470

AUDITOR'S REPORT

To the Members of Cronimet Alloys India Limited

1. We have audited the attached Balance Sheet of **Cronimet Alloys India Limited** as at March, 31st 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material management. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies [Auditor's Report] Order, 2003, issued by the Central Government of India in terms of sub-section [4A] of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit.
 - ii. In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books.
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section [3C] of Section 211 of the Companies Act, 1956
 - v. On the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March, 31, 2010 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010
 - b. In the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S Venkatadri & Co
Chartered Accountants

K Srinivasa Rao
Partner
Membership No. 201470

Place : Hyderabad
Dated : August 10, 2010

ANNEXURE TO AUDITOR'S REPORT
[Referred to in Paragraph 3 of our Report of even date]

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off any substantial part of its fixed assets, affecting the going concern status of the Company.
- (ii) (a) The inventory has been physically verified during the year by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable and adequate.
- (b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4(ii)(b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- b) The Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4 (iii) (f), (g) and (h) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
- (vi) The Company has not accepted any deposits from the public governed by Sections 58 A and 58 AA of the Companies Act, 1956 for the year under reference. As per the information and explanations given to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records u/s 209 (1) (d) of the Companies Act, 1956 for this Company.
- (ix) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including Income Tax, Provident Fund, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Service Tax and other material statutory dues as applicable, with the appropriate authorities. Investor Education and Protection Fund and Employees State Insurance Scheme are not applicable to the Company for the current year.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Investor Education and Protection Fund, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31.03.2020 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, the disputed statutory dues aggregating to Rs.9.76 lakhs, that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Nature of the Dues	Forum where Dispute is pending	Amount Rs. in lakhs]
1.	Sales Tax	S.T.A.T High Court	3.51 6.25
	TOTAL		9.76

- x) the Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit but has incurred cash losses in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) The Company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi) During the year, Company has not raised any term loans.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- xix) According to the information and explanations given to us during the period covered by our audit report, the Company has not issued any debentures.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For S Venkatadri & Co
Chartered Accountants

K Srinivasa Rao
Partner
Membership No. 201470

Place : Hyderabad
Dated : August 10, 2010

BALANCE SHEET AS AT MARCH 31, 2010

(Rs. In lakhs)

	Schedule	As At 31st March 2010	As At 31st March 2009
I. Sources of Funds :			
1. Shareholders' Funds			
a) Share Capital	1	2,093.65	2,093.65
b) Reserves and Surplus	2	1,462.30	1,550.25
		<u>4,075.95</u>	<u>3,643.90</u>
2. Loan Funds			
a) Secured Loans	3		1,324.34
			<u>1,324.34</u>
3. Deferred Tax Liability			
			371.90
			<u>371.90</u>
Total		<u>4,075.95</u>	<u>5,340.14</u>
II. Application of Funds:			
1. Fixed Assets			
a) Gross Block	4	4,721.79	4,721.79
b) Less: Depreciation		2,447.26	2,447.26
c) Net Block		2,274.53	2,274.53
d) Capital Work in Progress		-	-
		<u>2,274.53</u>	<u>2,274.53</u>
2. Investments			
	5	1.25	1.25
		<u>1.25</u>	<u>1.25</u>
3. Current Assets, Loans and Advances			
a) Inventories	6	2,924.60	2,924.60
b) Sundry Debtors	7	448.88	448.88
c) Cash and Bank Balances	8	55.85	55.85
d) Loans and Advances	9	819.09	819.09
		<u>4,248.42</u>	<u>4,248.42</u>
Less : Current Liabilities and Provisions			
a) Current Liabilities	10	1,183.63	1,183.63
b) Provisions		0.43	0.43
		<u>1,184.06</u>	<u>1,184.06</u>
Net Current Assets		<u>3,064.36</u>	<u>3,064.36</u>
Total		<u>4,075.95</u>	<u>5,340.14</u>
Notes to the Accounts	15		

The Schedules referred to above form an integral part of the Balance Sheet

As per our report attached
For **S. Venkatadri & Co.**
Chartered Accountants

For and on behalf of the Board

K. Srinivasa Rao
Partner
Membership No. 201470

K. Mallikarjuna Rao
Director

S. Gajendran
Director

Place : Bangalore
Date : May 29, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(Rs. in Lakhs)

	Schedule	As At 31st March 2010	As At 31st March 2009
I. Income			
Sales (Gross)		12,082.52	10,312.99
Less: Duties & Taxes		607.13	232.63
Sales (Net)		11,475.39	10,080.36
Other Income	11	47.40	21.28
Total		11,522.79	10,101.64
II. Expenditure			
Materials and Other Consumption	12	6,664.68	6,922.67
Manufacturing, Selling and Administrative Expenses	13	3,682.20	3,263.92
Interest and Finance Charges	14	39.73	159.96
Depreciation	4	220.00	227.22
Amortisation of Miscellaneous Expenditure		-	-
Total		10,595.60	10,573.77
III. Profit Before Tax			
Provision for Taxation - Current		251.39	-
- Deferred		72.46	(157.57)
- FBT		-	0.43
		323.74	(157.14)
IV. Profit After Taxation			
Balance brought forward		593.46	(314.99)
		(42.14)	272.85
V. Available for Appropriation			
Preference Dividend		551.32	(42.14)
Income Tax on Preference Dividend		138.42	-
		22.99	-
VI. Available surplus carried to Balance Sheet			
		389.91	(42.14)
Notes to the Accounts	15		

The Schedules referred to above form an integral part of the Profit and Loss Account

As per our report attached
For **S. Venkatadri & Co.**
Chartered Accountants

For and on behalf of the Board

K. Srinivasa Rao
Partner
Membership No. 201470

K. Mallikarjuna Rao
Director

S. Gajendran
Director

Place : Bangalore
Date : May 29, 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

(Rs. in Lakhs)

		As At 31st March 2010	As At 31st March 2009					
SCHEDULE 1								
Share Capital								
Authorised								
	1,32,00,000 Equity Shares of Rs. 10/- each.	1,320.00	1,320.00					
	80,00,000 8 % Preference Shares of Rs. 11/- each.	880.00	880.00					
	TOTAL	2,200.00	2,200.00					
Issued, Subscribed and Paid up								
	1,22,85,295 Equity Shares of Rs. 10/- each fully paid	1,228.53	1,228.53					
	78,64,700, 8 % Preference Shares of Rs.11/- each	865.12	865.12					
	TOTAL	2,093.65	2,093.65					
SCHEDULE 2								
Reserves and Surplus								
	Capital Reserve		1,592.39					
	Balance in Profit and Loss Account		(42.14)					
	TOTAL		1,550.25					
SCHEDULE 3								
Cash Credit and Demand Loans from Banks								
	Rupee Loans (DUBD)		1,324.33					
	TOTAL		1,324.33					
SCHEDULE 4								
Fixed Assets								
S. No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK
		As At 01.04.09	Additions During the Year	Deletions During the Year	Upto 31.03.09	For the Period	Deletions For the Period	As At 31.03.09
1	LAND	47.42	204.46	-	-	-	-	47.42
2	BUILDINGS	1,003.74	-	-	395.64	32.74	-	608.10
3	PLANT & MACHINERY	3,513.35	14.46	-	1,944.05	182.98	-	1,569.30
4	FURNITURE AND FIXTURES	114.44	0.89	-	78.62	9.66	-	35.82
5	VEHICLES	42.83	8.29	-	28.95	3.71	-	13.88
	TOTAL	4,721.79	228.10	-	2,447.26	229.09	-	2,274.53
SCHEDULE 5								
Investments								
	Government Securities - National Savings Certificates							1.25
	TOTAL							1.25
SCHEDULE 6								
Inventories								
(As valued and certified by the management)								
	Raw Materials - Valued at cost							1,305.32
	Work-in-Progress							24.00
	Finished Goods							1,484.52
	Stores & Spares							110.76
	TOTAL							2,924.60

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

(Rs. In Lakhs)

	As At 31st March 2010	As At 31st March 2009
SCHEDULE 7		
Sundry Debtors		
Unsecured and considered good		14.64
Debts outstanding for a period exceeding six months		434.24
Other Debts	532.14	
	<u>532.14</u>	<u>448.88</u>
TOTAL	<u>532.14</u>	<u>448.88</u>
SCHEDULE 8		
Cash and Cheques on Hand	41.11	6.84
Balance with Scheduled Banks		
in Current Accounts	293.90	9.49
Fixed Deposit Accounts	160.75	39.52
	<u>454.65</u>	<u>49.01</u>
TOTAL	<u>495.76</u>	<u>55.85</u>
SCHEDULE 9		
Loans and Advances (Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	637.90	127.57
Income Tax Recoverable	58.29	130.89
Deposits with Government Authorities	607.20	560.63
	<u>1,303.39</u>	<u>819.09</u>
TOTAL	<u>1,303.39</u>	<u>819.09</u>
SCHEDULE 10		
Current Liabilities		
Sundry Creditors		
Dues to Small Scale Industrial Undertakings		232.15
Dues to other than Small Scale Industrial Undertakings	597.42	
Advances from Customers	400.00	66.92
Other Liabilities	620.92	884.56
	<u>1,618.34</u>	<u>1,183.63</u>
Provisions		
Taxation	251.20	0.43
Dividend and tax thereon	161.41	-
	<u>412.61</u>	<u>0.43</u>
TOTAL	<u>1,770.95</u>	<u>1,184.06</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(Rs. In Lakhs)

	As At 31st March 2010	As At 31st March 2009
SCHEDULE 11		
Other Income		
Miscellaneous income (Scrap Sales etc)	47.40	21.28
TOTAL	<u>47.40</u>	<u>21.28</u>
SCHEDULE 12		
Materials Consumption		
Raw Materials Consumed		2,047.94
Opening Stock	1305.32	
Add: Purchase	5514.71	6,583.19
	<u>6820.03</u>	<u>8,631.13</u>
Less: Closing Stock	1145.53	1,305.32
	<u>5,674.50</u>	<u>7,325.81</u>
(Increase) / Decrease in Finished Goods		
Opening Stock	1484.52	1,067.06
Less: Closing Stock	524.84	1,484.52
	<u>959.68</u>	<u>(417.46)</u>
(Increase) / Decrease in Work-in-Progress		
Opening Stock	24.00	38.32
Less: Closing Stock	3.80	24.00
	<u>20.20</u>	<u>14.32</u>
Total	<u>6,654.08</u>	<u>6,922.67</u>
SCHEDULE 13		
Manufacturing, Selling and Administrative Expenses		
Material Handling Expenses	25.74	22.37
Distribution Expenses	386.98	168.66
Power and Fuel	1,350.11	2,216.58
Stores and Spares	215.73	235.75
Repairs and Maintenance		
Plant and Machinery	59.21	63.79
Furance Recommissioning Exp	403.61	-
Annual Maintenance charges	2.05	2.46
Vehicle Maintenance	2.95	2.47
Salaries, Wages and Bonus	436.47	381.58
Contribution to Provident and Other Funds	28.03	41.57
Staff Welfare Expenses	17.66	22.51
Travelling and Conveyance	22.84	18.42
Communication Expenses	8.99	6.46
Other Administrative Expenses	32.04	38.15
Consultancy and Other Professional Charges	59.72	13.80
Printing & Stationary	1.75	1.70
License & Fee	2.97	7.30
Insurance	13.75	14.62
Donations	12.16	0.76
Loss on sales of Assets	-	1.46
Auditor's Remuneration	-	-
Statutory Audit	1.50	3.30
Tax Audit	0.20	0.20
TOTAL	<u>1,682.88</u>	<u>3,263.92</u>
SCHEDULE 14		
Interest and Finance Charges		
Interest on Working Capital	94.65	137.95
Interest - Others	-	2.18
Bank / Other Finance Charges	5.88	19.83
TOTAL	<u>100.53</u>	<u>159.96</u>

SCHEDULE - 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Basis of Financial Statements:

- a. The Financial Statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and the Provisions of Companies Act, 1956.
- b. The Company follows Mercantile System of Accounting and recognises significant items of income and expenditure on accrual basis.

2. Fixed Assets, Depreciation and Capital Work-in-Progress:

- a. Fixed Assets are stated at cost Net of CENVAT wherever applicable less accumulated depreciation. All costs directly attributable to bring the assets to their working conditions for the intended use are capitalised
- b. Depreciation on the Fixed Assets of the Company is provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

3. Investments:

Investments are stated at cost.

4. Inventories are Valued as follows :

- a. **Raw-materials:** At cost on FIFO basis and stores on weighted average basis.
- b. **Finished goods and Work-in-process:**
Finished Goods at lower of cost of production or realisable Value and Work in Process is valued at cost of Production. The cost of production includes value of material, stores, direct and indirect expenses.

5. Foreign Exchange Transactions:

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
- b. Monetary Items denominated in Foreign Currency not covered by Forward Contracts and remaining unsettled at the end of the year are translated at year end rates.
- c. Monetary Items denominated in Foreign Currency covered by Forward Cover are recorded at the Forward Cover contract rate.

6. Employee Benefits :

a) Defined Contribution Plans

Contributions paid/payable to defined contribution plan comprises of provident fund and is charged on accrual basis to the Profit and Loss Account Each Year.

b) Defined Benefit Plans

Gratuity for employees is covered under a scheme of Life Insurance Corporation of India and contributions in respect of such scheme are recognised in the Profit and Loss Account. The liability as at the Balance Sheet date is provided for based on the actuarial valuation in accordance with the requirements of revised Accounting Standard (revised 2005) on "Employees Benefits" notified under Section 211 (3C) of the Act (revised AS 15) as at the end of the year.

c) Other Long term employee benefits

Other Long term employee benefits comprise of leave encashment which is provided for based on the actuarial valuation carried out in accordance with revised AS15 at the end of the year.

7. Contingent Liabilities:

Mentioned separately by way of notes to accounts.

8. Sales:

Sales includes Excise Duty and Sales Tax.

9. Provision for Current and Deferred Tax :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted by using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

10) Earnings Per Share

The earnings considered in ascertaining the Company's Earning Per Share (EPS) comprise of the net profit after tax less dividend (including dividend distribution tax) on preference shares. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

SCHEDULE-15 (CONTD.)

11. Additional Information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of Schedule VI to the Act

	For the Year Ended 31.03.2010		For the Year Ended 31.03.2009	
	Qty.	Rs. in Lakhs	Qty.	Rs. in Lakhs
1 Licenced and installed Capacity : Ferro Alloy Products (MT Per Year)	25,000		25,000	
2 Production :				
i) High Carbon Ferro Chrome (MT)	19,519.96	-	14,310.47	-
ii) Silico Manganese (MT)	50.00	-	2,905.71	-
iii) Ferro Silicon (MT)	1,277.95	-	-	-
	20,847.91		17,216.18	
3 Sales :				
i) High Carbon Ferro Chrome (MT)	21,563.25	13,521.79	13,874.93	9,703.92
ii) Silico Manganese (MT)	1,250.00	415.92	1,680.50	568.87
iii) Ferro Silicon (MT)	927.49	185.49	-	-
iv) DEPB benefit/SIL	-	38.29	-	40.20
Total	23,761.54	13,862.52	15,555.43	10,312.99
4 Opening and Closing Stocks				
a) Opening Stocks				
i) High Carbon Ferro Chrome (MT)	3,338.99	1,116.96	2,903.46	1,067.06
ii) Silico Manganese (MT)	1,225.21	367.55	-	-
iii) Work in Process- Ferro Chrome (MT)	80.00	24.00	135.00	38.32
	4,644.20	1,508.51	3,038.46	1,105.38
b) Closing Stocks				
i) High Carbon Ferro Chrome (MT)	1,205.70	451.14	3,338.99	1,116.96
ii) Silico Manganese (MT)	14.43	3.60	1,225.21	367.55
iii) Ferro Silicon (MT)	350.46	70.00	-	-
iii) Work in Process- Ferro Chrome (MT)	12.00	3.60	80.00	24.00
	1,672.67	578.43	4,644.19	1,508.51
5 VALUE OF MATERIALS CONSUMED Raw Material consumption				
i) Chrome Ore Fines & Lumps & Others (MT)	47,672.50	3,924.95	44,854.15	5,996.61
ii) Coke & Coal (MT)	13,269.81	1,468.36	10,768.67	1,011.57
iii) Others (in different units of measurement)	-	589.09	-	317.63
		6,074.50		7,325.81

SCHEDULE-15 (CONTD.)

	For the year ended 31.3.2010		For the year ended 31.3.2009	
	Percentage %	Rs. in Lakhs	Percentage %	Rs. in Lakhs
6 Percentage of Raw Material Consumed				
i) Indigenous	100.00%	5,674.50	100.00%	7,325.81
ii) Imported	0.00%	-	0.00%	-
	100.00%	5,674.50	100.00%	7,325.81
7 Stores & Spares Consumed				
i) Indigenous	100.00%	235.73	100.00%	235.75
	100.00%	235.73	100.00%	235.75
8 Auditors' Remuneration				
i) Statutory Audit		1.30		3.30
ii) Tax Audit		0.20		0.20
		1.50		3.50
9 Managerial Remuneration to Executive Director				
i) Salary		30.41		43.09
ii) Contribution to Provident Fund		1.02		1.33
		31.43		44.42
10 Foreign exchange Earnings / Out Go				
a) FOB Value of Exports		3,618.29		7,482.59
b) CIF Value of Imports(material)		-		462.93
c) Expenditure in Foreign Currency on account of Foreign Travel (Directors)		-		-
		3,618.29		7,945.52
	2010	2009		
11. Contingent Liabilities not provided for an account of				
a) Bank Guarantees	35.55	45.52		
b) Claims made by Govt. Departments against the Company not acknowledged as debts	63.16	-		
c) Bills discounted under revocable Letters of Credit	-	-		
12. Interest is shown net of interest received				
13. Related Party Disclosure				
	Name of the person	Nature of Transaction	Amt. Rs. in Lakhs	
a) Key Management Personal	U. Naresh Kumar	Managerial Remuneration	31.43	
b) Relatives of Individuals having significant influence	-Nil-			
14.	Total Assets of the Company as on 31.03.2010 amounting to Rs. 4,949.88 Lakhs are situated with in india only.			
15. Segment Report	The Company operates in only one segment of manufacturing / trading of metal alloys.			

SCHEDULE-15 (CONTD.)

16. Employees Benefits

The Following table sets forth the status of gratuity plan of the company and the amount recognized in the balance sheet and Profit and Loss Account

(Rs. In Lakhs)

Change in Projected benefit obligation	2008-09	2008-09
Obligations at period beginning (01-04-2009)		71.81
Service Cost		9.21
Interest Cost		4.77
Benefits Settled		(7.25)
Actuarial (gain)/loss		(3.21)
Obligations at period end		75.33
Change in Plan assets		
Plans assets as on 01-04-2009, at fair value		51.36
Expected return on plan assets (estimated)		4.08
Actuarial gain / (loss)		0.75
Contributions (less risk prem etc.)		6.56
Benefits Settled		(7.25)
Plans assets as on 31-03-2010, at fair value		55.5
Funded status of the plan		(19.84)
Gratuity Cost		
Service Cost		9.21
Interest Cost		4.77
Expected return on plan assets		(4.08)
Actuarial (gain)/loss		(3.96)
Net Gratuity cost		5.96
Assumptions		
Discount Rate		7.00%
Expected return on assets		8.00%
Rate of Compensation increase		6.00%
Attrition Rate		5.00%
Retirement Expectancy		58
17. Earnings per Equity Share		2008-09
		Rs. in Lakhs
a) Net Profit after Tax		-314.99
b) Preference Dividend Accrued to the year		0
c) Income Tax on Preference Dividend		
d) Net Profit After Tax available for Equity Shareholders (a-b)		-314.99
e) Weighted average No. of Equity Shares of Rs. 10/- each outstanding during the year (No. of Equity Shares)		12,285.295
f) Basic/Diluted Earnings per Equity Share		2.19

18. As on 31.03.2010 the timing difference has resulted in deferred tax liability/assets amounting to Rs. 444.25 Lakhs. The break up of deferred tax assets/liabilities is as follows :

Deferred Tax Liability on account of timing difference in Depreciation : Rs. 45,453,229
 Deferred Tax Asset on account of Section 43B of IT Act : Rs. (1,028,417)

19. Balance with Central Excise Department includes unavailed Modvat credit of Rs. 83.82 lakhs of which there is no dispute by the Central Excise Department.

20. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act "2006". Amount overdue on account of principal amount together with interest as on 31st March 2010 to Micro, Small and Medium Enterprises is Rs. Nil (Previous year Rs. Nil.)
21. Excise duty estimated at Rs. 62.88 Lakhs on Finished goods lying in the Factory Premises. However the Company has not provided Excise Duty as a Liability and the Excise duty is not considered in valuation of closing stock, because of this there is no impact on the Profit for the year.
22. Additional information pursuant to provisions of Part IV of Schedule VI of the Companies Act, 1956 is furnished in Annexure.

As per our report attached

For S. Venkatadri & Co.
Chartered Accountants

K. Srinivasa Rao
Partner
Membership No. 201470

Place : Bangalore
Date : May 29, 2010

For and on behalf of the Board

K. Mallikarjuna Rao
Director

S. Gajendran
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(Rs. in Lakhs)

	Year Ended 31/03/2010	Year Ended 31/03/2009
A. Net Profit before Tax and extraordinary Items	917.20	(472.13)
Adjustments for :		
Depreciation	229.89	227.22
Interest and Financial Charges	48.73	159.96
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,195.82	(84.95)
Adjustments for :		
Trade & Other Receivables	(570.87)	1,445.04
Inventories	(200.87)	264.82
Trade Payable	103.95	(487.67)
Cash Generated from Operations	1,528.03	1,137.24
Direct Taxes Paid	(20.00)	-
Net Cash from Operation Activities	1,508.03	1,137.24
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(141.40)	(4.79)
(Purchase)/Sale of Investments	10.50	(0.50)
	(130.90)	(5.29)
C. Cash Flow from Financing Activities		
Proceeds from secured borrowings (Net)	(933.33)	(943.21)
Interest Paid	(69.78)	(159.96)
Preference Dividend & Tax there on	-	-
	(1,003.11)	(1,103.17)
D. Net Increase in Cash & Cash Equivalents (A+B+C)	274.92	28.78
Cash & Cash equivalents (Opening Balance)	55.85	27.07
Cash & Cash equivalents (Closing Balance)	329.77	55.85

As per our report attached

For S. Venkatadri & Co.
Chartered Accountants

For and on behalf of the Board

K. Srinivasa Rao
Partner
Membership No. 201470

K. Mailikarjuna Rao
Director

S. Gajendran
Director

Place : Bangalore
Date : May 29, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(Pursuant to the provisions of Part IV of Schedule VI of the Companies Act, 1956)

I. Registration Details

Registration No.

			4	9	5	9	1
--	--	--	---	---	---	---	---

 State Code

C	1
---	---

Balance Sheet Date

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

II. Capital raised during the year (Rs. in '000)

Public Issue

						N	I	L
--	--	--	--	--	--	---	---	---

 Rights Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Bonus Issue

						N	I	L
--	--	--	--	--	--	---	---	---

 Private Placement

						N	I	L
--	--	--	--	--	--	---	---	---

III. Position of Mobilisation and deployment of funds (Rs. in'000)

Total Liabilities

		4	5	2	0	2	0
--	--	---	---	---	---	---	---

 Total Assets

		4	5	2	0	2	0
--	--	---	---	---	---	---	---

SOURCES OF FUNDS

Paid up Share Capital																
Equity Share Capital			1	2	2	8	5	3	Net Fixed Assets		2	2	7	3	5	4
Preference Share Capital			8	6	5	1	2	Investments						1	7	5
Reserve & Surplus			1	9	8	2	3	0	Net Current Assets		2	2	4	4	9	1
Secured Loans								N I L	Miscellaneous Expenditure							N I L
Deferred Tax Liability			4	4	4	2	5									

IV. Performance of the Company (Rs. in'000)

Turnover (including other income)		1	1	5	2	2	7	9	Profit before Tax			9	1	7	2	0
Total Expenditure		1	0	6	0	5	6	0	Profit after Tax			5	9	3	4	6

V. Generic Name of Principal Product/Service of Company

Item Code

	7	2	0	2	-	4	1
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 Product Description

F	E	R	R	O		C	H	R	O	M	E
---	---	---	---	---	--	---	---	---	---	---	---

For and on behalf of the Board

K. Mallikarjuna Rao
Director

S. Gajendran
Director

Place : Bangalore
Date : May 29, 2010

Cronimet Alloys India Limited
 [formerly known as **GMR Ferro Alloys & Industries Limited**]
 Registered Office, Ravivalasa Village – 532 212, Tekkali Mandal, Srikakulam District, A.P.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name & Address of the Member	Registered Folio No.	Client ID & DP ID No.	No. of Shares Held

I hereby record my presence at 4th Annual General Meeting of the Company held on Wednesday, the September 29, 2010 at 11.00 AM at the Registered Office of the Company at Ravivalasa Village – 532 212, Tekkali Mandal, Srikakulam District, Andhra Pradesh.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If Member, Please Sign Here	If Proxy, Please Sign Here

Note : Members are requested to bring their copies of the AGM Notice and Annual Report to the Meeting.

Cronimet Alloys India Limited
 [formerly known as **GMR Ferro Alloys & Industries Limited**]
 Registered Office, Ravivalasa Village – 532 212, Tekkali Mandal, Srikakulam District, A.P.

PROXY FORM

Folio No. Client ID No. & DP ID No.

I/We of being a Member/ Members of Cronimet Alloys India Limited, hereby appoint..... of..... or failing him/her..... of or failing him / her of as my/our Proxy to attend and vote for me/us on my/our behalf at the 4th Annual General Meeting of the Company held on Wednesday, the September 29, 2010 at 11.00 AM at the Registered Office of the Company at Ravivalasa Village – 532 212, Tekkali Mandal, Srikakulam District, A.P. and at any adjournment thereof.

Signed

Date :



Note : The Proxy form duly completed must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. The Proxy need not be a Member of the Company.