

corporate governance report

I. Philosophy

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

II. Board of Directors

The Board of the Company comprises eight members out of which two are Executive Directors and six Non-Executive Directors. The Chairman of the Company is a Non-Executive, Promoter Director. The composition of the Board during the year was in conformity with Clause 49 of the Listing Agreement executed with the Stock Exchanges.

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

During the year 13 Board Meetings were held on 22.06.2009, 30.06.2009, 31.07.2009, 12.08.2009, 28.08.2009, 09.09.2009, 08.10.2009, 23.10.2009, 28.10.2009, 10.11.2009, 28.01.2010, 09.02.2010 and 15.03.2010. The details of the composition of the Board, attendance at the Board meeting during the year and at the last Annual General Meeting, number of directorship, membership/chairmanship in other public companies are as follows :-

Sl. No.	Name of the Director	Category	No. of Board Meetings Attended	Attendance at last AGM	No. of Directorships in other Public Limited Companies incorporated in India	No. of Committee positions held in other Public Limited Companies \$	
						As Member	As Chairman
1	Mr. Vimal Kumar Patni #	Promoter/ Non-Executive	13	Yes	8	1	-
2	Mr. Suresh Kumar Patni #	Promoter/ Executive	12	Yes	6	2	-
3	Mr. Virendra Kumar Jain #	Promoter/ Executive	5	Yes	5	-	-
4	Mr. Ajit Kumar Patni #	Promoter/ Non-Executive	12	Yes	10	-	-
5	Mr. Prem Narayan Khandelwal	Independent Non-Executive	5	No	-	-	-
6	Mr. Chhatar Singh Dugar	Independent Non-Executive	13	Yes	1	1	-
7	Mr. Krishna Kumar Chanani	Independent Non-Executive	11	Yes	-	-	-
8	Mr. Ashok Kumar Jain	Independent Non-Executive	10	No	-	-	-

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

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

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

corporate governance report (contd.)

III. Code of Conduct

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

Declaration

In accordance with the Clause 49 of the Listing Agreement with the Stock Exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliances with the Code of Conduct of the Company for the year ended 31st March, 2010.

For **IMPEX FERRO TECH LIMITED**
S. K. Patni
 Managing Director

Kolkata, 28th May, 2010

IV. Audit Committee

The Audit Committee comprises three Directors all of whom are financially literate. The Committee has two Independent/ Non-Executive Directors and one Non-Executive Director. During the year five meetings of the Audit Committee were held on 21.04.2009, 29.06.2009, 30.07.2009, 27.10.2009 and 27.01.2010. The present composition of the Audit Committee and the attendance at the meetings are as follows :

Name of the Member	Designation	Category	No. of Meetings attended
Mr. Krishna Kumar Chanani	Chairman	Independent Non-Executive	5
Mr. Chhatar Singh Dugar	Member	Independent Non-Executive	5
Mr. Ajit Kumar Patni	Member	Non-Executive	5

The Chairman of the Audit Committee has attended the last Annual General Meeting held on 24th September, 2009. The Meeting of the committee is usually attended by the head of the Finance & Accounts department and the Internal Auditors of the Company. The Company Secretary of the Company acts as the Secretary of the Audit Committee.

Terms of Reference

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

V. Remuneration Committee

The Committee comprises three Non-Executive Independent Directors. The Remuneration Committee is constituted to determine the Company's policy on specific remuneration packages to the Executive Directors and to periodically review the remuneration packages of the Executive Directors and recommend suitable revision in the same. During the year no meeting of the Remuneration Committee was held. The present composition of the Remuneration Committee is as follows :

corporate governance report (contd.)

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

VI. Remuneration of Directors

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

The directors' remuneration and sitting fees paid in respect of the Financial Year 2009-2010 is given below :

Managing and Whole Time Director :

Name of the Director	Salary (Rs.)	Period of Contract		Notice Period
		From	To	
Mr. Suresh Kumar Patni	12,00,000/-	01.07.2008	30.06.2013	2 Months
Mr. Virendra Kumar Jain	9,00,000/-	01.07.2008	30.06.2013	2 Months

Non-Executive Directors :

Name of the Director	Sitting Fees paid for Board and Committee Meetings (Rs.)	No. of Shares held as on 31.03.2010
Mr. Vimal Kumar Patni	19500/-	235100
Mr. Ajit Kumar Patni	28500/-	175000
Mr. Chhatar Singh Dugar	30000/-	Nil
Mr. Krishna Kumar Chanani	24000/-	Nil
Mr. Prem Narayan Khandelwal	7500/-	Nil
Mr. Ashok Kumar Jain	15000/-	Nil

VII. Investors' Grievance Committee

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

During the year under review, two meetings of the Investors' Grievance Committee were held on July 20, 2009 and December 29, 2009. The Composition of the Committee and the attendance at its meetings are given hereunder :

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

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

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

corporate governance report (contd.)

The details of the complaints during the year 2009-2010, excluding correspondences which are not in the nature of complaints are given below :

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

VIII. General Body Meetings

Location and time of last three Annual General Meetings

Date	Financial Year	Venue	Time	Special Resolution Passed
September 25, 2007	2006-2007	Purbashree, Bharatiyam Cultural Multiplex, EZCC, IB-201, Sector-III Saltlake, Kolkata - 700 106	11.30 A.M.	None
September 20, 2008	2007-2008	Kala Kunj (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata - 700 017	10.30 A.M.	None
September 24, 2009	2008-2009	Purbashree, Bharatiyam Cultural Multiplex, EZCC, IB-201, Sector - III Saltlake, Kolkata - 700 106	10.30 A.M.	None

No special resolution was passed in the last 3 (Three) AGM and no special resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

IX. Disclosures

- There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. The Directors periodically disclosed their interest in different Companies which are noted by the Board. The related party transactions are given in the notes No.B.21 of Schedule 19 to the Annual Accounts for the year 2009-2010. There was no other material pecuniary transaction with any Non-Executive Director of the Company that requires a separate disclosure.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in an Accounting Standard.
- The Company has complied with various rules and regulations prescribed by regulatory authorities on capital market and no penalties or Strictures have been imposed by them on the Company in the last three years.
- The Board has received disclosures from the key managerial personnel relating to material, financial and commercial transaction in which they and/or their relatives have personal interest.
- The Company has laid down procedures to inform the Board members about the risk assessment and risk management mechanism which is periodically reviewed and reported to the Board by the senior executives.
- The Company does not presently have a Whistle Blower Policy.
- The requisite certification from the Managing Director and the V.P. (F& A) of the Company heading the finance function for the financial year 2009-2010 required to be given under Clause 49(V) has been placed before the Board in the meeting held on 28th May, 2010.
- The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The non-mandatory requirements, to the extent followed by the Company have been stated in this report.
- The Company does not have any Subsidiary.
- Details of Directors seeking Appointment/Re-appointment at the ensuing Annual General Meeting as required under Clause 49 of the Listing Agreement is annexed to the Notice convening the Annual General Meeting.

corporate governance report (contd.)

X. Means of Communication

The Quarterly/Half yearly/Annual results are regularly submitted to the Stock Exchanges and published in newspapers in accordance with the Listing Agreement. The Company's site contains a separate dedicated section "investors" where shareholders' informations are available.

Newspapers wherein results are published	The Financial Express and Dainik Statesman (Bengali)
Display in Website	www.impexferrotech.com (under "Investors" Link)
Management Discussion and Analysis forms part of Annual Report	Yes, given separately

XI. General Information for Member

Date, Time and Venue of the Annual General Meeting	Thursday, 30th September 2010 at 10.30 A.M. "Purbashree", Bharatiyam Cultural Multiplex, EZCC, IB-201, Sector-III, Saltlake, Kolkata - 700 106
Date of Book Closure	Saturday, September 25, 2010 to Thursday September 30, 2010 (both days inclusive)
Financial Calendar	Indicative calendar of events for the financial year 2010-2011 is as under : Financial Year - 1st April to 31st March Financial Reporting for the quarters :- First Quarter (unaudited) - Already disclosed on 29th July, 2010 Second Quarter (unaudited) - Within 45 days from the end of the quarter Third Quarter (unaudited) - Within 45 days from the end of the quarter Fourth Quarter (audited) - Within 60 days from the end of the quarter/ financial year Annual General Meeting - On or before 30th September, 2011
Listing at Stock Exchanges and Stock Code	a) Bombay Stock Exchange Limited (BSE) Stock Code - 532614 b) National Stock Exchange of India Ltd. (NSE) Stock Code - IMPEXFERRO
International Securities Identification Number (ISIN)	INE691G01015

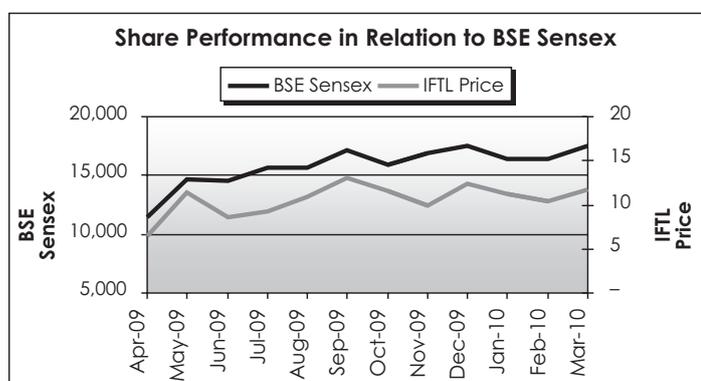
Annual Listing fees for the year 2010-2011 have been paid by the Company to both the Stock Exchanges.

Market Price Data

Month	National Stock Exchange of India Limited			Bombay Stock Exchange Limited		
	High	Low	Volume	High	Low	Volume
April-09	7.15	4.95	119387	7.30	5.00	191575
May-09	11.35	6.00	476911	11.43	6.00	490207
June-09	13.30	7.60	605451	13.44	8.00	810927
July-09	9.95	7.00	240403	9.98	7.00	336189
Aug-09	11.00	8.45	298331	10.93	8.37	265025
Sep-09	14.35	10.10	714057	14.65	10.05	651972
Oct-09	14.40	11.35	399308	14.75	11.44	436220
Nov-09	12.30	9.75	225262	12.25	9.71	387082
Dec-09	13.15	9.70	318213	13.09	9.80	400661
Jan-10	13.35	10.80	429208	13.45	10.77	487681
Feb-10	12.10	9.85	120567	12.16	9.91	122136
Mar-10	12.95	9.65	501522	13.90	10.25	604277

corporate governance report (contd.)

Performance of the Company in comparison with BSE Sensex



Shareholding pattern as on 31.03.2010

Category	No. of Shares	% of holding
Promoters & Promoter Group	30439846	60.9143
Body Corporate	10387240	20.7863
Indian Public	9108267	18.2269
NRIs/OCBs	36251	0.0725
Total	49971604	100.00

Distribution of shareholding as on 31.03.2010

Range	No. of Shareholders	% of Shareholders	No. of Shares of the face value of Rs. 10/- each	% of Share held
1-500	5936	70.6667	1337304	2.6761
501-1000	1148	13.6667	998486	1.9981
1001-2000	591	7.0357	946955	1.8950
2001-3000	188	2.2381	495658	0.9919
3001-4000	101	1.2024	364780	0.7300
4001-5000	105	1.2500	505256	1.0111
5001-10000	143	1.7024	1113234	2.2277
10001-above	188	2.2381	44209931	88.4701
Total	8400	100.00	49971604	100.00

Share Transfer System

Shares lodged for transfer in physical form are processed at the office of Registrar and Transfer Agent and are normally processed within 15 days from the date of lodgment, if the documents are clear in all respect. The Directors of the Company are severally empowered to approve the transfers. All request for dematerialization of shares are processed and the confirmation is given within 15 days to the depositories.

corporate governance report (contd.)

Dematerialisation of Shares

As on 31st March, 2010 76.98% of the total shares of the Company have been dematerialised as under :

Category	No. of Shares	Number of Shareholders	% of total Shareholding
NSDL	34539126	5707	69.1175
CDSL	3929288	2564	7.8630
Physical	11503190	129	23.0195

Outstanding GDRs, ADRs, Warrants or any other convertible instruments, conversion date and likely impact on equity.

During the year under review the Company has not issued any GDRs, ADRs, warrants or any other convertible instruments.

Address for Correspondence

Registered Office

35, Chittaranjan Avenue, 4th Floor
Kolkata - 700 012
Ph : 033-22119806/8807
Fax : 033-22117871
Email : info@impexferrotech.com

Compliance Officer

Pradip Kumar Agarwal
Company Secretary
Impex Ferro Tech Limited
35, Chittaranjan Avenue, Kolkata - 700 012
Ph : 033-22119806/8807, Fax : 033-22117871
Email : investors@impexferrotech.com

Plant Location

Kadavita Dendua Road,
P.O. Kalyaneshwari, P. S. - Kultii,
Dist - Burdwan, West Bengal - 713 369
Ph : 0341-2522248/49
Fax : 0341-2522961

Registrar and Share Transfer Agent

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor, Kolkata - 700 001
Ph : 033-22482248/22435029/5809
Fax : 033-22484787
Email : mdpl@cal.vsnl.net.in

XII. Status of non-mandatory requirements

Remuneration Committee :

The Company has a Remuneration Committee as reported in Section V above.

Other items :

The rest of the non-mandatory requirements will be implemented by the Company as and when required and/or deemed necessary by the Board.

For and on behalf of the Board

V. K. Patni
Chairman

Kolkata, September 2, 2010

corporate governance report (contd.)

Certificate on Corporate Governance

To
The Members of
Impex Ferro Tech Limited

We have examined the compliance of conditions of Corporate Governance by **Impex Ferro Tech Limited** for the year ended **31st March, 2010**, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the 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 its affairs.

Kolkata, September 2, 2010

For **S. JAYKISHAN**
Chartered Accountants
FRN : 309005E
Vivek Newatia
Partner
Membership No. 062636