

Adhunik to use securities premium account for tax liability

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Shareholders of Adhunik Metaliks Ltd, at the company's EGM on Friday, authorised it to utilise the securities premium account for meeting the deferred tax liability.

Mr Alok Sarda, CFO of the company told *Business Line* that since the company has undertaken a number of projects, which were in different stages of implementation, for capitalisation and calculation of applicable depreciation, as per the new accounting standards, the company had to take shareholder approval.

It will also have to seek

clearances from the Calcutta High Court, NSE and BSE.

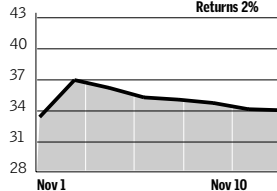
The company had its shares listed on April 5, 2006. Incidentally, the company's deferred tax liability, as per the book on March 31, 2006 was Rs 31.98 crore.

Adhunik, has recently filed a project report for iron ore mining at Kulum at Keonjhar in Orissa. The mine, rich with ferrous content of over 65 per cent, is expected to start operation in April 2007.

Its steel making facility at Chadrihariharpur, Rourkela, however, had started production from November 2005 and has been procuring ore

Adhunik Metaliks

Rs.33
Returns 2%



from Orissa Mineral Development Corporation. "Ore from our own mine is likely to reduce cost by 45 per cent based on prevailing price," the official said. Adhunik's Rs 437-crore capacity expansion project (to 4.5 tpa from 2.5 tpa auto grade billets and rolled products) is expected to be

complete in Q1, 2007-08. It is also in the process of merging Neepaz Tubes, a group company engaged in fabrication and galvanising steel tubes with a capacity 60,000 tpa, with Unistar Galvaniser & Fabricator, a 100 per cent subsidiary.

Institutional holding in the company has gone up in the quarter ending September 30, 2006, after ICICI Prudential's Emerging Star Fund increased its stake to 6.44 per cent (2.58 per cent in the previous quarter). ABN Amro (1.11 per cent) and Carlson (4.52 per cent) represent FII interest in Adhunik.