

# ANNUAL REPORT **13|14**

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**Impex Ferro Tech Limited**

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## Notice

NOTICE is hereby given that the 19th Annual General Meeting of the members of the Company will be held on Saturday, 27th September, 2014 at 10.00 A.M. at PURBASHREE, Bharatiyam Cultural Multiplex, IB-201, Sector-III, Salt Lake City, Kolkata - 700 106 to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and the report of the Auditors & Directors' thereon.
2. To appoint a Director in place of Mr. Ankit Patni (DIN: 00034907), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution** :

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder and pursuant to the recommendations of Audit Committee, M/s. R. Kothari & Company, Chartered Accountants, (FRN: 307069E) be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Twenty Fourth (24th) Annual General Meeting of the Company subject to ratification by members at every Annual General Meeting held after this Annual General Meeting on such remuneration as shall be fixed by the Board of Directors."

### SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution** :

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ashok Kumar Jain (DIN: 02223047) Independent Director of the Company, who retires by rotation at the ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold the office for a term up to 31st March, 2019 and, whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation."

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution** :

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Jay Shanker Shukla (DIN: 06391367) Independent Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold the office for a term up to 31st March, 2019 and, whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation."

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution** :

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Santosh Kumar Khandelwal (DIN: 06607979), Independent Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold the office for a term up to 31st March, 2019 and, whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation."

## Notice

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution** :

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 148(2) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the remuneration of ₹ 35,000/- plus applicable taxes and re-imbursement of out of pocket expenses payable to M/s. A. J. S. & Associates, Cost Accountant (Registration No. : 0001060), who has been re-appointed by the Board of Directors of the Company as Cost Auditor to conduct an audit of the cost accounting records maintained by the Company for the year ending 31st March, 2015 be and is hereby ratified.”

By Order of the Board  
For **Impex Ferro Tech Limited**

**Mamata Chakraborty**  
*Company Secretary*

Kolkata, 25th August, 2014

# Notice

## NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE CORPORATE OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business to be transacted at the meeting, is annexed hereto.
3. The relevant details, as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges; of person seeking appointment/re-appointment as Director under Item No. 2, 4, 5 and 6 is annexed hereto as additional information.
4. The Register of Members and Share Transfer Books shall remain closed from Monday, 22nd September, 2014 to Saturday, 27th September, 2014 (both days inclusive).
5. Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics (P) Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001 and to their respective DPs in respect of Equity Shares held in dematerialised form.
6. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. Members/Proxies are requested to bring their Attendance Slip for attending the meeting.
8. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least ten days before the meeting so that the same could be complied in advance.
10. Since the securities of the Company are compulsorily tradable in electronic form, to ensure better investor service and elimination of risk of holding securities in physical form, it is requested that the members holding shares in physical form to get their shares dematerialised at the earliest.
11. All documents referred to in the Notice will be available for inspection at the Company's Corporate Office during normal business hours on working days upto the date of AGM.
12. Electronic copy of the Annual Report for 2014 is being sent to all the Members whose email ids are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For the Members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode. Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014 requires a Company to provide advance opportunity atleast once in a financial year, to the Member to register his email address and any changes therein. In compliance with the same, we request the Members who do not have their email id registered with the Company to get the same registered with the Company. Members are also requested to intimate to the Company the changes, if any, in their email address. The Annual Report of the Company, circulated to the Members of the Company, will also be made available on the Company's website i.e. [www.impexferrotech.com](http://www.impexferrotech.com).
13. Electronic copy of the Notice of the 19th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email ids are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the Notice of the 19th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
14. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the members are informed that the Company is pleased to offer e-voting facility to caste the vote

## Notice

electronically. The Company has made necessary arrangement with the Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

The e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com) vide the EVSN 140806038.

The e-voting facility will be available during the following voting period :

Commencement of e-voting	From : 10.01 a.m. of 21st September, 2014
End of e-voting	Upto : 6.00 p.m. of 23rd September, 2014

E-voting shall not be allowed beyond 6.00 p.m. of 23rd September, 2014.

The detailed procedure is mentioned below. For the aforesaid purpose the Company has appointed M/s. A J & Associates, Practicing Company Secretaries for scrutinizing the e-voting process in a true and transparent manner.

### 15. e-Voting Procedure

The procedure and instructions for e-Voting are as follows :

#### (A) In case of members receiving email:

- Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on "Shareholders" tab.
- Now, select "IMPEX FERRO TECH LIMITED" from the drop down menu and click on "SUBMIT".
- Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user follow the steps given below.
- Now, fill up the following details in the appropriate boxes :

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).	
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.	

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digit Sequence Number in the PAN field. 8 Digit Sequence Number is available on ATTENDANCE SHEET. Eg. If your name is Ramesh Kumar with sequence number 12345678 then enter RA12345678 in the PAN field.

# Please enter any one of the details in order to login. In case both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction no. iv. above.

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

## Notice

- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for “IMPEX FERRO TECH LIMITED” on which you choose to vote.
- xi. On the voting page, you will see resolution description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- xii. Click on the “Resolutions File Link” if you wish to view the entire resolutions.
- xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print out of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi. If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- xvii. Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. A scanned copy of the Registration Form bearing the respective Corporate’s stamp and duly signed should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). After receiving the login details they have to create a compliance user which should be created using the admin login and password. The Compliance user would be able to link the account(s) which they wish to vote on and then cast their vote. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to caste the vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**(B) In case of members receiving the physical copy :**

- i. Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

- (C)** The voting period begins on 21st September, 2014 from 10.01 a.m. and ends on 23rd September, 2014 at 6.00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialised form as on the cut-off date (record date) of 8th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (D)** In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (E)** The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witness not in employment of the Company and make a Scrutinizer’s Report of the Votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (F)** The results of e-voting shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer’s Report shall be placed on the Company website : [www.impexferrotech.com](http://www.impexferrotech.com) and on the website of CDSL and the same be communicated to the Stock Exchange(s).
- (G)** Kindly note that once you have casted your vote, you cannot modify or vote on poll at the Annual General Meeting. However, you can attend the meeting and participate in the discussions, if any.

# Notice

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### Item No. 4 to 6

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from 1st April, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation.

The Board of Directors of the Company have decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

Mr. Ashok Kumar Jain retires by rotation at the ensuing Annual General Meeting under the erstwhile provision of the Companies Act, 1956. Mr. Jay Shanker Shukla and Mr. Santosh Kumar Khandelwal are the directors whose period of office is liable to be determination by retirement of director by rotation under the erstwhile applicable provision of the Companies Act, 1956.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Ashok Kumar Jain, Mr. Jay Shanker Shukla and Mr. Santosh Kumar Khandelwal are proposed to be appointed as Independent Directors for a term as stated in the respective resolutions.

Mr. Ashok Kumar Jain, Mr. Jay Shanker Shukla and Mr. Santosh Kumar Khandelwal, Non-Executive Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and they are independent of the management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

Notice have been received from member(s) signifying their intention to propose the appointment of these Directors along with a deposit of ₹ 1,00,000/- each. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Corporate Office of the Company during business hours on any working day till the date of Annual General Meeting and is also available on the website of the Company i.e. [www.impexferrotech.com](http://www.impexferrotech.com).

Except these directors, for their respective appointments, none of the Directors/Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item No. 4 to 6 of the Notice.

The Board recommends the resolutions in relation to the appointment of these directors as Independent Directors, for the approval by the shareholders.

### Item No. 7

The existing Articles of Association (AoA) of the Company are based on the Companies Act, 1956. Accordingly several regulations in the existing AoA either contain references to specific sections of the Companies Act, 1956 or are no longer in conformity with the Companies Act, 2013 (Act).

On 12th September, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on 26th March, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction/confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified. Therefore, the Companies Act, 2013 is now largely in force.

With the coming into force of the 2013 Act, several regulations of the existing AoA of the Company require either alteration or deletions as the case may be. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles so as to align it in accordance with the provisions of Companies Act, 2013.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a Company limited by shares.

A copy of the draft Articles of Association of the Company is available for inspection by members at the Corporate Office of the Company on any working day during business hours till the date of Annual General Meeting. The proposed new draft AoA is also being uploaded on the Company's website [www.impexferrotech.com](http://www.impexferrotech.com) for perusal by the shareholders.



## Notice

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the resolution set out at Item No. 7 of the Notice for the approval by the shareholders.

### Item No. 8

As recommended by Audit Committee, Board of Directors had appointed M/s. A. J. S. & Associates, Cost Accountant (Registration No. 0001060), being eligible and having sought re-appointment, as cost auditor of the Company, for a remuneration of ₹ 35,000/- plus applicable taxes and re-imbursement of out of pocket expenses incurred by them to conduct the audit of the cost accounting records maintained by the Company for the current financial year beginning from 1st April, 2014 and ending on 31st March, 2015.

In terms of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration is required to be ratified by members.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board recommends the resolution set out at Item No. 8 the Notice for the approval by the shareholders.

## ADDITIONAL INFORMATION

### DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE- APPOINTMENT (In pursuance to Clause 49 of the Listing Agreement)

Name of the Director	Mr. Ankit Patni	Mr. Ashok Kumar Jain	Mr. Jay Shanker Shukla	Mr. Santosh Kumar Khandelwal
Date of Birth	13.01.1985	09.01.1960	12.03.1960	11.02.1948
Date of Appointment	28.03.2011	11.06.2008	29.09.2012	29.06.2013
Expertise in Specific Functional Area	Finance & Marketing.	Finance and Wide Management Experience.	Wide experience in the field of production, finance, marketing and procurement.	Accounts and Finance
Qualification	M.B.A from University of Technology, Sydney, CFA from ICAI University.	B.Com	B. Com and Diploma in International Trade	Cost Accountancy
Board membership of other Public Companies (Excluding Directorship in Private/Foreign Companies and Companies under Section 8 of the Companies Act, 2013)	- Ankit Metal & Power Limited	Nil	- Rohit Ferro-Tech Limited	Nil
	- SKP Aviation Services limited		- Ankit Metal & Power Limited	
	- Sarita Steel & Power Limited			
	- SKP Power Ventures Limited			
	- Dhodwala Enterprises Ltd.			
	- Impex Industries Limited			
	- VSN Agro Products Limited			
	- Impex Cements Limited			
	- Patni Metal & Ferro Alloys Limited			
	- Gold Mohar Steel Limited			

## Notice

<b>Chairman/Member of the Committee (Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee) of the Board of Directors of the Company.</b>	Nil	Member-Audit Committee Member-Nomination and Remuneration Committee Chairman-Stakeholders Relationship Committee	Chairman-Audit Committee and Nomination and Remuneration Committee. Member-Stakeholders Relationship Committee	Member-Audit Committee and Nomination and Remuneration Committee
<b>Chairman/Member of the Committee of Directors of other public Companies in which he is a Director</b>				
a) Audit Committee	Nil	Nil	Chairman-Rohit Ferro-Tech Limited and Ankit Metal & Power Limited	Nil
b) Stakeholders Relationship Committee	Member-Ankit Metal & Power Limited	Nil	Member-Ankit Metal & Power Limited	Nil
c) Nomination and Remuneration Committee	Nil	Nil	Member-Rohit Ferro-Tech Limited and Ankit Metal & Power Limited	Nil
<b>Shareholding as on 31st March, 2014.</b>	1,75,600 equity shares	Nil	Nil	Nil

## Directors' Report

### *Dear Shareholders*

Your Directors are pleased to present the 19th Annual Report of the Company together with Audited Accounts for the Financial Year ended 31st March, 2014.

#### Financial Highlights

(₹ in Lacs)

Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
Revenue from Operation (net)	69,802.21	64,146.94
Other Income	629.68	273.09
Total Revenue	70,431.89	64,420.03
<b>Profit before Finance Cost, Depreciation and Tax</b>	<b>(1,806.28)</b>	<b>5,337.65</b>
Less : Depreciation & Amortisation	1,177.00	1,142.35
Less : Finance Cost	3,596.47	3,577.62
Less : Tax Expenses	(1,094.23)	221.47
<b>Net Profit after Tax</b>	<b>(5,485.52)</b>	<b>396.23</b>
Add : Balance brought forward from previous year	5,383.57	4,987.34
<b>Balance carried over to Balance Sheet</b>	<b>(101.95)</b>	<b>5,383.57</b>

#### Financial and Operational Review

During the year under review the Company has achieved nets sales/income from operation of ₹ 69,802.21 lacs as against ₹ 64,146.94 lacs in previous year registering a growth of 8.82%. In spite of increase in revenue from operation the Company has incurred a net loss of ₹ 5,485.52 lacs which is mainly attributed to depressed market for ferro alloys impacting the net realisation and margin. Weaker domestic demand and slower growth in several key market, mining crises and uncontrolled inflation in the country has resulted in increase in the cost of raw materials and other overhead which could not be passed on the consumers.

#### Dividend

In view of the losses incurred by the Company, the Directors of your Company do not recommend any Dividend for the financial year 2013-14.

#### Credit Rating

The Company's credit rating for Long-Term debts/facilities is B+ (B plus), for Long-Term/Short-Term debts/facilities is B+/A4 (B plus/A Four) and Short-Term facilities is A4 (A Four) rated by the Credit Analysis & Research Limited (CARE).

#### Public Deposits

The Company has not accepted any fixed deposits from the public and as such, no amount of principal and interest was outstanding as on the date of the Balance Sheet.

#### Insurance

The properties and insurable assets and interests of the Company, like building, plant and machinery and stocks, among others, are adequately insured.

#### Directors

In accordance with the provisions of Section 152 the Companies Act, 2013, Mr. Ankit Patni, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

Mr. Ashok Kumar Jain, Independent Director, who retires by rotation at the ensuing Annual General Meeting under the erstwhile provision of the Companies Act, 1956 and Mr. Jay Shanker Shukla and Mr. Santosh Kumar Khandelwal, Independent Directors, whose period of office is liable to be determination by retirement of Director by rotation under the erstwhile applicable provision of the Companies Act, 1956, meets all the criteria of independence as laid down under Section 149(6) and the Code for Independent Directors in Schedule IV of the Companies Act, 2013.

## Directors' Report

Accordingly the aforesaid persons shall be appointed as Independent Directors in terms of section 149 the Companies Act, 2013 at the ensuing Annual General Meeting to hold the office as Independent Director for a term upto 31st March, 2019, and their period of office shall not be liable to determination by retirement of Directors by rotation.

The brief particulars of the said Directors have been given in the notice convening the ensuing Annual General Meeting is annexed as an additional information to the notice as required under Clause 49 of the Listing Agreement and your board recommends their appointment/reappointment as set out in the notice.

### Changes in Share Capital

During the year under review, the Company has allotted 1,41,25,000 Equity Shares of ₹ 10/- each on preferential basis at a premium of ₹ 10/- per share aggregating to ₹ 14,12,50,000/- to the entities belonging to Promoter Group and Strategic Investors belonging to Non Promoters Group.

Consequent to said allotment, the paid up Share Capital of the Company stood increased to ₹ 81,59,66,000/-. The entire proceeds received from the preferential allotment has been utilised towards the object of the issue.

### Management Discussion & Analysis and Corporate Governance Report

A Management Discussion & Analysis Report and a Report on Corporate Governance along with the certificate from the Company Secretary in Practice regarding compliance with mandatory requirements as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, is presented in a separate section forming part of the Annual Report.

### Directors' Responsibility Statement

The Directors confirm :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period;
- that they have 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;
- that they have prepared the accounts for the financial year on a 'going concern' basis.

### Auditors and Auditors' Report

M/s. R. Kothari & Company, Chartered Accountants, (FRN: 307069E) holds office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The members are requested to consider their appointment as the statutory auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the twenty-fourth (24th) Annual General Meeting of the Company subject to ratification by members at every Annual General Meeting held after this Annual General Meeting on such remuneration as shall be fixed by the Board of Directors.

### Auditors Observation

There are no qualifications or adverse remarks in the Auditor's Report which require any clarification/explanation. The notes on Accounts referred to in the Auditor's Report are self-explanatory, and therefore, do not call for any further comments.

### Cost Audit

In terms of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, on the recommendation of Audit Committee, the Board of Directors has re-appointed M/s. A. J. S. & Associates (Regn. No. 0001060), as cost auditor of the Company, at a remuneration of ₹ 35,000/- plus applicable taxes and re-imbursement of out of pocket expenses incurred by them to conduct an audit of the cost accounting records maintained by the Company for the current financial year beginning from 1st April, 2014 and ending on 31st March, 2015.

## Directors' Report

As required under Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to cost auditor is being placed at the ensuing Annual General Meeting for ratification by the members.

### Particulars of Employees

None of the employees of your Company were in receipt of the remuneration in excess of the limit specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 2011.

### Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgoing

A statement giving details of Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this report.

### Acknowledgement

The Board also desires to place on record its appreciation for the support and co-operation received from its Shareholders, Regulatory & Government Authorities, Suppliers, Customers and Bankers. The Company has always looked upon them as partners in its progress. It will be the Company's endeavour to build and nurture strong links with trade based on mutuality, respect and co-operation with each other. The Board wishes to record their deep sense of appreciation for the committed services of all the employees of the Company.

For and on behalf of the Board

Kolkata, 25th August, 2014

**Suresh Kumar Patni**  
*Chairman cum Managing Director*

## Annexure to the Directors' Report

Information pursuant to Section 217(1)(e) of the Companies Act, 1956

### A) Conservation of Energy

a. Energy conservation measures taken:

- Close monitoring of operating parameters of high energy consuming equipment in plant.
- Using power factor controller/ capacitors to maintain power factor at optimum level.
- Keeping maximum demand under control by scheduling auxiliary load during peak power consumption levels.
- Replacement of old motor with energy efficient motors.
- Replacement of tube light with LED's.

b. Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

To further install LED lamps, installation of energy efficient equipments, resizing of motor etc. The Company also proposes to install solar power equipments like night lighting systems and solar power pump sets to further conserve carbon emitting thermal power.

c. Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of the goods:

With the implementation of the above means, energy cost is expected to be reduced and consequently there will be impact on the cost of production.

Total energy consumption and energy consumption per unit of production as per **FORM-A** attached.

### B) Technology Absorption

a. Effort made in technology absorption as per **FORM-B** attached

### C) Foreign Exchange Earning and Outgo

a. Activities relating to export, initiative taken to increase exports, development of new export markets for the products & services and export plans:

The export revenue during the year was ₹ 175.31 Crores. The export team regularly visit the international market, customer and end users. The Export team participate in all major trade fairs and events to improve the Company's visibility amongst the global market.

b. Total Foreign Exchange used and earned :

(₹ in Lacs)		
Particulars	31.03.2014	31.03.2013
Foreign Exchange earned	17,530.71	20,432.67
Foreign Exchange used	9,199.64	9,645.64

## Annexure to the Directors' Report

### FORM A

(Disclosure of particulars with respect to Conservation of Energy)

	2013-2014	2012-2013
<b>A. Power &amp; Fuel Consumption</b>		
<b>1. Electricity :</b>		
a) Purchased		
Unit (in Lacs-KWH)	1,547.02	1,417.14
Amount (₹ in Lacs)	6,726.57	5,208.67
Cost/unit (₹/KWH)	4.35	3.68
b) Own Generation		
Unit (in Lacs-KWH)	287.71	677.55
Amount (₹ in Lacs)	1,667.56	2,791.95
Cost/unit (₹/KWH)	5.80	4.12
<b>2. Coal #</b>		
Quantity (in M. T.)	77,215.64	1,07,288.03
Amount (₹ in Lacs)	4,337.43	6,117.50
Average Rate/MT	5,617.29	5,701.94
<b>B. Consumption per unit of production</b>		
1. Electricity (Unit/MT)	4,402.64	3,977.96
2. Coal & Coke (Kg/MT)	701.56	754.71

#used in production of Electricity (Power) & Ferro Alloys Production.

### FORM B

(Disclosure of particulars with respect to Technology Absorption)

#### A. Research & Development (R&D)

Specific areas in which R&D proposed to be carried out by the Company	None
Benefits derived	Does not arise
Future plan of action	Under Planning
Expenditure on R & D	
a) Capital	Nil
b) Recurring	Nil
c) Total	Nil
d) Total R&D expenditure as a percentage of total turnover	Nil

#### B. Technology absorption, adaptation and innovation

##### Efforts made:

Continuous efforts are being made towards improvements in existing production process.

##### Benefits:

Improvement in the quality of products; safe and environment friendly process.

Particulars of imported Technology during last 5 years

Nil

For and on behalf of the Board

Kolkata, 25th August, 2014

**Suresh Kumar Patni**  
Chairman cum Managing Director

# Management Discussion and Analysis

## Economic Overview

The global economic condition continued to remain sub optimal even during the FY-2013-14. The global economic growth in Calendar Year 2013 slipped further down to 3.0% from 3.2% in 2012 and 4.0% in 2011. The growth was more robust in second half of 2013 but the pickup was uneven. The recovery was more broad based in advanced economies and was mixed in emerging markets.

The Indian economy registered a GDP growth of 4.7% in FY-14 against 4.5% in FY-13 on account of Agriculture growth of 4.6% in FY-14 against 1.4% in FY-13. The growth in non-agriculture sectors came down in FY-14. The Industry & Infrastructure growth declined further from already a very low level of 1.0% in FY-13 to 0.7% in FY-14. Whereas manufacturing contracted by (-)0.2% in FY-14 against 1.1% in FY-13 and Mining continued at negative 1.9% in FY-14 against negative 2.2% in FY-13.

With the political uncertainties appearing to be over and a more stable and decisive Government placed at the Centre, the process of economic recovery is expected to begin and hopefully result in long awaited better business conditions and growth.

## Industry Structure and Developments

The Indian ferro alloys industry, which has completed five decades of its existence and a part of the core sector, is engaged in supplying crucial intermediaries to Iron and Steel Industry. Ferro-alloys are critical additives in the production of iron & steel and the fortune of Ferro Alloys Industry is directly linked with the growth of Iron & Steel Industry. The product mix of ferro alloys consists of bulk ferro alloys which includes HC ferro manganese, silicon manganese, ferro silicon, HC ferro chrome, charge chrome, etc. and noble ferro alloys consisting of ferromolybdenum, ferro-anadium, ferrotungsten, ferro-silicon magnesium, ferro-boron and ferro-titanium.

India accounts for around 7-8% of the world's ferro alloys production. India emerged as a preferred supplier of ferro alloys on account of abundant availability of key resources comprising chrome ore and manganese ore, trained and cost-effective manpower and favorable location.

The demand driver of ferro-alloys consists of crude steel production, alloy and special steel production and stainless steel production. The anticipated infrastructure development, investment plan in road sector, expansion in railway, increase in volume by automobile sector, uses of special steel in power sectors and refocus on manufacturing sector, the demand for ferro alloys is expected to improve in coming years.

## Opportunities and Threats

The growth of Ferro-Alloys Industry is directly linked with the growth of Iron and Steel Industry, which in turn depends on its user industry i.e. infrastructure, housing, automobile and consumer durable industries. India, at a per capita steel consumption of 60 kg, is much below the global average of 215 kg, thereby reflecting massive under-penetration and immense opportunities for growth, which will in turn, drive ferro-alloys demand as these are key input resources for iron and steel manufacture. The Industry has tremendous potential for growth as the per capita steel consumption in the Country is one of the lowest in the world. With burgeoning population, drive towards industrialisation and focus on better quality of life, the steel demand in the country is expected to rise significantly which will in turn, drive ferro-alloys demand as these are the key input resources for iron and steel manufacture. The significant investments envisaged in India's infrastructure sector in the creation of capital assets including roads, bridges, airports, seaports, flyovers and railway tracks, opportunity of utilising special steel by power and automobiles sector, the demand for steel and hence, ferro-alloys is expected to grow in coming years.

Electrical energy is one of the major inputs in production of ferro-alloys and high power tariff is a threat for the Ferro-Alloys Industry. Apart from electrical energy, the industry faces challenges of acquiring good quality raw materials like high grade ores and coke.

As regards the power cost, ferro-alloys producers are now focusing on setting up their captive power units. This will reduce the input cost and ensures continuous supply of power to the downstream project. In the long run this effort of backward integration shall eventually help the domestic ferro-alloys producers to compete in the international market. Moreover with India remaining as one of the largest producers of manganese ore, there is adequate availability of this resource for the production of manganese based ferro-alloys.

Further, it is hoped that the government would recognise the challenges arising out of periodic administered price increases of power and input materials which hamper the competitiveness of this industry and take steps to address them urgently to enable the ferro alloys producers to compete in the domestic as well as international markets.



# Management Discussion and Analysis

## Risks and concerns

The cost-effective availability and quality of key raw material is a global challenge. The volatility in prices of raw materials including the mismatch between the prices of raw materials and ferro alloys as well as limitation on and disruption in the supply of inputs, could adversely affect the profitability of the Company. Maintaining greater raw material security to insulate the Company from the price swing in key inputs and resultant impact on the profitability continues to be a key strategic objective. The Company is maintaining a healthy position for key raw materials having arrangements with domestic and international ore suppliers.

Electricity comprises a key cost component in the total operating cost structure and an inability to manage this might impact the Company's operations. The 30 MW captive power plant enables the Company to emerge self-reliant in its power needs and reduce dependence on the expensive grid electricity.

The Company's sales may in the future be concentrated in a few markets as a consequence of continued global slow down, thereby negatively impacting its operations. Currently the Company's sales are well-spread to key consumption centers across the globe. The Company presently caters to the needs of several multinational customers, thereby mitigating concentration risks.

The Company deals in sizeable amount of foreign exchange in import of raw materials and exports of finished products. A comprehensive and robust forex policy has been formulated for insulating the Company by hedging foreign exchange exposure.

## Segment-wise Reporting

The Company is mainly in the business segment of manufacturing & sales of ferro-alloys and trading in iron & steel products. The key financial of the business segments including secondary segment details identified as the geographical segment based on the location of customers within India and outside India is given in notes no. 33 to the Annual Accounts. The Company also generates power from its captive power plant, which is entirely consumed in the manufacture of ferro-alloys without any sale to third parties.

## Internal Control and System

The Company has implemented proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly, applicable statutes and corporate policies are duly complied with. The Company has an Audit Committee with majority of Independent Directors as members. The committee periodically reviews significant audit findings, adequacy of internal control and compliance with Accounting Standards, amongst others. The management duly considers and takes appropriate action on the recommendations made by the Statutory Auditors, Internal Auditors and the independent Audit Committee of the Board of Directors. The Company also takes quarterly compliance certificate in respect of various applicable laws from the concerned departmental heads and place the same before the board.

## Industrial Relations and Human Resources

Human resource is the Company's principal asset. The Company provides continual training to its staff to help them upgrade their skills and seeks to balance individual aspirations with Company goals. The Company is an equal opportunities employer. The Company employs contract labourers in its manufacturing facilities. The Company recruits judiciously through industry contacts, newspaper advertisements and consultancies. The Company also recruits trainees from reputed ITIs, technical and professional institutes. The Company maintained harmonious relationship with all its workers and there were no strikes or lockouts during the year under review. As on the date of this Report the Company has 238 employees on its payroll.

# Corporate Governance Report

## Corporate Governance Philosophy

We believe that good Corporate Governance is a key driver of sustainable corporate growth and long term value creation of our Stakeholders. Corporate Governance involves being responsive to aspirations of our Stakeholders besides ensuring compliance with regulatory requirements. The Company has always been taking the spirit of various legislations as guiding principles and proposes to go well beyond statutory compliance by establishing such systems and procedures as are required to make the management completely transparent and institutionally sound. We are committed to conduct the business upholding the core values like transparency, integrity, honesty, accountability and compliance of all statutes. We recognise that this is a conscious and continuous process across the Organisation, which enables the Company to adopt best practices as we incorporate improvements based on the past experience.

## Board of Directors

As on 31st March, 2014 the Board consisted of 6 (Six) Directors out of which 2 (Two) were Executive Directors and 4 (Four) were Non-Executive Directors of which 3 (Three) were Independent. The Chairman of the Company is an 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 are member of more than ten Committees and they do not act as Chairman of more than five Committees across all the Companies of which they are the Directors. The Directors regularly inform the Company about the changes in their positions as and when changes take place, apart from the annual disclosures.

The composition and category of the Board of Directors of the Company as on 31st March, 2014 along with the number of Board meetings attended by the Directors during the year 2013-14 are given below :

Name of the Director	Category	No. of Board Meetings Attended	No. of Directorships in other Public Limited Companies incorporated in India	No. of Committee positions held in other Public Limited Companies \$		Whether Attended the last AGM
				As Member	As Chairman	
Mr. Suresh Kumar Patni	Promoter/ Executive	7	12	2	-	No
Mr. Ankit Patni	Promoter/ Non-Executive	7	10	1	-	Yes
Mr. Satish Kumar Singh	Executive	5	-	-	-	Yes
Mr. Ashok Kumar Jain	Independent/ Non-Executive	7	-	-	-	No
Mr. Santosh Kumar Khandelwal #	Independent/ Non-Executive	3	-	-	-	No
Mr. Jay Shanker Shukla	Independent/ Non-Executive	7	2	1	2	Yes
Mr. Prem Narayan Khandelwal *	Independent/ Non-Executive	-	1	-	-	N.A.

## Notes :

\$ Only two committees viz. Audit Committee and Stakeholders Relationship Committee are considered for this purpose.

# Appointed as an Additional Director (Independent) w.e.f 29th June,2013

\* Resigned w.e.f. 29th June, 2013.

None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company except for holding Directorship & receiving sitting fees, save and except Mr. Ankit Patni who is also the promoter of the Companies, which has a business relation with this Company.

Mr. Ankit Patni is the son of Mr. Suresh Kumar Patni. No other Directors in the Board are related to each other.

## Meeting

Seven (7) Board Meetings were held during the year 2013-14 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows :

# Corporate Governance Report

30th May, 2013; 29th June, 2013; 13th August, 2013; 30th August, 2013; 29th October, 2013; 12th November, 2013 and 31st January, 2014.

## Notes

1. Board Meetings are held at the Corporate 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 information as specified in Annexure- IA to Clause 49 of the Listing Agreement entered into with the Stock Exchanges is regularly made available to the Board whenever applicable.
2. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

## Code of Conduct

The Code of Conduct for the Board of Directors and Senior Management Personnel as adopted is available on the Company's website [www.impexferrotech.com](http://www.impexferrotech.com). All the Members of the Board and Senior Management Personnel have affirmed the compliances of the Code of Conduct.

### Declaration

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and Senior Management Personnel of the Company have affirmed compliances with the Code of Conduct of the Company for the year ended 31st March, 2014.

For Impex Ferro Tech Limited

Suresh Kumar Patni

Chairman cum Managing Director

Kolkata, 25th August, 2014

## Committees of Directors

### 1. Audit Committee

The Company has an Audit Committee within the scope as set out in Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956.

The composition of the Audit Committee and the details of meetings attended by the Committee members are given below :

Name of the Member	Designation	Category	No. of Meetings attended
Mr. Jay Shanker Shukla	Chairman	Independent/Non-Executive	5
Mr. Ankit Patni	Member	Promoter/Non-Executive	5
Mr. Ashok Kumar Jain	Member	Independent/Non-Executive	5

The Managing Director and DGM (Finance)/Chief Financial Officer are permanent invitees to the Committee. The Company Secretary acts as Secretary of the Audit Committee. The representative of internal auditors also attends the meeting. The Audit Committee invites, as and when considers appropriate, the representatives from the Statutory Auditors and Cost Auditors to be present at the meeting of the Committee.

The Audit Committee comprises of 3 (three) Directors all of whom are financially literate. Mr. Jay Shanker Shukla, Independent Director having expertise in finance, is the Chairman of the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 30th September, 2013.

During the Financial Year ended 31st March, 2014, five (5) Audit Committee Meetings were held on 30th May, 2013; 13th August, 2013; 30th August, 2013; 12th November, 2013 and 31st January, 2014.

In compliance of provisions of Section 177 of the Companies Act, 2013 read with Revised Clause 49 of the Listing Agreement (effective from October 1, 2014), the existing Audit Committee has been re-constituted on 30th day of May, 2014. The terms of reference of the Audit Committee includes the powers as laid down in Clause 49 (III) (C) and the role as stipulated in Clause 49 (III) (D) of the Listing Agreement and review of information as laid down in Clause 49 (III) (E).

## Corporate Governance Report

The present composition of the committee after re-constitution is given below :

Name of the Member	Designation	Category
Mr. Jay Shanker Shukla	Chairman	Independent/Non-Executive
Mr. Ashok Kumar Jain	Member	Independent/Non-Executive
Mr. Santosh Kumar Khandelwal	Member	Independent/Non-Executive

The terms of reference of the Audit Committee inter alia includes :

1. To 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.
2. To recommend to the Board, the appointment, re-appointment, terms of appointment, replacement or removal and remuneration of the auditors.
3. To examine the Financial Statements and Auditors' Report thereon.
4. To review, with the management, the quarterly financial statements before submission to the board for approval.
5. To approve the payment to statutory auditors for any other services rendered by the statutory auditors.
6. To review, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
7. To approve or subsequently modify the transactions of the Company with related parties.
8. To review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
9. To review, with the management and monitor the auditor's independence and performance of statutory and internal auditors, adequacy of the internal control systems and effectiveness of audit process.
10. To scrutinize inter-corporate loans and investments, if any.
11. To valuate of undertakings or assets of the Company, wherever it is necessary.
12. To evaluate the internal financial controls and risk management systems.
13. To monitor the end use of funds raised through public offers and related matters, if any.
14. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
15. To discuss with internal auditors any significant findings and follow up there on.
16. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

## Corporate Governance Report

17. To call for comments of the auditors about internal control systems, scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the Company.
18. To give an option to the Auditors and the Key Managerial Person of the Company to be heard at the Audit Committee Meeting while considering the Auditors' Report.
19. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
21. To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
22. To establish a Vigil Mechanism for the directors and employees of the Company to report genuine concerns in certain matters. The Mechanism shall provide adequate safeguard against victimisation of persons who use the mechanism. The Chairman of the Audit Committee shall be easily available for the same.
23. To carry out any other function as is mentioned in the terms of reference of the Audit Committee from time to time.

### 2. Nomination and Remuneration Committee (*erstwhile* Remuneration Committee)

In compliance of provision of Section 178(1) of the Companies Act, 2013 read with Revised Clause 49 of the Listing Agreement (effective from October 1, 2014), the existing Remuneration Committee has been renamed as Nomination and Remuneration Committee. The Committee consists of 3 (three) Non-Executive/Independent Directors. The Committee met once during the year i.e., on 29th June, 2013. The present composition of the Nomination and Remuneration Committee and details of the meeting attended by the member are given below :

Name of the Member	Designation	Category	No. of Meetings Attended
Mr. Jay Shanker Shukla	Chairman	Independent/Non-Executive	1
Mr. Ashok Kumar Jain	Member	Independent/Non-Executive	1
Mr. Santosh Kumar Khandelwal *	Member	Independent/Non-Executive	-
Mr. Prem Narayan Khandelwal #	Member	Independent/Non-Executive	-

\* Appointed w.e.f 29.06.2013.

# Resigned w.e.f 29.06.2013.

The terms of reference of the Nomination and Remuneration Committee are as follows :

1. To identify person who are qualified to become Directors and who may be appointed in Senior Management as per their criteria.
2. To recommend to the Board the appointment and removal of the Directors and Senior Management.
3. To carry out evaluation of every director's performance.
4. To formulate criteria for determining qualification, positive attributes and independence of a Director.
5. Devise a policy on Board diversity.
6. To recommend to the Board a policy relating to remuneration for the Directors, Key Managerial Personnel and other employees.
7. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
8. To perform such other functions as may be necessary or appropriate for performance of its duties.

# Corporate Governance Report

The Chairman of the Committee has attended the last Annual General Meeting for giving replies to shareholder's queries; if any.

## Remuneration Policy

### A. For Executive Directors :

The Board of Directors on the recommendation made by the Nomination and Remuneration Committee decides the remuneration of the Executive Directors subject to the approval of members. The remuneration structure comprises only of the salary. No severance fees is payable to the Directors on termination of the employment. The Company does not have any scheme for stock-option either for the Directors or for the employees.

### B. For Non-Executive Directors :

The Non-executive Directors are paid sitting fees for attending each meeting of the Board and/or Committee thereof and the same is within the limits prescribed by the Companies Act, 1956.

## Remuneration of Executive Directors

The Company has paid remuneration only by way of salary to its Executive Directors and the same is within the limits specified under Schedule XIII of the Companies Act, 1956 and duly approved by the Board as well as by the shareholders of the Company. Details of remuneration paid during 2013-14 are as follows :

Name of the Director and Designation	Salary paid (₹)	Period of Contract		Notice Period
		From	To	
Mr. Suresh Kumar Patni (Chairman cum Managing Director)	12,00,000/-	1st July, 2013	30th June, 2018	2 months
Mr. Satish Kumar Singh (Executive Director)	6,00,000/-	24th August, 2012	23rd August, 2015	2 months

## Remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors consists of only sitting fees @ ₹ 1,500/- for attending each meeting of the Board of Directors or a Committee thereof. The details of fees paid during the year and the equity shares held by them as on 31st March, 2014 are as follows :

Name of the Director	Sitting Fee paid (₹)	No. of Shares held as on 31st March, 2014
Mr. Ankit Patni	18,000	1,75,600
Mr. Ashok Kumar Jain	21,000	Nil
Mr. Santosh Kumar Khandelwal	4,500	Nil
Mr. Jay Shanker Shukla	21,000	Nil

### 3. Stakeholders Relationship Committee (erstwhile Investor Grievance cum Share Transfer Committee)

In compliance of provision of Section 178(5) of the Companies Act, 2013 read with Revised Clause 49 of the Listing Agreement (effective from October 1, 2014), the existing Investor Grievance cum Share Transfer Committee has been renamed as Stakeholders Relationship Committee.

The Stakeholders Relationship Committee was constituted to specifically look into the redressal of investors' complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends, etc.

The Stakeholders Relationship Committee consists of three Directors, out of which two are Independent Directors. The Chairman of the Committee is an Independent Director.

The broad terms of reference includes the following :

- To review and ensure compliance of statutory provisions of the Companies Act, 1956 and/or Companies Act, 2013, the guidelines of SEBI and the Stock Exchanges and other statutory requirements relating to transfer and transmission of shares/debentures of the Company.
- To review and ensure that the Registrar/Company's Transfer House implements all statutory provisions as above.

## Corporate Governance Report

- c. Approve transfers/transmission of shares/debenture and demat/remat of the shares/debenture.
- d. Approve issue of duplicate shares certificates/debenture certificates, issue of certificates on consolidation/sub-division/rematerialisation.
- e. To consider and resolve all shareholders queries, grievance and complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. are attended and redressed in an expeditious manner.
- f. Monitor implementation of Company's Code of Conduct for Prohibition of Insider Trading.
- g. Any other matter referred by the Board relating to equity shareholders of the Company.

During the year under review, the Committee has met once on 31st March, 2014.

The composition of the committee and the attendance of the members in the meeting are given hereunder :

Name of the Member	Designation	Category	No. of Meetings attended
Mr. Ashok Kumar Jain	Chairman	Independent/Non-Executive	1
Mr. Suresh Kumar Patni	Member	Promoter/Executive	1
Mr. Jay Shanker Shukla	Member	Independent /Non-Executive	1

Ms. Mamata Chakraborty, Company Secretary has been designated as Secretary to the Committee and as Compliance Officer of the Company. The Committee has delegated the authority to approve the requests for transfers/transmission, split and remat/demat of shares to the Company Secretary. The Committee reviews the transfer/demat/remat approved by the Company Secretary and take note thereof in their subsequent meeting.

The details of the complaints during the year 2013-2014, 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/pending	Nil

#### 4. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee of the Board of Directors was constituted on 29th April 2014, in terms of the provisions of the Companies Act, 2013. The role of the Committee are as under :

1. Formulate and recommend to the Board the CSR Policy and any amendments thereof which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
2. Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy.
3. Be responsible for implementation and monitoring of CSR projects or programmes or activities of the Company.
4. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

The composition of the Committee is as under :

Name of the Member	Designation	Category
Mr. Santosh Kumar Khandelwal	Chairman	Independent/Non-Executive
Mr. Satish Kumar Singh	Member	Executive
Mr. Ankit Patni	Member	Promoter /Non-Executive

# Corporate Governance Report

## General Body Meetings

The last three Annual General Meetings were held as under :

Financial Year	Date	Place	Time
2012-2013	September 30, 2013	'Rotary Sadan' 94/2, Chowringhee Road, Kolkata - 700 020	10.00 AM
2011-2012	September 26, 2012	'Rotary Sadan' 94/2, Chowringhee Road, Kolkata - 700 020	10.00 AM
2010-2011	September 16, 2011	'Rotary Sadan' 94/2, Chowringhee Road, Kolkata - 700 020	10.30 AM

## Special Resolutions Passed at the last three AGMs :

Financial Year	Items
2012-2013	Issue of Equity Shares to Promoters and Non-Promoter Group on preferential basis
2011-2012	None
2010-2011	None

No special resolution was passed through postal ballot in the last year. No special resolution requiring postal ballot is being proposed at the ensuing AGM.

## Disclosures

- There are no materially significant related party transactions, i.e. transactions of the Company of material in nature with its Promoters, Directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. The pricing of all the transactions with the related parties were on an arm's length basis. A disclosure of related party relationship and transactions as per AS-18 is given in the Note No. : 34 to the Annual Accounts of the Company.
- 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 all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No strictures or penalty were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.
- The Company does not have any Subsidiary.
- The risk assessment and minimisation procedures are in place and the Board is regularly informed by the Senior Executives about the business risks, if any occurs, and the steps taken to mitigate the same.
- Whistle Blower Policy :**  
In order to strengthen the process of conducting the business in a fair, transparent and ethical manner, the Company has set up a Whistle Blower Policy or the Vigil Mechanism. The policy is intended to establish a mechanism for employees to report to the management genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics, for which a dedicated email id : vigil.mechanism@impexferrotech.com has been established. Mr. Jay Shanker Shukla, Chairman of the Audit Committee of the Company has been nominated by the Board as Ombudsperson for this purpose. The mechanism provides adequate safeguard against victimisation of the persons using this mechanism. No employee was denied access to the Audit Committee.
- In terms of clause 49(IV)(F)(ii) of the Listing Agreement, the senior management has disclosed to the Board that they have no personal interest in the material, financial and commercial transactions of the Company that may have potential conflict with the interest of the Company at large.



# Corporate Governance Report

- **Proceeds from the Preferential Issue :**

During the year under review, the Company has raised ₹ 14,12,50,000/- by issuing 1,41,25,000 equity shares of ₹ 10/- each at a premium of ₹ 10/- on preferential basis to the entities belonging to Promoter and Strategic Investors belonging to Non-promoter group. The entire proceeds received from the preferential issue were fully utilised towards the object of the issue. Besides this, the Company did not raise any amount through public or right or preferential issues.

- The Company has complied with all the mandatory requirements as mandated under Clause 49 of the Listing Agreement. A certificate from the Practicing Company Secretary to this effect has been included in this report. Besides mandatory requirements, the Company has constituted a Nomination and Remuneration Committee to consider and recommend the remuneration of the Directors. The extent of compliance relating to non-mandatory requirements is dealt under the head 'Non-Mandatory Requirements'.

## CEO/CFO Certification

The requisite certificate from the Managing Director and the Chief Financial Officer of the Company for the financial year ended 31st March, 2014 required to be given under Clause 49 (V) of the Listing Agreement has been placed before the Board meeting held on 30th May, 2014.

## Means of Communication

### 1. Financial Results

In compliance with the requirements of the Listing Agreements, the Company has intimated Audited Financial Results as well as the Unaudited Quarterly Results to the Stock Exchanges immediately after they are taken on record by the Board. Further coverage has been given for the information of the shareholders and investors by publication of the financial results in English National daily - "Business Standard" and in a local vernacular newspaper - "Dainik Statesman" widely circulated in the state of West Bengal. The results were also placed on the Company's website at [www.impexferrotech.com](http://www.impexferrotech.com).

### 2. Other Information

The Company has its own website [www.impexferrotech.com](http://www.impexferrotech.com) wherein other related information is available. The Company has a dedicated help desk email id: [investors@impexferrotech.com](mailto:investors@impexferrotech.com) in the secretarial department for providing necessary information to the investors as well as for registering any complaints/grievances. The Company posts on its website all its official news releases, important announcements and presentations made before the press meets, analysts and institutional investors from time to time for the benefit of its investors and public at large.

## Profile of Directors Seeking Appointment/Re-appointment

Resume and other information of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting as required under Clause 49 of the Listing Agreement are given in the notice of ensuing Annual General Meeting as an Additional Information.

## Management Discussion and Analysis Report

A Management Discussion and Analysis Report is given separately, and forms part of Annual report.

## General Shareholder Information

### 1. Annual General Meeting (AGM)

Day, Date & Time	Saturday, 27th September, 2014 at 10.00 A.M.
Venue	PURBASHREE, Bharatiyam Cultural Multiplex, IB-201, Sector-III, Salt Lake City, Kolkata - 700 106
2. Date of Book Closure	22nd September, 2014 to 27th September, 2014 (both days inclusive)
3. Dividend payment date	N.A.
4. Financial Calendar	
Indicative calendar of events for the Financial Year 2014-2015 is as under:	
Financial Year	1st April to 31st March

# Corporate Governance Report

## Financial Reporting for the quarters :

First Quarter	Disclosed on 12th August, 2014
Second Quarter and Half Yearly	Within 45 days from the end of the Quarter
Third Quarter and Nine Months	Within 45 days from the end of the Quarter
Fourth Quarter and Annual (Audited)	Within 60 days from the end of the Quarter/Financial Year
Annual General Meeting	On or before 30th September, 2015

## 5. Listing of the Equity Shares on Stock Exchange

Name of the Stock Exchange	Address	Stock Code
Bombay Stock Exchange Limited (BSE)	"Phiroze Jeejeebhoy Towers" Dalal Street, Mumbai - 400 001	532614
The National Stock Exchange of India Ltd. (NSE)	"Exchange Plaza" Bandra - Kurla Complex Bandra (E), Mumbai - 400 051	IMPEXFERRO

The Company has paid the listing fee for the year 2014-15 to both the Stock Exchanges where the shares of the Company are listed as well as custodial fees to the depository.

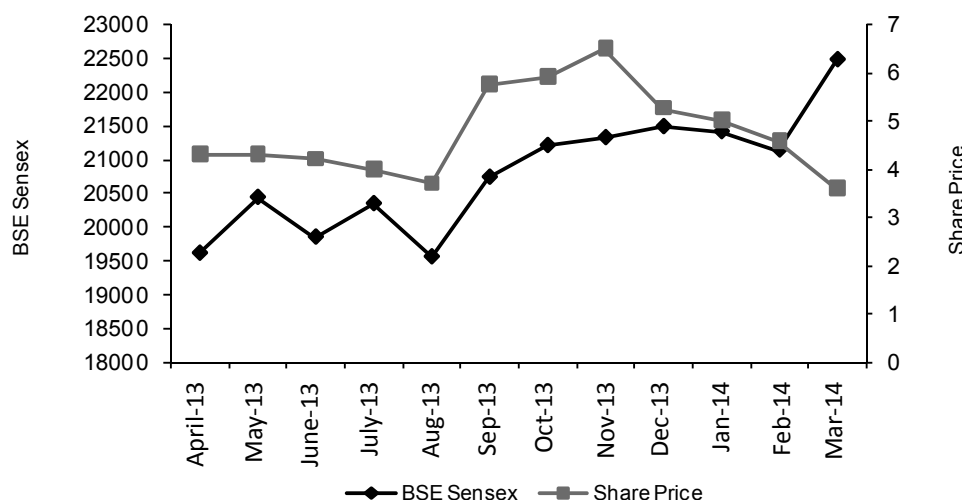
## 6. The International Security Identification Number (ISIN) for NSDL & CDSL : INE691G01015.

## 7. Market Price Data

The Stock Market data on BSE & NSE for the last twelve months are provided herein :

Month	National Stock Exchange of India Limited (₹)		Bombay Stock Exchange Limited (₹)	
	High	Low	High	Low
April, 2013	5.15	3.10	4.30	2.82
May, 2013	4.30	3.00	4.28	3.25
June, 2013	4.50	2.95	4.20	3.06
July, 2013	4.00	2.70	3.99	2.73
August, 2013	3.50	2.35	3.69	2.65
September, 2013	5.60	3.00	5.75	2.78
October, 2013	5.70	4.50	5.90	4.33
November, 2013	6.60	4.55	6.49	4.62
December, 2013	5.10	4.50	5.25	4.52
January, 2014	4.75	3.95	4.99	3.78
February, 2014	4.35	3.10	4.57	3.15
March, 2014	3.35	2.90	3.58	2.96

## 8. Performance of the Company in comparison with BSE Sensex (To be inserted)



# Corporate Governance Report

## 9. Shareholding Pattern as on 31st March, 2014

Category	No. of Shares	% of holding
Promoter & Promoter Group	5,44,29,846	66.71
Bodies Corporate	1,93,44,637	23.71
Individuals	77,33,650	9.47
Non-Resident Individuals	80,959	0.10
Clearing Member	7,412	0.01
Trusts	100	0.00
<b>Total</b>	<b>8,15,96,604</b>	<b>100.00</b>

## 10. Distribution of Shareholding as on 31st March, 2014

Range	No. of Shareholders	% of Shareholders	No. of Shares	% of Total
Upto 500	5,053	70.06	10,76,076	1.32
501 to 1000	965	13.38	8,37,723	1.03
1001 to 2000	545	7.56	8,69,877	1.07
2001 to 3000	183	2.54	4,84,430	0.59
3001 to 4000	88	1.22	3,18,193	0.39
4001 to 5000	104	1.44	5,01,084	0.61
5001 to 10000	126	1.75	9,58,535	1.17
10001 and above	148	2.05	7,65,50,686	93.82
<b>Total</b>	<b>7,212</b>	<b>100.00</b>	<b>8,15,96,604</b>	<b>100.00</b>

## 11. Dematerialisation of shares and Liquidity

The Company's shares are compulsorily traded in dematerialised form which is available for trading on both NSDL and CDSL. As on 31st March, 2014; 8,08,40,502 equity shares representing 99.07 % of the share capital are held in dematerialised form viz., CDSL - 5,00,48,309 equity shares and NSDL - 3,07,92,193 equity shares.

## 12. Registrar and Share Transfer Agent

M/s. Maheshwari Datamatics Pvt. Ltd. of 6, Mangoe Lane (Surendra Mohan Ghosh Sarani), 2nd Floor, Kolkata - 700 001 are the Registrar and Share Transfer Agent of the Company, both for Physical and Demat Segments. Accordingly, all communications on matters relating to Share Transfers, Dividend etc. may be sent directly to them. Complaints, if any, on these matters may also be sent to the Compliance Officer of the Company.

## 13. Share Transfer System

The share transfer requests are processed on behalf of the Company by Registrar & Transfer Agent, M/s. Maheshwari Datamatics Pvt. Ltd. and are placed before the Company Secretary who has been delegated the authority by Stakeholders Relationship Committee (erstwhile Investor Grievance cum Share Transfer Committee) to approve transfers. The Company Secretary addresses all the requests fortnightly.

## 14. Outstanding ADR's & GDR's, Warrants or any other convertible instruments, conversion date and likely impact on equity shares

During the year under review, the Company has not issued any ADR's & GDR's, Warrants or any other convertible instruments. The Company has at present no outstanding ADR's/GDR's/Warrants to be converted that has an impact on the equity shares of the Company.

# Corporate Governance Report

## 15. Name, Designation & Address of Compliance Officer for Complaints & Correspondence

### **Ms. Mamata Chakraborty**

Company Secretary & Compliance Officer

Impex Ferro Tech Limited

SKP House,

132A, S. P. Mukherjee Road,

Kolkata - 700 026

Phone : +91 33 4016 8000/8100

Fax : +91 33 4016 8189/8107

Email Id : cs@impexferrotech.com

### **Address for Correspondence**

#### **Registered Office :**

Impex Ferro Tech Limited

35, C. R. Avenue,

Kolkata - 700 012

Phone : +91 33 4064 0021/0022

Email Id : info@impexferrotech.com

CIN : L27101WB1995PLC071996

#### **Corporate Office :**

Impex Ferro Tech Limited

SKP House,

132A, S. P. Mukherjee Road,

Kolkata - 700 026

Phone : +91 33 4016 8000/8100

Fax : +91 33 4016 8189/8107

### **Plant Locations**

Kadavita Dendua Road

P.O. Kalyaneshwari, P.S. Kulti

Dist : Burdwan, West Bengal - 713 369

Phone : +91 341 2522248/49

Fax : +91 341 2522961

### **Non-Mandatory Requirements**

#### **1. Nomination and Remuneration Committee:**

The Company has a Nomination and Remuneration Committee comprising of 3 (three) Independent Non-Executive Directors as stated under 'Committees of Directors' in this report.

#### **2. Audit Qualifications :**

There are no qualifications in the financial statements of the Company for the year 2013-14.

#### **3. Other Items :**

The rest of the non-mandatory requirements such as Shareholder's Rights, training of Board members and Mechanism for evaluation of Non-Executive Board members will be implemented by the Company as and when required.

**For Impex Ferro Tech Limited**

**Suresh Kumar Patni**

*Chairman cum Managing Director*

Kolkata, 25th August, 2014

## Corporate Governance Report

### Certificate of Compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement

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, 2014 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance of conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of 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 **A J & ASSOCIATES**  
*Company Secretaries*

Kolkata, 25th August, 2014

**Abhijeet Jain**  
*Proprietor*  
C.P. No. 3426

# Independent Auditors' Report

To  
The Members of  
**Impex Ferro Tech Limited**

## Report on the Financial Statements

We have audited the accompanying financial statements of IMPEX FERRO TECH LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

1. Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.
2. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
3. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

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 Act 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 Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

# Independent Auditors' Report

## Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2003, as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004' issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the "Order"), we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 purpose of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - iii. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - v. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Kolkata, 30th May, 2014

For **R. Kothari & Company**  
*Chartered Accountants*  
**FRN : 307069E**

**CA Kailash Chandra Soni**  
*Partner*  
**Membership No. 057620**

## Annexure to the Independent Auditors' Report

The Annexure referred to in paragraph 1 under the heading of “**Report on other Legal and Regulatory Requirements**” of even date to the members of **Impex Ferro Tech Limited** on the accounts of the Company for the year ended 31st March 2014.

On the basis of such checks as we considered appropriate and accordingly to the information and explanations given to us during the course of our audit, we report that :

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and in our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off substantial part of fixed assets which would affect its going concern status.
- (ii) (a) As explained to us, the stocks of finished goods and work-in-progress have been physically verified by the management as at the end of the financial year and for stocks of raw materials, for which there is a perpetual inventory system, a substantial portion of stocks has been verified during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4(iii)(b),(c) and (d) of the said Order are not applicable to the Company.
- (b) The Company has not taken any unsecured loan from companies covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4(iii)(f) and (g) of the said Order 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 Procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to under section 301 of the Companies Act, 1956 have been entered into a register that is required to be maintained under that section.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of five lacs rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public and consequently, the directives issued by Reserve Bank of India and provisions of Section 58A and Section 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
- (vii) In our opinion, the Company has an Internal Audit System commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of manufacture of Iron & Steel product & Power Generation Unit pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, and we are of the opinion that prima facie, the records have been maintained. We have not however made a detailed examination for the records with a view to determining whether they are accurate and complete.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing undisputed statutory dues including, Income Tax, and other statutory dues during the year with appropriate authorities.
- (b) According to information and explanations given to us, no undisputed amounts payable in respect of Income Tax, etc. were in arrears, as at 31.03.2014 for a period of more than six months from the date they became payable.



## Annexure to the Independent Auditors' Report

- (c) According to the information and explanations given to us, there are no dues of Sales Tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited as on 31st March, 2014 with the appropriate authorities on account of any dispute except the following cases which are tabled below:

Nature of Dues	Year	₹ in Lacs	Forum where Dispute is Pending
Excise Duty	2005-06	12.36	Commissioner of Central Excise (Appeals)(III)
	2005-06 and 2006-07	8.26	CESTAT, Calcutta Bench
	2006-07	0.50	Commissioner of Central Excise (Appeals)(IV)
	2007-08	15.55	CESTAT, Calcutta Bench
<b>Total</b>		<b>36.67</b>	<b>₹ 18.62 Lacs paid under Protest</b>
VAT	2005-06	304.13	WBCT, Appellate and Revisional Board
	2006-07	479.91	WBCT, Appellate and Revisional Board
	2008-09	748.45	WBCT, Appellate and Revisional Board
	2009-10	1,487.27	Sr. Joint Commissioner of Commercial Taxes
<b>Total</b>		<b>3,019.76</b>	<b>₹ 88.62 Lacs paid under Protest</b>
Entry Tax	2012-13 and 2013-14	272.51	Hon'ble High Court of Calcutta
<b>Total</b>		<b>272.51</b>	<b>₹ Nil Lacs paid under Protest</b>

- x) The Company does not have accumulated losses at the end of the financial year but has incurred cash losses during the financial year ended on that date but not in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to any bank or financial institution, except for delay of upto sixty days in respect of repayment of term loan of ₹ 204.64 lacs and payment of interest of ₹ 53.46, paid subsequent to the balance sheet date.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of Clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities and other investments. Therefore, 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 any guarantee for loans taken by others from banks or financial institutions during the year. Therefore, the provisions of Clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanation given to us, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us, 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 made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act and the price at which shares have been issued is not prejudicial to the interest of the Company.
- (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 and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by public issue hence the provisions under Clause 4 (xx) of the Order are not applicable to the Company.
- (xxi) 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 **R. Kothari & Company**  
Chartered Accountants  
FRN : 307069E

**CA Kailash Chandra Soni**  
Partner

**Membership No. 057620**

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Kolkata, 30th May, 2014

## Balance Sheet as at 31st March, 2014

(₹ in Lacs)

S.N.	PARTICULARS	NOTE NO.	31.03.2014	31.03.2013
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>(1) Shareholders' Funds</b>			
	(a) Share Capital	<b>2</b>	8,159.66	6,747.16
	(b) Reserves and Surplus	<b>3</b>	4,923.63	9,006.13
			13,083.29	15,753.29
	<b>(2) Non-Current Liabilities</b>			
	(a) Long-Term Borrowings	<b>4</b>	7,860.54	11,634.05
	(b) Deferred Tax Liability (Net)	<b>5</b>	-	1,097.87
			7,860.54	12,731.92
	<b>(3) Current Liabilities</b>			
	(a) Short-Term Borrowings	<b>6</b>	15,786.57	8,518.94
	(b) Trade Payables	<b>7</b>	16,533.69	18,099.93
	(c) Other Current Liabilities	<b>8</b>	6,713.56	4,968.93
	(d) Short-Term Provisions	<b>9</b>	-	132.30
			39,033.82	31,720.10
	<b>Total</b>		<b>59,977.65</b>	<b>60,205.31</b>
<b>II</b>	<b>ASSETS</b>			
	<b>(1) Non-Current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	<b>10</b>	19,480.44	20,356.29
	(ii) Intangible Assets	<b>10</b>	10.47	15.85
	(iii) Capital Work-In-Progress	<b>11</b>	42.89	54.20
			19,533.80	20,426.34
	(b) Long-Term Loans and Advances	<b>12</b>	24.45	103.49
			19,558.25	20,529.83
	<b>(2) Current Assets</b>			
	(a) Inventories	<b>13</b>	12,561.28	15,750.53
	(b) Trade Receivables	<b>14</b>	19,316.26	14,647.52
	(c) Cash and Bank Balances	<b>15</b>	2,608.47	3,232.16
	(d) Short-Term Loans and Advances	<b>16</b>	5,581.84	5,056.06
	(e) Other Current Assets	<b>17</b>	351.55	989.21
			40,419.40	39,675.48
	<b>Total</b>		<b>59,977.65</b>	<b>60,205.31</b>
	Significant Accounting Policies	<b>1</b>		

The accompanying notes 1 to 36 form an integral part of the Financial Statements

As per our report of even date attached

For **R. Kothari & Company**

Chartered Accountants

FRN : 307069E

**CA K. C. Soni**

Partner

Membership No: 057620

Kolkata, 30th May, 2014

For and on behalf of the Board

**S. K. Patni**

Managing Director

**Ankit Patni**

Director

**Mamata Chakraborty**

Company Secretary

## Statement of Profit & Loss for the year ended 31st March, 2014

(₹ in Lacs)

S.N.	PARTICULARS	NOTE NO.	31.03.2014	31.03.2013
I	<b>INCOME</b>			
	Revenue from Operations (Gross)	18	70,549.22	64,658.24
	Less: Excise Duty		747.01	511.30
	Revenue from Operations (Net)		69,802.21	64,146.94
II	Other Income	19	629.68	273.09
III	<b>Total Revenue (I + II)</b>		<b>70,431.89</b>	<b>64,420.03</b>
IV	<b>EXPENSES</b>			
	Cost of Materials Consumed	20	20,327.11	22,508.81
	Purchases of Stock-In-Trade	21	40,774.44	27,644.49
	Changes in Inventories of Finished Goods and Work in Progress	22	104.92	(1,679.05)
	Employee Benefits Expense	23	437.23	267.25
	Finance Costs	24	3,596.47	3,577.60
	Depreciation and Amortisation Expense	10	1,177.00	1,142.35
	Other Expenses	25	10,594.47	10,340.88
	<b>Total Expenses (IV)</b>		<b>77,011.64</b>	<b>63,802.33</b>
	<b>PROFIT/(LOSS) BEFORE TAX (III-IV)</b>		<b>(6,579.75)</b>	<b>617.70</b>
	<b>Tax Expenses</b>			
	Current Tax		-	132.30
	Less : MAT Credit entitlement		-	(123.59)
	<b>Net Current Tax</b>		-	8.71
	Earlier Years Tax		3.64	13.48
	Deferred Tax		(1,097.87)	199.28
	<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>(5,485.52)</b>	<b>396.23</b>
	Earnings Per Equity Share (Nominal value of share - ₹ 10/-)			
	Basic & Diluted	35	(7.47)	0.59
	Significant Accounting Policies	1		

The Accompanying notes 1 to 36 form an integral part of the Financial Statements

As per our report of even date attached

For **R. Kothari & Company**

Chartered Accountants

FRN : 307069E

**CA K. C. Soni**

Partner

Membership No: 057620

Kolkata, 30th May, 2014

For and on behalf of the Board

**S. K. Patni**

Managing Director

**Ankit Patni**

Director

**Mamata Chakraborty**

Company Secretary

## Cash Flow Statement for the year ended 31st March, 2014

(₹ in Lacs)

	Year Ended 31st March, 2014		Year Ended 31st March, 2013	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax & Extra-Ordinary Items		(6,579.75)		617.70
Adjustments for :				
Depreciation	1,177.00		1,142.35	
Finance costs	3,596.47		3,577.60	
Interest Received	(152.73)		(213.86)	
Sundry Balances Written Back	(59.50)		(30.54)	
Loss on Sale of Fixed Assets	-		0.89	
		4,561.24		4,476.44
<b>Operating Profit before Working Capital Changes</b>		<b>(2,018.51)</b>		<b>5,094.14</b>
Adjustments for :				
(Increase)/Decrease in Inventories	3,189.25		1,056.41	
(Increase)/Decrease in Trade Receivables	(4,668.75)		(1,708.96)	
(Increase)/Decrease in Loans and Advances	(530.60)		(2,734.61)	
(Increase)/Decrease in Other Assets	637.66		32.22	
Increase/(Decrease) in Trade Payables	(1,506.74)		2,044.45	
Increase/(Decrease) in Other Liabilities	1,938.00		427.09	
		(941.17)		(883.41)
<b>Cash generated from operations</b>		<b>(2,959.68)</b>		<b>4,210.73</b>
Direct Tax Paid		(134.58)		(150.56)
<b>Net Cash from Operating Activities</b>		<b>(3,094.26)</b>		<b>4,060.16</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(241.06)		(885.18)	
(including Capital Work-in-Progress and Advances)				
Sale of Fixed Assets	-		0.91	
Interest Income	152.73		213.86	
Maturity Proceeds of Fixed Deposits	4,902.50		2,105.40	
Purchase of Fixed Deposits with Banks	(4,234.95)		(3,157.14)	
<b>Net Cash used in Investing Activities</b>		<b>579.22</b>		<b>(1,722.15)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Shares	2,825.00		-	
Increase/(Decrease) in Short Term Borrowings	7,267.63		2,106.00	
Proceeds from Long Term Borrowings	(2,552.38)		162.00	
Repayment of Long Term Borrowings	(1,360.41)		(1,329.32)	
Share Issue Expenses	(9.47)		-	
Finance Costs	(3,611.46)		(3,284.04)	
<b>Net Cash from Financing Activities</b>		<b>2,558.90</b>		<b>(2,345.36)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents		43.86		(7.34)
Cash & Cash Equivalents at the beginning of the year (Refer Note No.15 to the Accounts)		15.96		23.30
Cash & Cash Equivalents at the end of the year (Refer Note No.15 to the Accounts)		<b>59.82</b>		<b>15.96</b>

## Cash Flow Statement *(Contd.)*

### Notes:

1. The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Accounting Standard- 3 on ‘Cash Flow Statement’ notified by the Companies (Accounting Standards) Rules, 2006.
2. Cash and Cash equivalents include cash and cheques in hand and bank balances on current accounts [Refer Note No.15 to the Accounts].
3. Figures in brackets indicate cash outflows.
4. Previous year’s figures have been regrouped/rearranged, wherever considered necessary to conform to this year’s classification.

As per our report of even date attached

For **R. Kothari & Company**

*Chartered Accountants*

**FRN : 307069E**

**CA K. C. Soni**

*Partner*

**Membership No: 057620**

Kolkata, 30th May, 2014

For and on behalf of the Board

**S. K. Patni**

*Managing Director*

**Ankit Patni**

*Director*

**Mamata Chakraborty**

*Company Secretary*

## Notes to and forming part of the Financial Statements as at 31st March, 2014

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of preparation of Financial Statements

- (a) The Financial Statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI (Revised) to the Companies Act, 1956.
- (b) The Financial Statements are prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- (c) The preparation of the Financial Statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialize.

#### 1.2 Revenue Recognition

- (a) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.
- (b) Sales are recognised when significant risks and rewards of ownership of the goods have passed to the buyer which generally coincides with the time when goods are despatched to the buyer. Sales are inclusive of excise duty but net of trade discounts and VAT. However, excise duty relating to sales is reduced from gross turnover for disclosing net turnover.
- (c) Export Incentives arising out of Export Sales under Duty Entitlement Pass Book Scheme/Duty Drawback are accounted for on accrual basis. Profit or loss on sale of DEPB Licenses is accounted for in the year of such sale.
- (d) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (e) Purchases are inclusive of freight and net of CENVAT/Duty Credit, trade discount and claims.

#### 1.3 Fixed Assets

- (a) Fixed Assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price (net of CENVAT / duty credits availed or available thereon) and any attributable cost of bringing the asset to its working condition for the intended use.
- (b) Depreciation is provided using the Straight Line Method as per the useful life of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher. Software is amortized over a period of five years.
- (c) The carrying amount of fixed assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors, an impairment loss is recognized wherever the carrying amount of a fixed asset exceeds the recoverable amount. The recoverable amount is the higher of the fixed asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.
- (d) Cost of the fixed assets not ready for their intended use at the Balance Sheet date together with all related expenses is shown as Capital Work-in-Progress/Intangible Assets under Development.

#### 1.4 Inventories

Inventories are valued at lower of cost and Net Realisable value. Cost of inventories comprises material cost on FIFO basis, labour & manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of finished goods includes excise duty, if payable.

## Notes to and forming part of the Financial Statements as at 31st March, 2014

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### 1.5 Foreign Currency Transactions

(a) **Initial Recognition :**

Foreign Currency Transactions are recorded in the reporting currency, by applying to the Foreign Currency amount the exchange rate between the reporting currency and the foreign currency as at the date of the transaction.

(b) **Conversion :**

Foreign Currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

(c) **Exchange Differences :**

Exchange differences arising on the settlement of monetary items are recognised as income or as expense in the year in which they arise.

(d) **Forward Exchange Contracts :**

The Company enters into Forward Exchange Contracts which are not intended for trading or speculation purposes. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of foreign exchange contract is recognised as income or expense for the year.

#### 1.6 Government Grants

Government Grants are recognized on a prudent basis when there is a reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received.

Government Grants in the form of promoters' contribution is credited to capital reserve. Capital grant relating to specific assets is reduced from the gross value of the respective fixed assets. Government Grants related to revenue are recognized by credit over the period to match them on a systematic basis to the costs, which it intended to compensate.

#### 1.7 Employee Benefits

(a) **Defined Contribution Plan :**

Contribution as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards provident fund and family pension fund are charged to the Statement of Profit and Loss of the period when contributions to the respective funds are due. There is no other obligation other than the contribution payable to the respective funds.

(b) **Defined Benefit Plan :**

Liability with regard to long-term employee benefits is provided for on the basis of an actuarial valuation at the Balance Sheet date. Actuarial gain / loss is recognised in the Statement of Profit and Loss. The Company has an Employees Gratuity Fund managed by the SBI Life Insurance Company Limited.

(c) Short-term Compensated Absences are provided for based on estimates.

#### 1.8 Borrowing Costs

(a) Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

## Notes to and forming part of the Financial Statements as at 31st March, 2014

### **NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

- (b) Other Borrowing costs are recognised as expense in the period in which they are incurred.

#### **1.9 Expenditure on New Projects & Substantial Expansion**

Preliminary project expenditure, capital expenditure, indirect expenditure incidental and related to construction/ implementation, interest on term loans to finance fixed assets and expenditure on start-up of the project are capitalized upto the date of commercial production to the cost of the respective assets.

#### **1.10 Taxes on Income**

Tax expense comprises of current tax and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of tax payable as per provisions of Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961 deferred MAT Credit entitlement is separately recognised under the head 'Short Term Loans and Advances'. Deferred MAT Credit Entitlement is recognised and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

#### **1.11 Earnings Per Share (EPS)**

- (a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- (b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **1.12 Prior Period Items**

Significant items of income and expenditure which relate to prior accounting periods, other than those occasioned by events occurring during or after the close of the year and which are treated as relating to the current year, are accounted for in the Statement of Profit and Loss under the head "Prior Period Items".

#### **1.13 Provisions / Contingencies**

- (a) Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.
- (b) Contingent Liabilities are shown by way of notes to the accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.
- (c) A Contingent Asset is not recognized in the accounts.

#### **1.14 Preliminary & Share Issue Expenses**

Preliminary & Share Issue expenses are adjusted with the balance available in Securities Premium in accordance with Section 78 of the Companies Act, 1956.



## Notes to and forming part of the Financial Statements as at 31st March, 2014

(₹ in Lacs)

	31.03.2014	31.03.2013
<b>NOTE 2 SHARE CAPITAL</b>		
<b>Authorised:</b>		
8,25,00,000 (P.Y. 6,80,00,000) Equity Shares of ₹ 10/- each	8,250.00	6,800.00
<b>Issued, Subscribed and Paid-up:</b>		
8,15,96,604 (P.Y. 67,471,604) Equity Shares of ₹ 10/- each fully paid up.	8,159.66	6,747.16

### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31.03.2014		31.03.2013	
	Nos.	Amt (₹ in Lacs)	Nos.	Amt (₹ in Lacs)
At the Beginning of the Period	6,74,71,604	6,747.16	6,74,71,604	6,747.16
Issued During the Period	1,41,25,000	1,412.50	-	-
<b>At the End of the Period</b>	<b>8,15,96,604</b>	<b>8,159.66</b>	<b>6,74,71,604</b>	<b>6,747.16</b>

### (b) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting. However, no dividend has been proposed by the Board for the current year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	31.03.2014		31.03.2013	
	No. of Shares	% holding	No. of Shares	% holding
Suanvi Trading & Investment Co. Pvt. Ltd.	1,50,73,046	18.47	1,14,83,046	17.02
Vasupujya Enterprises Pvt. Ltd.	1,06,00,000	12.99	1,06,00,000	15.71
Poddar Mech Tech Services Pvt. Ltd	1,06,33,750	13.03	1,06,33,750	15.76
Invesco Finance Pvt. Ltd.	1,08,71,250	13.32	1,08,71,250	16.11

(₹ in Lacs)

	31.03.2014	31.03.2013
<b>NOTE 3 RESERVES AND SURPLUS</b>		
<b>Capital Reserve- As per last account</b>		
- State Capital Subsidy	278.62	278.62
- Forfeiture of Share Warrants	133.80	133.80
	<b>412.42</b>	<b>412.42</b>
<b>Securities Premium Account</b>		
At the beginning of the accounting period	3,210.14	3,210.14
Additions during the year	1,412.50	-
	4,622.64	3,210.14
Share Issue / Preliminary Expenses written off	(9.47)	-
At the end of the accounting period	<b>4,613.17</b>	<b>3,210.14</b>
<b>Surplus (Deficit) in the Statement of Profit &amp; Loss</b>		
Balance as per last Financial Statement	5,383.57	4,987.34
Profit/(Loss) for the year	(5,485.52)	396.23
Closing Balance	<b>(101.95)</b>	<b>5,383.56</b>
<b>Total</b>	<b>4,923.64</b>	<b>9,006.13</b>

## Notes to and forming part of the Financial Statements as at 31st March, 2014

(₹ in Lacs)

	Non-current portion		Current Maturities	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>NOTE 4 LONG-TERMBORROWINGS</b>				
<b>Term Loans</b>				
Rupee Loans from Banks (Secured)	1,177.30	2,398.43	1,434.49	1,573.55
<b>Other Loans and Advances</b>				
From Bodies Corporate (Unsecured)	6,683.24	9,235.62	-	-
Loans against Vehicles (Secured)	-	-	-	0.21
	<b>7,860.54</b>	<b>11,634.05</b>	<b>1,434.49</b>	<b>1,573.76</b>
The above amount includes				
Secured Borrowings	1,177.30	2,398.43	1,434.49	1,573.77
Unsecured Borrowings	6,683.24	9,235.62	-	-
Amount disclosed under the head - "Other Current Liabilities" (Refer Note 8)	-		(1,434.49)	(1,573.77)
	<b>7,860.54</b>	<b>11,634.05</b>	<b>-</b>	<b>-</b>

### (A) Details of Security

- Term loans from Banks are secured by first charge on all the immovable & movable plant and machinery and other fixed assets including equitable mortgage of factory land with shed & building and office premises and second charge on the current assets of the Company, all ranking pari-passu jointly in favour of State Bank of India, Punjab National Bank and Bank of Baroda and personally guaranteed by the promoter directors.
- Loans against Vehicles are secured by way of hypothecation of the underlying asset financed.

### (B) Terms of Repayment

#### a) Term Loans

Name of the Lender	Loan Outstanding as on 31st March, 2014 (₹ in Lacs)	Period of Maturity with respect to Balance Sheet date	No. of Installments outstanding as on 31st March, 2014	Installments Amount (₹ in Lacs)
State Bank of India - I	1715.24 (P.Y - 2251.24)	3 yrs (P.Y - 4 yrs)	13 (P.Y - 17)	134.00 (Quarterly)
Punjab National Bank - I	561.25 (P.Y - 990.45)	1 yrs 4 m (P.Y - 2 yrs 4 m )	17 (P.Y - 30)	33.02 (Monthly)
Punjab National Bank - II	26.25 (P.Y - 55.48)	0 yr 8 m (P.Y - 1 yrs 5 m )	9 (P.Y - 19)	2.92 (Monthly)
Bank of Baroda - I	283.66 (P.Y - 624.05)	0 yr 9 m (P.Y - 1yr 9 m )	10 (P.Y - 22)	28.37 (Monthly)
Bank of Baroda - II	25.38 (P.Y - 50.76)	1yr 0 m (P.Y - 1yr 9 m)	4 (P.Y - 8)	6.35 (Quarterly)

\*Term Loans carry an average interest rate of 15.08% (P.Y - 16.81% ).

## Notes to and forming part of the Financial Statements as at 31st March, 2014

The following amounts due during the year have been paid subsequent to the Balance Sheet date:

	Due on	Amount (₹ in Lacs)
<b>NOTE 4 LONG-TERM BORROWINGS (Contd.)</b>		
Principal	31.03.2014	204.64
Interest	28.02.2014	21.48
	31.03.2014	31.98

- b) Unsecured Loan from Bodies Corporate amounting to ₹ 5,442.86 Lacs (P.Y. - ₹ 6,722.86 Lacs) are interest free. Balance carry an average interest rate of 12.00% (P.Y - 13.11%). The loans are repayable at the option of the Company and are stated by the management to be in the nature of Long term borrowings.
- c) Loans against Vehicles are repayable by way of Equated Monthly Instalments subsequent to taking of such loan. The original period of such loans is 3 years.

	31.03.2014	31.03.2013
<b>NOTE 5 DEFERRED TAX LIABILITY (NET)</b>		
<b>Deferred Tax Liability</b>		
- Difference in WDV as per Companies Act and Income Tax Act	1,310.07	1,137.91
<b>Deferred Tax Asset</b>		
- Related to Unabsorbed Depreciation	(317.43)	(40.04)
- Related to Unabsorbed Business Loss	(992.64)	-
<b>Deferred Tax Liability (Net)</b>	-	<b>1,097.87</b>

<b>NOTE 6 SHORT-TERM BORROWINGS</b>		
Working Capital Loans from Banks (Secured)		
Rupee Loans	15,786.57	8,518.94
	<b>15,786.57</b>	<b>8,518.94</b>

### Details of Security :

- (A) Working capital loans are secured by hypothecation of entire current assets including Stocks of Raw Materials, Stock-in-Process, Finished Goods, Stores and Spares, Receivables, both present & future ranking pari-passu jointly in favour of State Bank of India, Punjab National Bank, Bank of Baroda, United Bank of India and State Bank of Travancore and also secured by second charge on all the block assets and personally guaranteed by the promoter directors.

	31.03.2014	31.03.2013
<b>NOTE 7 TRADE PAYABLES</b>		
Trade Payables (including acceptances)	16,533.69	18,099.93
	<b>16,533.69</b>	<b>18,099.93</b>

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

## Notes to and forming part of the Financial Statements as at 31st March, 2014

(₹ in Lacs)

	31.03.2014	31.03.2013
<b>NOTE 8 OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debts (Refer Note No. 4)	1,434.49	1,573.77
Interest accrued and due on Borrowings	53.46	68.45
Interest accrued and not due	-	-
Advance from Customers	2,146.55	914.47
Other Payables		
For Statutory Dues	140.36	48.23
For Capital Goods	190.55	229.65
For Accrued Expenses	2,748.15	2,134.36
	<b>6,713.56</b>	<b>4,968.93</b>
<b>NOTE 9 SHORT-TERM PROVISIONS</b>		
For Taxation	-	132.30
	-	<b>132.30</b>

## Notes to and forming part of the Financial Statements as at 31st March, 2014

### NOTE 10 FIXED ASSETS

(₹ in Lacs)

Particulars	Tangible Assets								Intangible Assets
	Freehold Land	Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Others	Total	ERP Software
<b>Gross Block</b>									
As at 1st April, 2012	183.36	3,849.92	18,985.68	29.97	31.31	9.36	14.49	23,104.09	19.23
Additions	-	31.11	990.17	6.59	-	1.80	0.24	1,029.90	7.67
Disposals	-	-	-	-	3.69	-	-	3.69	-
Other Adjustments									
- Borrowing Costs	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2013</b>	<b>183.36</b>	<b>3,881.03</b>	<b>19,975.85</b>	<b>36.56</b>	<b>27.63</b>	<b>11.16</b>	<b>14.73</b>	<b>24,130.29</b>	<b>26.90</b>
Additions	-	4.03	284.98	0.98	-	2.93	2.85	295.77	-
Disposals	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2014</b>	<b>183.36</b>	<b>3,885.05</b>	<b>20,260.83</b>	<b>37.54</b>	<b>27.62</b>	<b>14.09</b>	<b>17.58</b>	<b>24,426.06</b>	<b>26.90</b>
<b>Depreciation &amp; Amortisation</b>									
As at 1st April, 2012	-	449.58	2,152.47	13.72	15.91	1.37	4.54	2,637.59	7.00
Charge for the year	-	128.30	1,002.59	2.07	2.97	1.66	0.69	1,138.30	4.05
Deductions / Adjustments	-	-	-	-	(1.88)	-	-	(1.88)	-
<b>As at 31st March, 2013</b>	<b>-</b>	<b>577.88</b>	<b>3,155.07</b>	<b>15.78</b>	<b>17.00</b>	<b>3.03</b>	<b>5.23</b>	<b>3,774.00</b>	<b>11.05</b>
Charge for the year	-	129.33	1,034.49	2.36	2.62	2.00	0.83	1,171.62	5.38
Deductions / Adjustments	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2014</b>	<b>-</b>	<b>707.21</b>	<b>4,189.55</b>	<b>18.12</b>	<b>19.62</b>	<b>5.03</b>	<b>6.06</b>	<b>4,945.63</b>	<b>16.43</b>
<b>Net Block</b>									
<b>As at 31st March, 2013</b>	<b>183.36</b>	<b>3,303.15</b>	<b>16,820.78</b>	<b>20.78</b>	<b>10.61</b>	<b>8.13</b>	<b>9.49</b>	<b>20,356.29</b>	<b>15.85</b>
<b>As at 31st March, 2014</b>	<b>183.36</b>	<b>3,177.85</b>	<b>16,071.28</b>	<b>19.41</b>	<b>7.99</b>	<b>9.06</b>	<b>11.51</b>	<b>19,480.43</b>	<b>10.47</b>

## Notes to and forming part of the Financial Statements as at 31st March, 2014

(₹ in Lacs)

	31.03.2014	31.03.2013
<b>NOTE 11 CAPITAL WORK-IN-PROGRESS</b>		
At the beginning of the year	54.20	436.29
Add : Incurred during the year	51.05	179.91
Less : Capitalised during the year	62.36	562.00
At the end of the year	<b>42.89</b>	<b>54.20</b>
Capital work-in-progress includes Pre Operative Expenses relating to project under implementation, pending allocation to Fixed Assets.		
<b>Opening Balance</b>	17.53	8.25
<b>Add : Expenditure incurred during the period</b>		
Cost of Materials Consumed	16.16	7.41
Stores & Spares	-	0.33
Vehicle Hire Charges	0.25	-
Generator Hire Charges	-	1.54
Legal, Professional & Consultancy Charges	-	-
Pollution Fee & Other Charges	-	-
Finance Costs - Interest Expense	-	-
<b>Total</b>	<b>16.41</b>	<b>9.28</b>
Amount allocated to Fixed Assets	25.69	-
<b>Closing Balance</b>	<b>8.25</b>	<b>17.53</b>
<b>NOTE 12 LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered good)		
Capital Advances (Refer Note No. 26 (B))	-	82.49
Security Deposits	24.45	20.99
	<b>24.45</b>	<b>103.48</b>
<b>NOTE 13 INVENTORIES</b>		
(As taken, valued and certified by the management)		
Raw Materials [includes in transit ₹ 695.34 Lacs (P.Y. - ₹ 415.23 Lacs)]	8,915.05	12,005.62
Work-in-Progress	3,205.91	2,929.72
Finished Goods	365.14	746.26
Stores & Spares	69.30	55.76
Packing Material	5.87	13.17
	<b>12,561.27</b>	<b>15,750.53</b>
<b>NOTE 14 TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months from the date they are due for payment	5,639.47	752.85
Other Debts	13,676.80	13,894.67
	<b>19,316.27</b>	<b>14,647.52</b>

## Notes to and forming part of the Financial Statements as at 31st March, 2014

(₹ in Lacs)

	31.03.2014	31.03.2013
<b>NOTE 15 CASH &amp; BANK BALANCES</b>		
<b>i) Cash &amp; Cash Equivalents</b>		
(A) Cash in Hand (as Certified)	32.25	9.97
(B) Balance with Banks		
In Current Accounts	27.56	5.99
	<b>59.81</b>	<b>15.96</b>
<b>ii) Other Bank Balances</b>		
- Term Deposits with Banks	2,548.66	3,216.20
(includes ₹ 490.83 Lacs (P.Y. ₹ 1901.27 Lacs) having maturity greater than 12 months)		
	<b>2,548.66</b>	<b>3,216.20</b>
<b>Total</b>	<b>2,608.47</b>	<b>3,232.16</b>

- a) Balances in respect of certain inoperative bank accounts amounting to ₹ 8.40 Lacs (Previous Year ₹ 2.31 Lacs) are subject to confirmation.
- b) Term Deposits with Banks include:
- Interest accrued but not due amounting to ₹ 185.39 Lacs (P.Y. ₹ 355.54 Lacs)
  - Overdue deposits amounting to ₹ Nil (P.Y. ₹ 47.18 Lacs)
- c) Term Deposits amounting to ₹ 2,548.66 Lacs (P.Y. ₹ 3,216.20 Lacs) have been pledged as margin money against letter of credit facilities.

<b>NOTE 16 SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
To related parties	163.31	161.86
To others	3,832.25	2,717.26
Balance with Central Excise & CENVAT Receivable	1,236.18	1,901.39
VAT Credit Receivable / Refundable	104.56	28.65
Income Tax Payments	52.24	53.61
MAT Credit Entitlement	193.30	193.30
	<b>5,581.84</b>	<b>5,056.07</b>

- a) Income Tax Payments include ₹ 21.42 Lacs (P.Y. - ₹ 21.42 Lacs) seized pursuant to search and seizure operation conducted by the Income Tax authorities on 5th January, 2004.

<b>NOTE 17 OTHER CURRENT ASSETS</b>		
(Unsecured, considered Good)		
Insurance Claim Receivable	-	298.19
Incentives Receivable	351.04	691.02
Forward Contract Receivable	0.51	-
	<b>351.55</b>	<b>989.21</b>

## Notes to and forming part of the Financial Statements as at 31st March, 2014

(₹ in Lacs)

	31.03.2014	31.03.2013
<b>NOTE 18 REVENUE FROM OPERATIONS (GROSS)</b>		
<b>Sale of Products</b>		
Sale of Manufactured Goods - Ferro Alloys	24,307.84	26,343.45
Sale of Raw Materials		
Manganese Ore	2,115.54	4,855.51
Coal & Coke	359.17	75.00
Others	-	976.12
Sale of Traded Goods		
Iron and Steel Products	42,714.23	31,018.81
<b>Other Operating Revenues</b>		
Export Incentives	1,052.44	1,389.36
	<b>70,549.22</b>	<b>64,658.25</b>
<b>NOTE 19 OTHER INCOME</b>		
Interest Income		
- On Fixed Deposits	152.73	212.47
- Others	-	1.39
Interest Subsidy	-	-
Foreign Exchange Fluctuation Gain	289.75	-
Liabilities Written Back	59.50	30.54
Miscellaneous Income	-	0.05
Sale of Scrap	68.33	-
Commision Income	59.36	28.64
	<b>629.67</b>	<b>273.09</b>
<b>NOTE 20 COST OF MATERIALS CONSUMED</b>		
(Including cost of raw material sold)		
Raw materials at the beginning of the year	11,388.04	14,303.51
Add : Purchases	17,521.65	19,593.35
	28,909.69	33,896.86
Less : Raw materials at the end of the year	8,582.59	11,388.04
	<b>20,327.10</b>	<b>22,508.82</b>
<b>Details of Raw Materials Consumed</b>		
Manganese Ore	16,505.25	16,700.07
Coal and Coke	3,336.26	4,570.61
Dolomite	54.22	84.18
Others	431.37	1,153.96
	<b>20,327.10</b>	<b>22,508.82</b>
<b>NOTE 21 PURCHASES OF STOCK-IN-TRADE</b>		
Iron and Steel Products	40,774.44	27,644.49
	<b>40,774.44</b>	<b>27,644.49</b>



# Notes to and forming part of the Financial Statements as at 31st March, 2014

(₹ in Lacs)

	31.03.2014	31.03.2013
<b>NOTE 22 CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN-PROGRESS</b>		
<b>Ferro Alloys</b>		
<b>Opening Stock</b>		
Finished Goods	746.26	304.03
Work-in-Progress	2,929.72	1,692.90
	3,675.98	1,996.93
<b>Less: Closing Stock</b>		
Finished Goods	365.14	746.26
Work-in-Progress	3,205.91	2,929.72
	3,571.05	3,675.98
	<b>104.93</b>	<b>(1,679.05)</b>
<b>NOTE 23 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages & Bonus	400.88	248.86
Contribution to Provident & Other Funds	32.80	16.42
Staff Welfare Expenses	3.56	1.97
	<b>437.24</b>	<b>267.25</b>
<b>NOTE 24 FINANCE COSTS</b>		
Interest Expense	3,062.05	2,718.20
Other Borrowing Costs	534.42	859.40
	<b>3,596.47</b>	<b>3,577.60</b>
<b>NOTE 25 OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts	347.39	88.71
Packing Materials	64.38	87.73
Power [Refer Note (a) below & Note 26 A (d)]	8,394.13	8,000.62
Rent	5.83	9.57
Rates & Taxes [Refer Note (b) below]	3.99	5.08
Repairs & Maintenance		
- Building	20.56	71.41
- Plant and Machinery	32.44	152.27
- Others	22.45	5.65
Insurance	59.23	47.73
Material Handling Expenses	125.19	90.21
Vehicle Hire & Maintenance Charges	239.14	258.12
Directors' Sitting Fees	0.65	0.83
Auditors' Remuneration [Refer Note (c) below]	7.85	5.33
Motor Car Expenses	-	-
Travelling & Conveyance	7.96	97.35
Commission	16.58	6.31
Legal & Professional Charges	50.99	47.39
Security Charges	109.10	96.39
Miscellaneous Expenses	124.02	41.67
Rebates and Discounts	27.66	2.24
Freight & Forwarding	864.36	1,161.49
Testing Charges	15.20	38.92
Foreign Exchange Fluctuation Loss	-	7.29
Loss on sale of DEPB	54.32	16.66
Penalty	1.06	1.93
	<b>10,594.48</b>	<b>10,340.90</b>

# Notes to and forming part of the Financial Statements as at 31st March, 2014

(₹ in Lacs)

	31.03.2014	31.03.2013
<b>NOTE 25 OTHER EXPENSES (Contd.)</b>		
<b>a) Power includes following expenses incurred on the operation of captive power plant :-</b>		
Cost of Materials Consumed - Coal, Coke and Dolochar		
Inventory at the beginning of the year	617.58	463.54
Add: Purchases during the year	1,108.27	2,579.39
Less: Inventory at the end of the year	332.47	617.58
	1,393.38	2,425.35
Consumption of Stores and Spares	74.09	20.03
Repairs & Maintenance		
- Building	5.23	25.24
- Plant and Machinery	113.20	87.09
- Others	1.09	170.58
Material Handling Expenses	25.93	6.80
Vehicle Hire & Maintenance Charges	43.67	48.52
Legal & Professional Charges	4.43	0.35
Security Charges	4.86	6.99
Miscellaneous Expenses	1.68	0.99
	<b>1,667.56</b>	<b>2,791.95</b>
<b>b) Rates and Taxes includes ₹ Nil (P.Y. ₹ 80.12 Lacs) on account of Excise Duty and Sales Tax on adjudication/ assessment for earlier years.</b>		
<b>c) Auditor's Remuneration</b>		
i) As auditor [includes tax audit fees of ₹ 0.65 Lacs (P.Y. ₹ 0.40 Lacs)]	5.00	4.00
ii) For other services	2.85	1.33
	<b>7.85</b>	<b>5.33</b>

## NOTE 26 CONTINGENT LIABILITIES & COMMITMENTS

- A) Contingent Liabilities not provided for in the books of accounts in respect of: –
- Bills discounted with Banks outstanding as on 31st March 2014 - ₹ 881.72 Lacs (P.Y. ₹ 4,725.11 Lacs)
  - Excise Demand of ₹ 36.67 Lacs (P.Y. ₹ 36.67 Lacs) for the financial year 2005-06, 2006-07 & 2007-08 disputed in appeal. The Company has paid a sum of ₹ 18.62 Lacs (P.Y. ₹ 18.62 Lacs) under protest.
  - Sales Tax Demand disputed in appeal for the year 2005-06, 2006-07, 2008-09 & 2009-10 aggregates to ₹ 3019.76 Lacs (P.Y. ₹ 3019.76 Lacs). The Company has paid a sum of ₹ 88.43 Lacs (P.Y. ₹ 88.43 Lacs) under protest.
  - Several Parties including the Company have disputed the basis of levy of Fuel Surcharge in the electricity bills of Damodar Valley Corporation (DVC). Pending finalisation of the outcome of the matter, an amount of ₹ 3,356.29 Lacs (P.Y. ₹ 2,430.32 Lacs) (after considering waiver of electricity duty admitted by DVC) has not been provided for by the Company.
  - The Company has challenged the constitutional validity of Entry Tax levied by the Government of West Bengal w.e.f 1st April, 2012. In view of the stay granted by the Hon'ble High Court of Calcutta, the Company has not provided for the same in the books of accounts amounting to ₹ 272.51 Lacs (P.Y. ₹ 146.99 Lacs).
- B) Estimated amount of contracts remaining to be executed on Capital Account and not provided for – ₹ Nil (P.Y. ₹ 44.27 Lacs). Advances paid there against – ₹ Nil (P.Y. ₹ 82.49 Lacs).

<b>NOTE 27 FOREIGN EXCHANGE EARNINGS AND OUTGO</b>		
<b>Foreign Exchange Earnings :</b>		
F.O.B. Value of Exports	17,157.77	20,432.67
<b>CIF Value of Imports:</b>		
Raw Materials	9,184.84	9,643.26
<b>Expenditure in Foreign Currency :</b>		
Sales Commission	11.75	2.38
Compensation	3.05	-

## Notes to and forming part of the Financial Statements as at 31st March, 2014

	31.03.2014		31.03.2013	
	%	(₹ in Lacs)	%	(₹ in Lacs)
<b>NOTE 28 BREAK UP INTO IMPORTED &amp; INDIGENEOUS</b>				
a) Cost of Materials Consumed :				
Indigenous	42.66	9,266.85	43.28	10,792.22
Imported	57.34	12,453.64	56.72	14,141.94
	<b>100.00</b>	<b>21,720.49</b>	<b>100.00</b>	<b>24,934.16</b>
b) Stores, Spares & Consumables :				
Indigenous	100	421.49	100.00	108.74
Imported	-	-	-	-
	<b>100.00</b>	<b>421.49</b>	<b>100.00</b>	<b>108.74</b>

### NOTE 29 AMOUNTS RECEIVABLE / PAYABLE IN FOREIGN CURRENCY

Forward contracts/ hedging instruments outstanding as at the Balance Sheet date are \$ 4,90,500/-.

Particulars of unhedged foreign currency exposures as at 31st March, 2014 are as follows :

Particulars	Currency	31.03.2014	31.03.2013
Amount payable in foreign currency	USD Lacs	0.21	-
Amount receivable in foreign currency	USD Lacs	7.60	12.59

### NOTE 30

In the opinion of the management, current and non-current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities.

### NOTE 31

Certain balances of Trade Payables, Trade Receivables and Advances are subject to confirmation.

### NOTE 32 EMPLOYEE BENEFITS

The disclosures of Employee Benefits as defined in Accounting Standard – 15 are given below

#### Defined Contribution Plan :

Contribution to Defined Contribution Plan, recognised as expense for the year is as under : (₹ in Lacs)

Particulars	31.03.2014	31.03.2013
Employer's Contribution to Provident and Other Funds	21.59	15.85

#### Defined Benefit Plan :

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as on 31st March 2014, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

## Notes to and forming part of the Financial Statements as at 31st March, 2014

(₹ in Lacs)

Particulars			Gratuity (Funded)				
			31.03.2014	31.03.2013			
NOTE 32 EMPLOYEE BENEFITS (Contd.)							
(i) Reconciliation of Opening and Closing Balances of the present value of Defined Benefit Obligation:							
Defined Benefit obligation at beginning of the year			22.78		20.50		
Current Service Cost			6.61		4.64		
Interest Cost			1.82		1.62		
Actuarial (Gain)/Loss			5.82		(3.37)		
Benefits paid			(0.16)		(0.61)		
Defined Benefit obligation at the year end			36.86		22.78		
(ii) Reconciliation of Opening and Closing Balances of fair value of Plan Assets:							
Fair value of plan assets at beginning of the year			32.34		25.09		
Expected return on plan assets			2.91		2.13		
Actuarial Gain/(Loss)			0.13		0.18		
Employers' contribution			21.39		5.54		
Benefits paid			(0.16)		(0.61)		
Fair value of plan assets at the year end			56.60		32.34		
Actual return on plan assets			3.04		2.31		
(iii) Reconciliation of fair value of assets and obligation:							
Fair value of plan assets			56.60		32.34		
Present value of obligation			36.86		22.78		
Amount recognised as (liability)/asset in Balance Sheet			19.74		9.56		
(iv) Expenses recognised during the year in the Statement of Profit & Loss:							
Current Service Cost			6.61		4.64		
Interest Cost			1.82		1.62		
Expected return on plan assets			(2.91)		(2.13)		
Actuarial (Gain)/Loss			5.69		(3.54)		
Net Cost (recognised in "Contribution to Provident & Other Funds" under Note 23)			11.21		0.57		
(v) Break-up of Plan Assets as a percentage of total plan assets:							
Insurer Managed Funds			100%		100%		
(vi) Actuarial Assumptions:							
Mortality Table (IAL)			IALM 2006-08 ULTIMATE		LICI 1994-96		
Discount rate (per annum)			8%		8%		
Expected return on plan assets (per annum)			9%		8.50%		
Rate of escalation in salary (per annum)			10%F5Y & 6%TA		10%F5Y & 6%TA		
(vii) Other Disclosures			31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Defined Benefit Obligation			36.86	22.78	20.50	17.51	17.93
Plan Assets			56.60	32.34	25.09	21.01	26.31
Surplus/(Deficit)			19.74	9.56	4.59	3.50	8.39
Experience Adjustment on Plan Liabilities			(5.81)	(3.37)	(1.67)	(3.50)	1.23

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency in terms of the post employment benefit obligations.

## Notes to and forming part of the Financial Statements as at 31st March, 2014

### NOTE 32 EMPLOYEE BENEFITS (Contd.)

Expected rate of return assumed by the Insurance Company is generally based on their investment pattern as stipulated by the Government of India.

The Company expects to contribute ₹ 21.38 Lacs (P.Y. ₹ 5.00 Lacs) to the Gratuity Fund managed by the SBI Life Insurance Company Limited during the financial year 2014-15.

The above information is certified by an Actuary.

### NOTE 33 SEGMENT REPORTING

**Business Segments:** The Company is mainly engaged in the business segment of manufacture & sale of Ferro Alloys, Trading in Iron & steel and Generation of Power.

(₹ in Lacs)		
Particulars	31.03.2014	31.03.2013
<b>Segment Revenue</b>		
Ferro Alloys	27,087.98	33,156.77
Iron and Steel	42,714.23	31,018.81
Power	1,199.13	2,483.63
	71,001.34	66,659.22
Less: Inter Segment Revenue	(1,199.13)	(2,483.63)
<b>Total</b>	<b>69,802.21</b>	<b>64,175.59</b>

<b>Segment Results (Profit before Finance Cost &amp; Tax)</b>		
Ferro Alloys	(3,626.65)	1,949.44
Iron and Steel	1,939.78	3,374.32
Power	(1,296.42)	(1,128.45)
<b>Total</b>	<b>(2,983.29)</b>	<b>4,195.31</b>
Finance Costs	3,596.47	3,577.60
<b>Profit before tax</b>	<b>(6,579.77)</b>	<b>617.70</b>
Less: Tax Expenses	(1,094.23)	221.48
<b>Profit after tax</b>	<b>(5,485.53)</b>	<b>396.23</b>

### Other Information

	Assets	Liabilities	Capital Expenditure	Depreciation	Non-cash Expenses (other than Depreciation)
<b>For the Financial Year 2013-14</b>					
Ferro Alloys	24,077.01	7,831.12	165.94	349.01	-
Iron and Steel	19,676.36	13,243.55	-	-	-
Power	16,224.29	492.56	180.88	827.99	-
Unallocated	-	245.54	-	-	-
<b>Total</b>	<b>59,977.65</b>	<b>21,812.76</b>	<b>346.82</b>	<b>1,177.00</b>	<b>-</b>
<b>For the Financial Year 2012-13</b>					
Ferro Alloys	29,357.81	9,100.75	476.26	322.21	-
Iron and Steel	14,023.77	11,406.56	-	-	-
Power	16,576.83	979.08	179.22	820.14	-
Unallocated	246.91	1,238.88	-	-	-
<b>Total</b>	<b>60,205.32</b>	<b>22,725.27</b>	<b>655.48</b>	<b>1,142.35</b>	<b>-</b>

## Notes to and forming part of the Financial Statements as at 31st March, 2014

### NOTE 33 SEGMENT REPORTING (Contd.)

**Geographical Segments:** The Company's secondary geographical segments have been identified based on the location of customers and are disclosed based on revenues within India and revenues outside India. Secondary segment assets are based on the location of such asset.

(₹ in Lacs)

			Segment Revenue(Based on Location of Customers)	Segment Assets(Based on Location of Assets)	Capital Expenditure
Within India	Year ended	31.03.2014	52,271.50	59,510.48	346.82
	Year ended	31.03.2013	42,451.35	59,489.07	655.48
Outside India	Year ended	31.03.2014	17,530.71	467.17	-
	Year ended	31.03.2013	21,695.60	716.25	-
Total	Year ended	31.03.2014	69,802.21	59,977.65	346.82
	Year ended	31.03.2013	64,146.95	60,205.32	655.48

### NOTE 34 RELATED PARTY DISCLOSURE

(i) Parties where control exists irrespective of whether transactions have occurred or not : None

(ii) Names of the other related parties with whom transactions have taken place during the year:

(a) Key Managerial Personnel (KMP) Mr. Suresh Kumar Patni, Managing Director  
Mr. Satish Kumar Singh, Executive Director

(b) Enterprises owned or significantly influenced by the Key Managerial Personnel or their relatives :

Ankit Metal & Power Limited  
Impex Metal & Ferro Alloys Limited  
Rohit Ferro-Tech Limited  
Shreyansh Leafin Private Limited  
SKP Overseas Pte. Ltd.  
Suanvi Trading & Investment Co. Private Limited  
Vasupujya Enterprises Private Limited  
Whitestone Suppliers Private Limited

## Notes to and forming part of the Financial Statements as at 31st March, 2014

### NOTE 34 RELATED PARTY DISCLOSURE (Contd.)

Transactions with related parties referred to above, in ordinary course of the business, are as under:

	(₹ in Lacs)	
Particulars	31.03.2014	31.03.2013
<b>Managerial Remuneration</b>		
Suresh Kumar Patni	12.00	12.00
Satish Kumar Singh	6.00	3.63
<b>Purchase of Goods</b>		
Ankit Metal & Power Limited	1,135.91	1,292.64
Impex Metal & Ferro Alloys Limited	2,537.06	4,034.96
Rohit Ferro-Tech Limited	7,278.94	6,015.11
SKP Overseas Pte. Ltd.	305.53	-
<b>Purchases of Capital Goods/Others</b>		
Ankit Metal & Power Limited	37.26	12.97
<b>Sales of Finished Goods/Others</b>		
Ankit Metal & Power Limited	6,168.09	1,284.73
Impex Metal & Ferro Alloys Limited	1,474.70	849.38
Rohit Ferro-Tech Limited	6,696.58	3,754.11
<b>Purchase of DEPB Licence</b>		
Impex Metal & Ferro Alloys Limited	16.91	134.29
<b>Sale of DEPB Licence</b>		
Rohit Ferro-Tech Limited	12.54	39.58
Impex Metal & Ferro Alloys Limited	18.66	12.41
<b>Loans Taken*</b>		
Shreyansh Leafin Private Limited	-	790.00
Suanvi Trading & Investment Co. Private Limited	-	155.00
Whitestone Suppliers Private Limited	-	490.00
(*Excludes subsequent transfers to Share Application Money)		
<b>Loans Repaid</b>		
Suanvi Trading & Investment Co. Private Limited	-	155.00
<b>Share Application Money received and Shares allotted*</b>		
Shreyansh Leafin Private Limited	790.00	-
Suanvi Trading & Investment Co. Private Limited	718.00	-
Whitestone Suppliers Private Limited (* Includes conversion of Loans)	490.00	-
<b>Advances Given</b>		
SKP Overseas Pte. Ltd.	163.31	143.78
Shreyansh Leafin Private Limited	-	-
Vasupujya Enterprises Private Limited	-	100.00
<b>Advances Given, Refunded Back</b>		
Shreyansh Leafin Private Limited	-	-
Vasupujya Enterprises Private Limited	-	100.00
<b>Outstanding Balances as at 31.03.2014</b>		
<b>Trade Receivable</b>		
Ankit Metal & Power Limited	0.25	-
SKP Overseas Pte. Ltd.	-	15.09

## Notes to and forming part of the Financial Statements as at 31st March, 2014

(₹ in Lacs)

Particulars	31.03.2014	31.03.2013
<b>NOTE 34 RELATED PARTY DISCLOSURE (Contd.)</b>		
<b>Trade Payable</b>		
Ankit Metal & Power Limited	-	193.92
Impex Metal & Ferro Alloys Limited	671.59	8.52
Rohit Ferro-Tech Limited	1,015.43	39.34
<b>Loans Taken</b>		
Shreyansh Leafin Private Limited	-	790.00
Whitestone Suppliers Private Limited	-	490.00
<b>Advances Given</b>		
SKP Overseas Pte. Ltd.	163.31	143.78

Transactions with related parties have been disclosed for the period of existence of relationship. Previous year transactions with parties that have ceased to be related parties in the current year have been excluded in above details as the relationship did not exist.

Particulars	31.03.2014	31.03.2013
<b>NOTE 35 EARNINGS PER SHARE</b>		
Weighted average number of Equity Shares outstanding during the year	7,34,31,193	6,74,71,604
Number of Shares Considered as weighted average shares and potential shares outstanding for calculation of Diluted Earnings Per Share	7,34,31,193	6,74,71,604
Profit/(Loss) after Tax attributable to Equity Shareholders (₹ in Lacs)	(5,485.52)	396.23
Nominal Value of Ordinary Shares (₹)	10	10
<b>Earnings Per Share (Basic) (₹)</b>	<b>(7.47)</b>	<b>0.59</b>
<b>Earnings Per Share (Diluted) (₹)</b>	<b>(7.47)</b>	<b>0.59</b>

### NOTE 36

Previous year's figures have been reworked, re-grouped, re-arranged and reclassified, wherever considered necessary. Accordingly amounts and other disclosures for the preceding year are included as integral part of the current year Financial Statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date attached

For **R. Kothari & Company**

Chartered Accountants

FRN : 307069E

**CA K. C. Soni**

Partner

**Membership No: 057620**

Kolkata, 30th May, 2014

For and on behalf of the Board

**S. K. Patni**

Managing Director

**Ankit Patni**

Director

**Mamata Chakraborty**

Company Secretary



## This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## Notes

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# Corporate Information

## Board of Directors

Mr. Suresh Kumar Patni

*Chairman cum Managing Director*

Mr. Ankit Patni

*Non-Executive Director*

Mr. Satish Kumar Singh

*Executive Director*

Mr. Ashok Kumar Jain

*Independent/Non-Executive Director*

Mr. Jay Shanker Shukla

*Independent/Non-Executive Director*

Mr. Santosh Kumar Khandelwal

*Independent/Non-Executive Director*

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## Company Secretary

Ms. Mamata Chakraborty

## Auditors

M/s. R. Kothari & Company

Chartered Accountants

16A, Shakespeare Sarani, Kolkata - 700 071

## Bankers

State Bank of India

Bank of Baroda

Punjab National Bank

United Bank of India

State Bank of Travancore

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## Registered office

35, Chittaranjan Avenue, Kolkata - 700 012

Phone : +91 33 4064 0021/0022

CIN : L27101WB1995PLC071996

## Corporate office

SKP House, 132A, S. P. Mukherjee Road,  
Kolkata - 700 026

Phone : +91 33 4016 8000/8100

Fax : +91 33 4016 8189/8107

Email : [info@impexferrotech.com](mailto:info@impexferrotech.com)

Website : [www.impexferrotech.com](http://www.impexferrotech.com)

## Plant Information

Kadavita Dendua Road,  
P.O. Kalyaneshwari, P.S. - Kulti  
Dist. - Burdwan,  
West Bengal - 713369

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## DISCLAIMER

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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**Impex Ferro Tech Limited**

SKP House, 132A, S. P. Mukherjee Road  
Kolkata - 700 026