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# Corporate Information

## CHAIRMAN EMERITUS

B P Bajoria

## BOARD OF DIRECTORS

D K Banerji (w.e.f. 25th May 2011)

K Dalmia

O Matsuura

Prof S Munshi (w.e.f. 23rd June 2011)

D G Rajan

Prof A N Sadhu

K S B Sanyal

S Tateishi

## CHAIRMAN

S K Bajoria

## MANAGING DIRECTOR

P Bajoria

## COMPANY SECRETARY

R Agarwal

## PRINCIPAL BANKERS

State Bank of India

The Hongkong & Shanghai Banking Corporation Ltd

HSBC Bank plc

ICICI Bank UK Ltd

## AUDITORS

Deloitte Haskins & Sells

Grant Thornton UK LLP

## HEAD & CORPORATE OFFICE

McLeod House, 3, Netaji Subhas Road

Kolkata 700 001

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E-mail : ifgl@bajoria.in

Website : www.ifglref.com

## REGISTERED OFFICE & WORKS

Sector 'B', Kalunga Industrial Estate

PO : Kalunga 770 031, Near Rourkela

Dist : Sundergarh, Orissa

Phone : +91 661 2660195, Fax : +91 661 2660173

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## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that 22nd Annual General Meeting of the Shareholders of IFGL Refractories Limited will be held on Friday, 26th August 2011 at 11 AM at the Registered Office situated at Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh, Orissa to transact following :

### **Ordinary Business**

1. To receive, consider and adopt Profit and Loss Account for financial year ended 31st March 2011 and Balance Sheet as on that date and Schedules and Notes forming part thereof and the Reports of Directors and Auditors thereon.
2. To declare Dividend on Preference and Equity Shares for financial year ended on 31st March 2011.
3. To appoint a Director in place of Mr D G Rajan, who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Mr K S B Sanyal, who retires by rotation and being eligible, offer himself for re-appointment.
5. To appoint Deloitte Haskins & Sells (Regn No. 302009E), Chartered Accountants, who have signified their willingness and that their appointment will be within the prescribed limit, as Statutory Auditors and to authorise the Board to fix their remuneration including terms of payment.

### **Special Business**

6. To consider and if thought fit, with or without modification(s), to pass following resolution as an Ordinary Resolution :  
"Resolved that Mr Debal Kumar Banerji, who was appointed as an Additional Director as per provisions of Section 260 of the Companies Act, 1956 (the Act) in the meeting of Board of Directors of the Company held on Wednesday, 25th May 2011 and whose term expires at the ensuing Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Act, from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement by rotation."
7. To consider and if thought fit, with or without modification(s), to pass following resolution as an Ordinary Resolution :  
"Resolved that Prof Surendra Munshi, who was appointed as an Additional Director as per provisions of Section 260 of the Companies Act, 1956 (the Act) on and from Thursday, 23rd June 2011 and whose term expires at the ensuing Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Act, from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement by rotation."
8. To consider and if thought fit, with or without modification(s), to pass following resolution as a Special Resolution :  
"Resolved that in furtherance of resolution passed by the Board in its meeting held on Monday, 10th May 2010 and approval of shareholders by special resolution passed in their Annual General Meeting held on Saturday, 31st July 2010 and pursuant to Sections 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government as may be required, the Company hereby approves payment of remuneration and perquisites including monetary value thereof to Mr S K Bajoria, Chairman of the Company for a period of 5 years with effect from 1st April 2010 upon terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary, subject to such approvals as may be required, terms and conditions of said appointment and/or Agreement in such manner as may be agreed to between the Board and said Mr S K Bajoria.

Resolved further that consent of the Company be and is hereby given for ratification, approval and waiver for payment of remuneration and perquisites including monetary value thereof paid to said Mr S K Bajoria, Chairman in excess of limit under Section 309 of the Act for financial year 2010-2011.

Resolved further that all actions taken by the Board in consultation with and/or based on recommendation of the Remuneration Committee be and are hereby ratified and that they are authorized to do all such acts, deeds, matters and things as may be, in their absolute discretion, deemed necessary, expedient, usual or proper in best interest of the Company."

## NOTICE OF ANNUAL GENERAL MEETING (Contd.)

9. To consider and if thought fit, with or without modification(s), to pass following resolution as a Special Resolution :
- "Resolved that in furtherance of resolution passed by the Board in its meeting held on Monday, 10th May 2010 and approval of shareholders by special resolution passed in their Annual General Meeting held on Saturday, 31st July 2010 and pursuant to Sections 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government as may be required, the Company hereby approves payment of remuneration and perquisites including monetary value thereof to Mr P Bajoria, Managing Director of the Company for a period of 5 years with effect from 1st April 2010 upon terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary, subject to such approvals as may be required, terms and conditions of said appointment and/or Agreement in such manner as may be agreed to between the Board and said Mr P Bajoria, Managing Director.
- Resolved further that consent of the Company be and is hereby given for ratification, approval and waiver for payment of remuneration and perquisites including monetary value thereof paid to said Mr P Bajoria, Managing Director in excess of limit under Section 309 of the Act for financial year 2010-2011.
- Resolved further that all actions taken by the Board in consultation with and/or based on recommendation of the Remuneration Committee be and are hereby ratified and that they are authorized to do all such acts, deeds, matters and things as may be, in their absolute discretion, deemed necessary, expedient, usual or proper in best interest of the Company."
10. To consider and if thought fit, with or without modification(s), to pass following resolution as a Special Resolution :
- "Resolved that pursuant to provisions of Section 314 and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to holding and continuing to hold an office or place of profit with the Company's UK operating step down subsidiary, Monocon International Refractories Limited, by Mr Mihir Prakash Bajoria, being son of Mr S K Bajoria, Chairman of the Company, as Company Director on monthly remuneration of GBP 2750 plus usual benefits including statutory benefits with effect from Wednesday, 1st September 2010, with an authority to the Company's Board to alter and/or vary terms and conditions of his continuation in said employment including remuneration and other entitlements as deemed necessary, expedient, usual or proper in best interest of the Company and its said subsidiary."

By Order of the Board  
For IFGL Refractories Limited

**R Agarwal**  
Company Secretary

Kolkata  
23rd June 2011

### NOTES

- 1. A member entitled to attend and vote at the meeting is also entitled to appoint a Proxy to attend and vote instead of himself/herself and the Proxy need not be a member. Proxies in order to be effective, must be lodged with the Company not less than 48 (forty eight) hours before the commencement of the ensuing Annual General Meeting (AGM).**
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business set out at Item Nos. 6 to 10 above is annexed hereto.
3. Corporate Members are requested to send to the Company's Corporate and Head Office, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
4. Brief profile of the Directors seeking re-appointment/appointment at the ensuing AGM is annexed hereto in compliance of Clause 49 of the Listing Agreement with Stock Exchanges.
5. The Register of Members and Share Transfer Register will remain closed from Tuesday, 23rd August 2011 to Friday, 26th August 2011, both days inclusive, in connection with ensuing AGM and dividend proposed to be declared thereat.

## NOTICE OF ANNUAL GENERAL MEETING (Contd.)

6. If dividend, as recommended by the Board of Directors, is declared at ensuing AGM, payment, subject to provisions of Section 206A of the Companies Act, 1956, will be made on or after Wednesday, 31st August 2011 to those shareholders whose names shall appear on the Company's Register of Members.
  - i) as Beneficial Owners as at end of business hours on Monday, 22nd August 2011 as per list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in dematerialized form.
  - ii) as Members in Register of Members of the Company after giving effect to valid share transfers lodged with the Company, on or before Monday, 22nd August 2011.
7. In order to avoid risk of loss/interception of Dividend Warrants in postal transit and/or fraudulent encashment of Dividend Warrants, Shareholders are advised to avail of NECS facility whereby dividend will be directly credited electronically to their respective Bank Accounts. This will ensure speedier credit of dividend. You may download 'NECS Mandate Form' from Company's website [www.ifglref.com](http://www.ifglref.com) and forward said Form duly filled and signed to the Company or its Registrars and Share Transfer Agent or Depository Participants, as the case may be, to avail benefit from this Service.
8. Pursuant to provisions of Section 205A, in force till 30th October 1998, of the Companies Act, 1956, all unclaimed/unpaid dividends for financial year ended 31st March 1995 of erstwhile Indo Flogates Ltd have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrants for said year are requested to forward their claims in prescribed Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to the Registrar of Companies, Orissa, Chalachitra Bhawan, 2nd Floor, Buxi Bazar, Cuttack 753 001.
9. Shareholders who have not yet encashed their Dividend Warrant(s) for financial years ended 31st March 2004, 31st March 2005, 31st March 2006, 31st March 2007, 31st March 2008 and 31st March 2010 issued by the Company are requested to make their claims to the Company accordingly, without any delay. No claims received for Unclaimed dividend relating to financial year 2003-2004 will be entertained by the Company on and after Thursday, 1st September 2011 since thereafter same will be transferred to Investor Education and Protection Fund (IEPF).
10. Equity Shares of the Company are available for dematerialisation both with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).  
Members holding shares in physical form are requested to notify/send following to the Registrars and Share Transfer Agent of the Company to facilitate better service :
  - i) Any change in their address/mandate/bank details.
  - ii) Share Certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
 Members holding shares in Demat form are requested to give all instructions directly to their Depository Participants.
11. Members are requested to quote the Folio No. or Client ID and DP ID numbers in all communications with the Company.
12. Members can avail of the nomination facility, under Section 109A of the Companies Act, 1956, by submitting Form No. 2B of the Companies (Central Govt.'s) General Rules and Forms, 1956 with the Company. Blank forms may be downloaded from Company's website i.e. [www.ifglref.com](http://www.ifglref.com).
13. Presently Equity Shares of the Company are listed both on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
14. Reduction and consolidation of Equity Share Capital of the Company was carried out in the year 1996. Members still holding old Share Certificates are requested to surrender the same and obtain fresh Certificates in lieu thereof.
15. Persons who have become members of the Company consequent upon amalgamation of Indo Flogates Limited, are once again requested to surrender Certificates relating to their holding in said Company for despatch of new Certificates relating to their shareholding in the Company.

## NOTICE OF ANNUAL GENERAL MEETING (Contd.)

16. The Ministry of Corporate Affairs (MCA) vide their Circulars No. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 have taken "Green Initiative" in the Corporate Governance. Accordingly, should you going forward desire to receive documents including Annual Report, electronically, please register your e-mail id either with the Company or its Registrars and Transfer Agent, M/s Maheshwari Datamatics Private Limited, by post or e-mail. Members holding shares in electronic form are requested to register their e-mail id (if not already done) with Depository Participants they are dealing with. Nevertheless in compliance of requirements of aforesaid MCA Circulars, Annual Report and other documents will also be displayed on Company's website i.e. [www.ifglref.com](http://www.ifglref.com)

### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 6 to 10 of the Notice Item Nos. 6 and 7

Mr Debal Kumar Banerji and Prof Surendra Munshi were appointed as Additional Directors as per provisions of Section 260 of the Companies Act, 1956 (the Act) of your Company on Wednesday, 25th May 2011 and Thursday, 23rd June 2011 respectively. Their term to hold said office shall expire at the ensuing Annual General Meeting. Your Company has however received Notices under Section 257 of the Act, from a member proposing their candidature for the office of Director for further period liable to retire by rotation. Resolutions mentioned at Item Nos. 6 and 7 of the Notice are meant for purpose aforesaid and your Directors recommend passing thereof unanimously. None of the Directors other than Mr Banerji and Prof Munshi is concerned or interested in passing of proposed resolutions.

### Item Nos. 8 and 9

In connection with re-appointment of Mr S K Bajoria and Mr P Bajoria as Whole time Directors of your Company on and from 1st April 2010 for a period of five years and remuneration payable to them in accordance with provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 (the Act) including Schedule XIII thereof, Special Resolutions were passed at the Annual General Meeting of shareholders held on Saturday, 31st July 2010. Said resolutions inter alia provided that maximum remuneration and perquisites including monetary value thereof of each of said Whole time Directors for relevant financial year shall be within the limit of 5% of eligible Net Profit specified at Section 309 read with Section I of Part II of Schedule XIII of the Act and that in the event of loss or inadequate profit in any financial year during their term, remuneration and perquisites per month will be within the limit specified at Section II(C) of Part II of said Schedule as 'minimum remuneration'.

Terms of remuneration as approved at said Annual General Meeting are summarised below for your ready reference :

	Mr S K Bajoria	Mr P Bajoria
Basic Salary in the scale of	₹ 625,000 - ₹ 50,000 - ₹ 825,000	₹550,000 - ₹ 100,000 - ₹ 950,000
House Rent Allowance	Nil	Equivalent to 20% of Basic Salary per month
Reimbursement of Electricity, Gas, Water and Furnishings	Nil	At actuals
Reimbursement of medical expenses for self and family	At actuals	At actuals
Leave Travel Concession for self and family once in a year	At actuals	At actuals
Fees of clubs (excluding Admission and Life Membership Fees)	At actuals	At actuals
Personal Accident Insurance	As per Company's Scheme	As per Company's Scheme
Provident Fund, Superannuation and Gratuity Benefits	As per Company's Scheme	As per Company's Scheme
Commission	@1% per annum of eligible Net Profit	@1% per annum of eligible Net Profit

## NOTICE OF ANNUAL GENERAL MEETING (Contd.)

However, because of unforeseen macro economic factors, details whereof are given hereinafter, eligible Net Profit for financial year 2010-2011 turned out to be inadequate to effect payment of aforesaid remuneration including perquisites, to said Whole-time Directors. Accordingly, for payment of said 'minimum remuneration' and consequent waiver of excess remuneration paid for financial year 2010-2011 to said Whole-time Directors, approvals of the Central Government have been sought in accordance with provisions of Section 309(5B) of the Act. Special Resolutions at Item Nos. 8 and 9 of the Notice are meant for purpose aforesaid and proposed to be passed as an abundant precaution and your Directors recommend passing of the same unanimously. None of the Directors other than Mr S K Bajoria and Mr P Bajoria is either directly or indirectly interested in passing of said resolutions.

**Details required in a Statement as per Clause 1(C) of Section II of Part II of Schedule XIII of the Act are as under :**

### 1. GENERAL INFORMATION

Nature of Industry	The Company is primarily engaged in manufacture of Specialized Refractories and operating Systems therefor for use by producers of Iron and Steel		
Date or expected date of commencement of commercial production	Strictly not applicable. The Company however first commenced commercial production way back in February, 1993.		
In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus :	Not Applicable		
Performance for financial year 2010-2011 based on given indicators :	Total Income (₹ in lacs)	Profit before Tax (₹ in lacs)	Profit after Tax and Minority Interest (₹ in lacs)
	Stand-alone	20,884.10	1,096.98
	Consolidated	47,327.04	3,268.79
Export Performance and net foreign exchange collaborations :	<i>Exports</i> : ₹ 10,738.68 lacs (including indirect) for financial year 2010-2011		
Foreign investments or collaborators if any :	Krosaki Harma Corporation (KHC), Japan and Sojitz Corporation, Japan hold 1,581,410 and 3,425,546 Equity Shares respectively of the Company. KHC, being subsidiary of Nippon Steel Corporation, Japan, is also the Company's technical collaborator.		

### 2. INFORMATION ABOUT THE APPOINTEES

Particulars	Mr S K Bajoria	Mr P Bajoria
Background details, Job Profile and his suitability	<ul style="list-style-type: none"> <li>Industrialist.</li> <li>Way back in early eighties, promoted Indo Flogates Ltd. with technical and financial collaboration of Flogates Ltd., UK.</li> <li>Associated with the Company right from its inception.</li> </ul>	<ul style="list-style-type: none"> <li>Associated with the Company right from its inception.</li> <li>Has wide knowledge and intricate experience of refractory business.</li> <li>Was Director and Chief Executive of erstwhile Indo Flogates Limited.</li> </ul>

**NOTICE OF ANNUAL GENERAL MEETING (Contd.)**

<b>Particulars</b>	<b>Mr S K Bajoria</b>	<b>Mr P Bajoria</b>
	<ul style="list-style-type: none"> <li>• Has intricate knowledge and wide experience of handling business of manufacturing of specialized refractories.</li> <li>• Promoter of the diversified S K Bajoria Group.</li> </ul>	<ul style="list-style-type: none"> <li>• Under his leadership the Company has grown phenomenally in terms of products and operations. The Company has manufacturing facilities now in seven Countries.</li> </ul>
Past Remuneration	For financial year 2009-2010, remuneration paid aggregated to ₹ 95.07 lacs only.	For financial year 2009-2010, remuneration paid aggregated to ₹ 101.74 lacs only.
Recognition or awards	<ul style="list-style-type: none"> <li>• Was the President of Indian Chamber of Commerce, Calcutta.</li> <li>• Was Board member of (a) Industrial Promotion Investment Corporation of Orissa Limited and (b) West Bengal Industrial Development Corporation.</li> <li>• Was Honorary Vice Consul of Denmark in Kolkata</li> <li>• Has been decorated by Knight-hoods from the Governments of Denmark and Italy.</li> </ul>	A well known person in India and abroad amongst manufacturers of specialized refractories and operating systems therefor and producers of Iron and Steel etc.
Remuneration Proposed	As detailed above	As detailed above
Comparative remuneration profile :	The Company is engaged in highly specialized products and hence strictly not comparable with other Indian Companies. Remuneration including perquisites payable are commensurate to stature and profile of the managerial personnel, his role and responsibilities and modest and comparable with that paid by other companies at large.	One of the companies also manufacturing some of the products hitherto manufactured by the Company has effected payment of remuneration of about ₹ 140 lacs to its Managing Director for the year 2010.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Nil except those stated hereinabove. Not related to any Director of the Company, except Mr B P Bajoria, who has ceased to be a Director of the Company on and from 10th May 2010.	Nil except those stated hereinabove. Not related either directly or indirectly with any of the Directors of the Company.



## NOTICE OF ANNUAL GENERAL MEETING (Contd.)

### 3. OTHER INFORMATION :

- (1) *Reasons of loss or inadequate profits :*
  - a) Appreciation of Rupee against US\$/Euro.
  - b) Increased cost of raw materials.
  - c) Increased employee costs.
  - d) Increased power and fuel costs.
  - e) Increased interest costs.
  - f) Increased other expenses.
- (2) *Remedial steps taken or proposed to be taken :*
  - a) Customers have been approached for price increases.
  - b) Forward contracts/options for hedging fluctuation in foreign exchange particularly US\$/Euro.
  - c) Negotiation of long term contracts with suppliers of raw materials and other input providers.
  - d) Better utilization of working capital facilities.
  - e) Expeditious realization from Sundry debtors.
  - f) Rationalization of processes for better utilization of manpower resources.
  - g) Control and monitoring of expenses at all levels.
  - h) Rationalization of product mix and increased focus on profitable products.
- (3) Expected increase in productivity and profits in measurable terms : The Company expects to have significantly improved financial/operational performance from financial year 2011-2012 onwards. Ultimate outcome is however dependent upon several factors beyond control of the Management.

#### Item No. 10

Mr Mihir Prakash Bajoria, aged 26 years, is son of your Company's Chairman, Mr S K Bajoria. He is employed with your Company's UK operating subsidiary, Monocon International Refractories Limited (MIRL) on and from 1st September 2010 as Company Director on monthly remuneration of GBP 2750 plus usual benefits including statutory. He has done graduation in Politics, Economics and International Relations from Oxford Brookes University and prior to his aforesaid employment, was employed with your Company as Executive - International Relations. His employment with MIRL is strictly not covered by provisions of Section 314(1) of the Act. Nonetheless, Special Resolution at Item No. 10 of the Notice is proposed to be passed as an abundant precaution and your Directors commend passing of the same. None of the Directors other than Mr S K Bajoria is either directly or indirectly interested in passing of said resolution.

## **NOTICE OF ANNUAL GENERAL MEETING (Contd.)**

### **Particulars relating to Directors seeking re-appointment/appointment pursuant to Clause 49(IV)(G)(i) of the Listing Agreement**

#### **Mr D G Rajan**

Mr D G Rajan, aged about 70 years, is a Fellow of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of India. He was a Partner of Lovelock & Lewes, Chartered Accountants from 1967 and retired therefrom as a Senior Partner in 1990. He was also President of the Management Consultants Association of India, Chairman of the Southern Region of the Indian Paint Association, Chairman of Direct Tax Committee of Southern India Chamber of Commerce, Member of Board of Governors of The Doon School. Presently, he is Advisor and Management Consultant to many domestic and international Groups.

Besides being Director of several private limited companies, he holds office both of Director and Chairman/Member of Board Committees of following Public Limited Companies incorporated in India, in addition to that of the Company.

Solvay Pharma India Limited

Lotte India Corporation Limited

Balaji Telefilms Limited

Balaji Motion Pictures Limited

Mr Rajan was appointed as a Director of the Company on Monday, 14th August 2000 and since then uninterruptedly holding said office. He is also holding 8,894 Equity Shares of the Company.

#### **Mr K S B Sanjal**

Mr K S B Sanjal, aged about 78 years, is a Masters in Arts (English), Companion of the British Institute of Management and Fellow of the Institute of Petroleum, London. He has been the National Special Advisor to UNDP in India. He was the Sheriff of Kolkata in the year 1986 and 1987, Chairman and Managing Director of the Andrew Yule & Co Limited, President of the Bengal Chamber of Commerce and Industry, Chairman of the committee on Environment of the ASSOCHAM. Presently he is Director of several reputed Companies including Woodlands Multispeciality Hospital Limited and Titagarh Papers Limited. He also hold office both of Director and Chairman/Member of Board Committees of Philips Carbon Black Limited and Bhatpara Papers imited apart from that of the Company.

Mr Sanjal was appointed as a Director of the Company way back on Wednesday, 27th November 1991 and since then uninterruptedly holding said office. He is also holding 350 Equity Shares of the Company.

#### **Mr Debal Kumar Banerji**

Mr Debal Kumar Banerji, aged about 55 years, is a Senior Advocate, practicing in Hon'ble Supreme Court of India in field of Civil and Commercial Laws. He is elder son of former Attorney General of India, Late Milon Kumar Banerji. His mother Late Prof Anita Banerji was Head of the Department of Economics, Jadavpur University. He does not hold office of Director of any other Company. He is also not holding any Equity Shares of the Company.

#### **Prof Surendra Munshi**

Prof Surendra Munshi, M. A., Dr. Soz. Wiss., aged about 67 years, is Retired Professor of Sociology, Indian Institute of Management, Calcutta (IIMC). He has researched and taught in India and abroad. He served for more than thirty years as a faculty member at IIMC prior to his retirement in 2006. He was the academic leader of an international project on good governance that was supported by the European Commission in which several European institutions of higher education, including the London School of Economics, took part. He is frequently invited to lecture at national and international conferences. He serves as a Member of the Council of Global Thought Leaders for the project on Globalisation, Corporate Leadership & Inclusive Growth, a project of the Evian Group at the International Institute for Management Development (IMD), Lausanne. He does not hold office of Director of any other Company. He is also not holding any Equity Shares of the Company.

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT TO THE SHAREHOLDERS

### *Dear Shareholders*

Your Directors present the 22nd Annual Report together with Profit and Loss Account for financial year ended on 31st March 2011 and Balance Sheet as on that date.

Performance of your Company for financial year ended on 31st March 2011 on stand-alone and consolidated basis have been as follows :

	(₹ in Millions)	
	<b>Stand-alone</b>	<b>Consolidated</b>
Sales (Net of Excise Duty)	<b>2,081.99</b>	<b>4,689.44</b>
Other Income	<b>6.42</b>	<b>43.26</b>
Total Income	<b>2,088.41</b>	<b>4,732.70</b>
Less : Total Expenses	<b>1,886.35</b>	<b>4,262.85</b>
<b>Profit before Interest and Depreciation</b>	<b>202.06</b>	<b>469.85</b>
Less : Interest	<b>39.50</b>	<b>55.75</b>
Depreciation	<b>52.86</b>	<b>87.22</b>
<b>Profit before Tax</b>	<b>109.70</b>	<b>326.88</b>
Less : Provision for Current Tax/Deferred Tax	<b>35.98</b>	<b>84.24</b>
<b>Profit after Tax</b>	<b>73.72</b>	<b>242.64</b>

Total Income, both on stand alone and consolidated basis, are higher by ₹ 330.76 Millions (19%) and ₹ 546.18 Millions (13%) compared to that of previous year ended on 31st March 2010. Profit before Tax and Profit after Tax are lower and major contributing factors are depreciation of Euro and increase in cost of raw materials, energy etc and other expenses. Your Directors took several actions to step up efficiencies and improve overall performance and pursue both organic and inorganic growth of your Company. Your Directors have largely been successful in doing so despite radical changes in market dynamics and achieved aforesaid financial performance, which strictly is not comparable with that of previous financial year for reasons appearing hereinafter. Earning per Share, on consolidated basis, for the year is ₹ 6.87 compared to ₹ 9.91 for previous year.

During the year, on 10th September 2010 your Company, acquired EI Ceramics LLC (EIC) and CUSC International Limited (CUSC), both based in Cincinnati (Ohio), USA. EIC is engaged in manufacture of Isostatically pressed Alumina Graphite Continuous Casting Refractories and CUSC is its ancillary unit. EIC is a prominent supplier of CC Refractories to steel mills in USA and Canada. With these acquisitions your Company has production facilities for ISO products in not only two locations but in completely different geographies. This will also play a pivotal role in expansion plan of your Company as now also has a business model and team to provide the opportunity to grow customer base in USA.

During the year, your Company started commercial production of pressed Ceramic Filters for foundries as per know how of Hofmann Ceramic GmbH, Germany. Product response has been very encouraging and now all small filters for Indian market are supplied from Kalunga works. With success of this, your Company will shortly start manufacturing big filters also.

During the year a high temperature kiln was installed for slide gate production enhancing capability of your Company to supply full fired sliding gate plates for Indian and export markets.

## **DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT TO THE SHAREHOLDERS (Contd.)**

Various projects were undertaken to improve efficiency of Isostatically pressed products. These have resulted in cost savings, improved and consistent product.

Your Company during the year augmented funds by issue of 14,50,000 - 5% Non Cumulative Preference Shares of ₹ 100/- each for an amount aggregating to ₹ 145 Millions on a private placement basis.

Your Company is predominantly a manufacturer and trader of Specialised Refractories and Ceramics, accordingly a single business segment Company. The Company has adopted geographical location of its operations (where its products are produced or service rendering activities are based) as its primary segment in terms of Accounting Standard 17 'Segment Reporting' and the **Segment Revenue, Segment Results and Capital Employed**, on consolidated basis, in terms of said Accounting Standard are given at Note 15 forming part of Consolidated Statement of Accounts.

Your Company in recognition of exports made during financial year 2009-2010 received CAPEXIL's Award for eighth consecutive year. Exports effected (including indirect) by your Company during the year aggregated to ₹ 1,073.87 Millions.

### **Dividend**

Your Directors are pleased to recommend payment of dividend as follows subject to necessary approvals, including your approval at the ensuing Annual General Meeting :

- a) 5% on Equity Shares of ₹ 10/- each i.e. ₹ 0.50 per Equity Share for the year.
- b) 5% on Preference Shares of ₹ 100/- each i.e. ₹ 2.88 per Preference Shares on pro-rata basis for the period from 3rd September 2010 (date of allotment) to 31st March 2011.

### **Subsidiary Companies**

Subsidiaries of your Company have contributed more than 50% of total income and profits for the year and thus have performed well even under severe market conditions.

All subsidiaries have been reporting satisfactory profit figures except that in Brazil where also your directors are confident of reversing the trend during current financial year.

Current order book of all subsidiary is healthy and they are expected to do well barring unforeseen adverse market conditions.

### **Industry Structure, Developments, Opportunities, Threats, Risks and Concerns and Future Outlook**

Your Company continues to be focused on Iron and Steel Industry. With the sustainable growth in steel producing capacities particularly in India and increased demand for quality Iron and Steel particularly from manufacturing, construction and automobile sectors, it is expected that demand for refractories and operating systems therefor manufactured by your Company would continue to rise. Dampening factors are likely to be escalating manufacturing, selling and employee costs and likely scarcity of raw materials. Nevertheless, your Directors are optimistic about overall scenario going forward of the Iron and Steel Industry and particularly manufacturers and suppliers of niche Refractories thereto.

Accordingly, your Group Company, IFGL Exports Limited is going ahead full steam with setting up of new CCR Plant at new area of Kandla Special Economic Zone in Gujarat. Krosaki Harima Corporation (KHC), a subsidiary of Nippon Steel Corporation of Japan, being the technology provider to your Company has 20% equity participation in this company. Trial production is expected to start by September 2011 and commercial production by November 2011. Once this production facility will be on-stream, your Company along with its subsidiaries/associates will have production facilities for ISO products in three locations.

### **Bio Ceramics**

Your Company continue to pursue Bio Ceramic business for health segment, being a diversification from producer of specialised Refractories for Iron and Steel Industry and have had reasonable success during the year. A collaborative project has been undertaken with National Metallurgical Laboratory, Jamshedpur for development of Nano-hydroxyapatite based Injectable Scaffold having applications in dental and orthopaedic segments. Technology for several new products for dental and orthopaedic segments have been tied up and would be launched in current financial year.

## **DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT TO THE SHAREHOLDERS (Contd.)**

### **Corporate Governance / Internal Control System and their adequacy**

Your Company is committed to and practices principles of good Corporate Governance to maximise value of its stakeholders. Terms of Reference of Audit Committee are commensurate with those provided in Clause 49 of the Listing Agreement. Internal Control Systems and frame work thereof are reviewed and strengthened from time to time and are adequate to identify risks, assess and or evaluate impact thereof and take steps for control and mitigation thereof. Risk Management Manual and Risks Register and Global Transfer Pricing Policy for transactions with Associated Enterprises have been adopted and are reviewed and updated periodically. A detailed Report on Corporate Governance Compliance duly certified by the Company's Statutory Auditors form part of this Report as **Annexure 'A'**.

### **Accounts of Subsidiary Companies**

Vide General Circular No. 2/2011 dated 8th February 2011, the Ministry of Corporate Affairs (MCA) has granted general exemption under Section 212(8) of the Act for attachment of statement of accounts of the subsidiaries to its accounts, subject to fulfilment of conditions mentioned therein. A statement having financial information of subsidiary Companies form part of this Annual Report. Shareholders of the Company, and those of Subsidiary Companies who are desirous of having complete statement of accounts and related detailed information of subsidiary companies, may send their request therefor either to the Company's registered office or to head and corporate office. The same are being kept for inspection at Head Offices of your Company and subsidiary companies and also available on your Company's website i.e. [www.ifglref.com](http://www.ifglref.com).

### **Directors' Responsibility Statement**

Your Directors, in terms of Section 217(2AA) of the Act, state that :

- a) in preparation of statement of accounts for the financial year under review, the applicable Accounting Standards have been followed and in case of departures therefrom, proper explanations relating thereto have been given in the Notes forming part thereof.
- b) Accounting Policies selected have been applied consistently and judgments and estimates made are reasonable and prudent as they give true and fair state of affairs of the Company at the end of the financial year under review and of the profit and loss of the Company for that period.
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) Annual Accounts have been prepared on a going concern basis.

Your Company's Statutory Auditors, Messers Deloitte Haskins & Sells, Chartered Accountants have audited the statement of accounts in accordance with Generally Accepted Accounting Standards and Practices as indicated in their Report.

### **Consolidated Financial Statements**

In accordance with Accounting Standard 21 and General Circular No. 2/2011 dated 8th February 2011 of MCA, Consolidated Financial Statements duly audited by Statutory Auditors, Messers Deloitte Haskins & Sells form part of this Annual Report. Consolidated Financial Statements have been prepared based on Financial Statements (including Consolidated) of immediate two levels of Subsidiary Companies i.e. IFGL Worldwide Holdings Limited and IFGL Monocon Holdings Limited, as approved by their respective Boards.

### **Directors**

Directors due to retire by rotation are Mr D G Rajan and Mr K S B Sanyal, who being eligible, offer themselves for re-appointment for further period.

On and from Wednesday, 25th May 2011, Mr Debal Kumar Banerji has been appointed as an Additional Director of your Company. He will shall cease to hold said office at the conclusion of forthcoming Annual General Meeting. Notice under provisions of Section 257 of the Act has been received proposing his candidature for the office of Director for further period liable to retire by rotation and he, being eligible, offer himself for appointment as Director of your Company.

## **DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT TO THE SHAREHOLDERS (Contd.)**

Profile of all your Directors seeking re-appointment/appointment is forming part of Notice to the Shareholders of ensuing Annual General Meeting.

### **CSR, Human Resources and Industrial Relations**

Your Company recognizes its responsibilities towards health, safety, environment and community adjoining its operations. In this regard, several programmes have been undertaken, some of them being Free Homeo/Allopathy Clinics, sponsoring operations of an Upper Primary School, maintenance of public utilities like Bus Shelter, tree plantation etc. and these would be a continued endeavour.

During financial year 2010-2011, Industrial Relations remained most cordial. Your Company continued to provide conducive working environment to its team members and empowered them by trainings on latest techniques and practices. Compensation packages and benefits provided compared favourably with best offered in the Refractory Industry.

Save and except Whole-time Directors being Chairman, Mr S K Bajoria and Managing Director, Mr P Bajoria, none of the employees of your Company was in receipt of remuneration of ₹ 60 lacs or more per annum, for the year under review. Particulars of their remuneration are appearing under Clause 3B of the Corporate Governance Report and also in the Annexure forming part of this Report as per provisions of Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975 as amended. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding said Annexure is being sent to all the shareholders of the Company and others entitled thereto. Any Shareholder interested in obtaining such Annexure may write to the Company Secretary.

### **Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988**

Information in accordance with provisions of Section 217(1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in **Annexure 'B'**.

### **Auditors' Report**

Report of the Auditors, including references made therein to the Notes forming part of the Statement of Accounts, are self explanatory.

### **Auditors**

Messers Deloitte Haskins & Sells, Auditors will retire at conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

### **Acknowledgement**

Your Directors place on record their sincere appreciation for the continued support received from all the stakeholders particularly you the shareholders.

On behalf of the Board of Directors

Kolkata  
25th May 2011

**S K Bajoria**  
Chairman

**P Bajoria**  
Managing Director

## ANNEXURE 'A' TO DIRECTORS' REPORT - REPORT ON CORPORATE GOVERNANCE

1. Your Company's philosophy is to continue to enhance customers' satisfaction and stakeholders' value by following the best practices of Corporate Governance. The Company thus provides detailed information on various issues concerning its business and financial performance, to its stakeholders.

The Report on compliance of conditions of the Corporate Governance in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges by your Company is given below.

### 2. Board of Directors

Mr S K Bajoria is designated as the Chairman of the Company with effect from Monday, 10th May 2010.

The Board of Directors of the Company as on Wednesday, 25th May 2011 consists of 2 (two) Executive Directors, 3 (three) Non-executive Directors and 4 (four) Non-executive Independent Directors.

#### Composition, Category, their Directorship and Committee Memberships in other Companies.

Name of Directors	Category of Directors	Members of the Board of other Public Limited Companies incorporated in India	Total Number of Committee (f) Membership held in other Public Limited Companies [excluding Private Limited Companies, Foreign Companies and Companies of Section 25 of the Companies Act, 1956 (the Act)]	
			As Chairman	As Member
S K Bajoria (a)	Executive	3	–	–
P Bajoria	Executive	3	–	–
K Dalmia	Non-executive	–	–	–
S Tateishi (b)	Non-executive	–	–	–
O Matsuura (c)	Non-executive	–	–	–
D G Rajan	Non-executive (e)	4	5	–
Prof A N Sadhu	Non-executive (e)	3	2	–
K S B Sanyal	Non-executive (e)	4	1	2
D K Banerji (d)	Non-executive (e)	–	–	–

(a) Also Promoter.

(b) A senior executive of Krosaki Harima Corporation, Japan, being technical collaborator of your Company.

(c) A senior executive of Sojitz Corporation, Japan

(d) Appointed as Additional Director with effect from 25th May 2011

(e) Also Independent.

(f) Only 2 (two) Committees viz Audit Committee and Shareholders Grievance Committee are considered.

None of the Directors of the Company's Board is a member of more than 10 Committees or Chairman of more than 5 Committees (Committees being Audit Committee and Shareholders Grievance Committee) across all the Companies in which he is Director and neither of them hold office of Director in more than 15 Public Limited Companies. All Non-executive Directors are liable to retire by rotation. The appointment of the Executive Directors, including Tenure and Terms of Remuneration are also approved by the Members.

Non-executive Directors (other than Mr K Dalmia) do not have any pecuniary relationship and/or transaction with your Company other than payment of Sitting Fees (as indicated in paragraph 3B below) within the limit prescribed under the Companies Act, 1956 and/or reimbursement of out-of-pocket expenses for attending meetings of the Board and/or Committee(s) thereof. For Mr K Dalmia's pecuniary relationship, please refer to paragraph 5 below.

#### Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)

During the financial year ended on 31st March 2011, meeting of the Board of Directors was held 5 (five) times i.e. on 10th May 2010, 25th May 2010, 9th August 2010, 8th November 2010 and 4th February 2011. The intervening period between two Board Meetings was well within the maximum gap of four months prescribed under Clause 49 of the Listing Agreement

**ANNEXURE 'A' TO DIRECTORS' REPORT - REPORT ON CORPORATE GOVERNANCE (Contd.)**

Name of Directors	Number of Board Meetings		Attended last AGM held on 31st July 2010
	Held	Attended	
B P Bajoria*	1	1	No
S K Bajoria	5	5	No
P Bajoria	5	4	No
K Dalmia	5	-	No
M Kusakabe*	1	-	No
O Matsuura	5	1	No
S Tateishi**	4	1	No
D G Rajan	5	3	No
Prof A N Sadhu	5	5	No
K S B Sanyal	5	5	Yes
D K Banerji ***	-	-	-

\* Ceased to be Director with effect from 10th May 2010.

\*\*Appointed as Director with effect from 10th May 2010.

\*\*\*Appointed as Additional Director with effect from 25th May 2011

**Information placed before the Board**

Board Meetings of the Company are governed by a structured agenda. The Board members, in consultation with the Chairman may bring up any matter for consideration of the Board. All major Agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board Members for discussion and consideration at Board Meetings.

**3. Committees of the Board**

Currently, there are three Board Committees - the Audit Committee, the Remuneration Committee and the Shareholders/Investors Grievance Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Minutes of Board Committee meetings are placed in subsequent Board Meetings for the information of the Board. The role and composition of these Committees including meetings held during the financial year and the attendance thereof are provided hereinbelow :

**A. Audit Committee**

Your Company has an Audit Committee comprising of following three Non-executive Independent Directors. All of them are financially literate and have accounting or related financial management expertise.

Name of Directors	Position
K S B Sanyal	Chairman
D G Rajan	Member
Prof A N Sadhu	Member

Terms of reference of the Committee include the powers and role including review of information, as specified in Clauses 49II(C), 49II(D) and 49II(E) of the Listing Agreement, of the

Company as well as that of its subsidiary companies. The Company however, do not have any Indian subsidiary.

During the financial year ended on 31st March 2011, meetings of the Audit Committee were held on 10th May 2010, 9th August 2010, 8th November 2010 and 4th February 2011, which were attended by all the above members excepting meeting held on 4th February 2011 which was not attended by Mr D G Rajan. The gap between two meetings never exceeded four months.

Head of Finance, Internal Auditors and Statutory Auditors also attended said meetings as and when required by the Committee. Mr R Agarwal, Company Secretary, is the Secretary to the Committee.

Unaudited quarterly and audited annual financial results were reviewed, analysed and confirmed by the Committee before they were approved by the Board of Directors for submission to the Stock Exchanges and publication in newspapers in compliance of Clause 41 of the Listing Agreement.

**B. Remuneration Committee**

The role of the Remuneration Committee inter alia is to determine on behalf of the Board of Directors and on behalf of the shareholders, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment and/or to recommend remuneration including perquisites payable by the Company on their appointment and/or re-appointment.

Remuneration Committee comprises of following Non-executive Independent Directors.

Name of Directors	Position
Prof A N Sadhu	Chairman
D G Rajan	Member
K S B Sanyal	Member



**ANNEXURE 'A' TO DIRECTORS' REPORT - REPORT ON CORPORATE GOVERNANCE (Contd.)**

During financial year ended on 31st March 2011, meeting of the Committee was held on 10th May 2010, which was attended by all the Committee members.

Details of remuneration paid/payable to the Executive Directors and Non-executive Directors for financial year 2010-2011 are as follows :

Name of Directors	Salary and other benefits (₹ in lacs)				Sitting Fees (₹ in lacs)	
	Salary (including House Rent Allowance)	Commission	Contribution to Provident and other Funds	Other Perquisites	Board Meetings	Committee Meetings
B P Bajoria	-	-	-	-	0.20	-
S K Bajoria (g)	75.00	-	32.92	0.41	-	-
P Bajoria (g)	79.20	-	31.12	1.54	-	-
K Dalmia	-	-	-	-	-	-
M Kusakabe	-	-	-	-	-	-
O Matsuura	-	-	-	-	0.20	-
S Tateishi	-	-	-	-	0.20	-
D G Rajan	-	-	-	-	0.60	0.35
Prof A N Sadhu*	-	-	-	-	-	-
K S B Sanyal	-	-	-	-	1.00	1.10

\* Waived entitlement to sitting fees.

- (g) i) Service Contract - 5 years (from 1st April 2010 to 31st March 2015).  
 ii) Notice period - 3 months Notice from either side  
 iii) Severance Fees - 3 months salary in lieu of Notice  
 iv) Commission is 1% of the Net Profit. In view of inadequate profit, no commission is paid/payable for 2010-2011.  
 v) The Company's application to the Central Government for approving the excess remuneration aggregating ₹ 86.94 lacs, paid to Mr S K Bajoria and Mr P Bajoria, is awaited.

There is no stock option given to Directors during the year.

**C. Shareholders/Investors Grievance Committee**

The Shareholders/Investors Grievance Committee (the Committee) comprises of following Directors.

Name of Directors	Position
K S B Sanyal	Chairman
S K Bajoria	Member
P Bajoria	Member

Mr R Agarwal, Company Secretary, is the Compliance Officer of the Company.

During the financial year ended on 31st March 2011, 13 (Thirteen) meetings of the Committee were held and gap between two meetings generally never exceeded 30 (thirty) days.

Role of the Committee include redressal of shareholders' complaints relating to transfer/transmission of shares, exchange of share certificates, non-receipt of balance sheet, non-receipt of declared dividends etc.

Pursuant to Clause 49 IV(G)(iv) of the Listing Agreement, the Board of the Company has delegated the power of Share Transfer to the Company Secretary, Mr R Agarwal. During the financial year 2010-2011, Mr R Agarwal attended to Share Transfer formalities on a fortnightly basis and same was ratified at the immediately succeeding meeting of the Committee  
 Status of complaints of shareholders/investors is as under :

Number of complaints pending as on 1st April 2010	0
Number of complaints received during the year	22
Number of complaints redressed during the year	22
Number of complaints pending as on 31st March 2011	0

Most of the complaints received related to exchange of share certificates (a) consequent to reduction of paid up capital of Equity Shares of the Company in the year 1996 and (b) amalgamation of Indo Flogates Limited with the Company on and from 1st April 1999 pursuant to Orders of Hon'ble Orissa High Court of 5th November 1996 and 3rd August 2000 respectively, registration of transfer/transmission of Equity Shares, issuance of duplicate share certificates, non receipt of dividend warrants and annual reports.

## ANNEXURE 'A' TO DIRECTORS' REPORT - REPORT ON CORPORATE GOVERNANCE (Contd.)

### 4. General Body Meetings

#### Location and time, where last three AGMs were held

AGM	Financial Year	Date	Time	Place
19th	2007 - 2008	Friday, 22nd August 2008	11 AM	Sector 'B', Kalunga Industrial Estate P.O. Kalunga 770 031 Dist. Sundergarh, Orissa.
20th	2008 - 2009	Friday, 28th August 2009	11 AM	-do-
21st	2009 - 2010	Saturday, 31st July 2010	11 AM	-do-

#### Special Resolutions passed at the last 3 (three) AGMs.

Financial Year	Items
2007 - 2008	None
2008 - 2009	None
2009 - 2010	(i) Appointment of Mr S K Bajoria as Whole Time Director of the Company with effect from Thursday, 1st April 2010.
	(ii) Appointment of Mr P Bajoria as Whole Time Director of the Company with effect from Thursday, 1st April 2010.

During financial year 2010-2011, Mr S M Gupta of M/s S M Gupta & Co. Company Secretaries was appointed as scrutinizer for conducting the Postal Ballot Process.

Following resolutions were passed through Postal Ballot on Saturday, 31st July 2010.

Special Resolutions for : (1) Making Investments in/giving loans to/providing Securities and Guarantees in connection with loans taken by IFGL Exports Limited (2) Creating/Extending Securities/Providing loans/guarantees etc in favour of lenders either of Company or its subsidiaries (3) Making loans/giving guarantees/providing securities in connection with loans made to/acquiring by way of subscription, purchase etc securities of any body corporate (4) Alteration of Articles of Association of the Company (5) Ordinary Resolution for Increase of Authorised Share Capital of the Company from ₹ 40 Crores to ₹ 60 Crores and (6) Special Resolution for Issuance and Allotment of 2,000,000 - 5% Non Cumulative Redeemable Preference Shares of ₹ 100 each to such persons (including Bodies Corporate), it may deem fit, proper and necessary, whether or not such persons are members of the Company, by way of Private Placement, respectively.

A	Number of the postal ballot forms received		186
	(i) Valid		185
	(ii) Invalid		1
		<b>No. of votes</b>	<b>%</b>
B	Number of votes cast for Resolution No. 1		
	(i) Votes cast in favour of Resolution	19,719,374	99.96
	(ii) Votes cast against Resolution	7,225	0.04
	<b>Total Number of votes cast for Resolution No. 1</b>	<b>19,726,599</b>	<b>100.00</b>
C	Number of votes cast for Resolution No. 2		
	(i) Votes cast in favour of Resolution	19,717,429	99.96
	(ii) Votes cast against Resolution	7,000	0.04
	<b>Total Number of votes cast for Resolution No. 2</b>	<b>19,724,429</b>	<b>100.00</b>

**ANNEXURE 'A' TO DIRECTORS' REPORT - REPORT ON CORPORATE GOVERNANCE (Contd.)**

	No. of votes	%
D. Number of votes cast for Resolution No. 3		
(i) Votes cast in favour of Resolution	19,716,889	99.96
(ii) Votes cast against Resolution	8,065	0.04
<b>Total Number of votes cast for Resolution No. 3</b>	<b>19,724,954</b>	<b>100.00</b>
E. Number of votes cast for Resolution No. 4		
(i) Votes cast in favour of Resolution	19,716,804	99.96
(ii) Votes cast against Resolution	7,555	0.04
<b>Total Number of votes cast for Resolution No. 4</b>	<b>19,724,359</b>	<b>100.00</b>
F. Number of votes cast for Resolution No. 5		
(i) Votes cast in favour of Resolution	19,717,269	99.96
(ii) Votes cast against Resolution	7,590	0.04
<b>Total Number of votes cast for Resolution No. 5</b>	<b>19,724,859</b>	<b>100.00</b>
G. Number of votes cast for Resolution No. 6		
(i) Votes cast in favour of Resolution	19,716,944	99.96
(ii) Votes cast against Resolution	8,020	0.04
<b>Total Number of votes cast for Resolution No. 6</b>	<b>19,724,964</b>	<b>100.00</b>

**5. Disclosures**

- A Statement in summary form of transactions with related party in the ordinary course of business is placed periodically before the Audit Committee. All the transactions with the related parties were on an arms length basis.
- The Company did not have any materially significant related party transactions, which may have potential conflict with the interest of the Company.
- While preparing financial statements for the year under review, no accounting treatment which was different from that prescribed in the Accounting Standard was followed.
- For the list of disclosures of related party relationship and transactions as per Accounting Standard 18, "Related Party Disclosures", Note 11 on Schedule 15 to the Annual Audited Accounts of the Company for the year ended 31st March 2011 may be referred to.
- The Company, during the financial year under review, continued to supply Refractories (of unique / special nature) to a company (where Mr K Dalmia, a Director of the Company happens to hold directorship) as per the latter's requirements from time to time at prices and terms which were negotiated and mutually agreed. Necessary permission in this regard from the Regional Director, Eastern Region, Ministry of Corporate Affairs at Kolkata under section 297 of the Companies Act, 1956, has been obtained for financial year ended 31st March 2011.
- Resume and other information of the Directors proposed to be appointed/re-appointed (including those retiring by rotation) at the ensuing Annual General Meeting are given in the Notice relating thereto to the Shareholders as required under Clause 49 IV(G) of the Listing Agreement.
- Subsequent to elevation of Executive Director, Mr S K Bajoria as Chairman of the Company on and from 10th May 2010, the Board should have comprised of 50% of non-executive independent directors. However Mr D K Banerji, a Senior Advocate practicing in Hon'ble Supreme Court of India has been appointed as Additional Director of the Company on and from 25th May 2011 only.
- A Management Discussion and Analysis Report has been included as a part of the Directors' Report to the Shareholders for financial year ended 31st March 2011.
- In accordance with the requirement of Corporate Governance the Board of Directors of the Company has formulated a Code of Conduct for Directors and Senior Management Personnel of the Company and the compliance thereof has been affirmed by all concerned. The required declaration to this effect signed by the Managing Director is appended as a separate Annexure to this Report. This Code of Conduct has also been posted on Company's website.
- No strictures were imposed on the Company by any regulatory authority on any matter related to capital markets during the last three years.

## ANNEXURE 'A' TO DIRECTORS' REPORT - REPORT ON CORPORATE GOVERNANCE (Contd.)

- The Company does not have any Indian Subsidiary Company and hence provision of an Independent Director of the Company on the Board of such Subsidiary Company is not applicable. Minutes of foreign subsidiaries, however, are placed before the Board of the Company and attention of the Directors is drawn to the significant transactions and arrangement entered into by said subsidiary companies.
- The Company has laid down procedures to inform the Board Members about the risk assessment and minimisation procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework.
- In accordance with the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992, as amended in February 2002, the Board of Directors of the Company has formulated the Code of Conduct for prevention of insider trading in Equity Shares of the Company by its Directors and employees.
- The Board of Directors of the Company have received a Certificate from the Managing Director of the Company in compliance of Clause 49(V) of the Listing Agreement.
- The Company has issued and allotted 1,450,000 - 5% Non Cumulative Preference Shares of ₹ 100/- each on private placement basis on 3rd September 2010.
- The Company has adopted Whistle Blower Policy in Board Meeting of the Company held on 25th May 2011.
- All Mandatory requirements have been appropriately complied with and the Non Mandatory requirements are dealt with at the end of the Report.
- Particulars of Equity Shares of ₹ 10/- each of the Company held by Non-Executive Directors (both own or held by/for other person on a beneficial basis) are as follows :

Name of Directors	Number of shares held
Prof A N Sadhu	850
D G Rajan	8,894
K S B Sanyal	350
K Dalmia	Nil
S Tateishi	Nil
O Matsuura	Nil
D K Banerji	Nil

### 6. Means of Communication

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is the core of good governance. Towards this end -

- The quarterly results of the Company are announced within 45 days of the completion of the quarter and audited annual results are announced within 60 days of end of last quarter and Stock Exchanges are immediately intimated after the same is taken on record by the Board. Further coverage is given for the benefit of the shareholders and investors by publication of the financial results in the Business Standard/Business Line/Financial Express and Pragativadi, an Oriya newspaper widely circulating in the State of Orissa. The Company however does not send half yearly reports to the individual Shareholders.
- Audited/Unaudited financial results and other pertinent information are also available on the Company's website i.e. [www.ifglref.com](http://www.ifglref.com), website of National Stock Exchange of India Limited i.e. [www.nse-india.com](http://www.nse-india.com), website of Bombay Stock Exchange Limited i.e. [www.bseindia.com](http://www.bseindia.com), and website of Corporate Filing and Dissemination System i.e. [www.corpfiling.co.in](http://www.corpfiling.co.in).
- Information relating to shareholding pattern, entire Annual Report of the Company and its subsidiaries and corporate announcements/press releases made by the Company are also uploaded on Company's website i.e. [www.ifglref.com](http://www.ifglref.com).

### 7. General Shareholder Information

#### AGM Details

<b>Date</b>	Friday, 26th August 2011
<b>Venue</b>	Company's Registered Office at Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh, Orissa.
<b>Time</b>	11AM
<b>Book Closure Dates</b>	Tuesday, 23rd August 2011 to Friday, 26th August 2011
<b>Dividend Payment Date</b>	On and after Wednesday, 31st August 2011

#### Financial Calendar

The Company follows 1st April to 31st March as its Financial Year. The unaudited results for every quarter beginning from 1st April are declared within 45 days of the end of following quarter except for the last quarter, audited annual financial results whereof are declared within May as permitted under the Listing Agreement.

**ANNEXURE 'A' TO DIRECTORS' REPORT - REPORT ON CORPORATE GOVERNANCE (Contd.)****Listing on Stock Exchanges**

Name of the Stock Exchange	Address	Stock Code
National Stock Exchange of India Limited	'Exchange Plaza', C-1, Block G, Bandra-Kurla Complex Bandra(E), Mumbai 400 051	IFGLREFRAC(EQ)
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	532133

The Listing Fees for the financial year 2011-2012 has been paid to the Stock Exchanges

The International Security Identification Number (ISIN) allotted to the Company's Share under the Depository System is INE023B01012. The annual custody fee for the financial year 2011-2012 has been paid to NSDL and CDSL, the Depositories.

**Market Price Data**

Months	Bombay Stock Exchange Limited (BSE)			
	Market Price (₹) - High Price		Market Price (₹) - Low Price	
April 2010	70.50	30.04.10	55.00	01.04.10
May 2010	73.40	10.05.10	53.75	26.05.10
June 2010	56.80	03.06.10 18.06.10 21.06.10	51.00	11.06.10 14.06.10
July 2010	61.80	29.07.10	50.10	08.07.10
August 2010	58.80	02.08.10	46.10	30.08.10 31.08.10
September 2010	64.50	15.09.10	46.70	01.09.10
October 2010	61.00	07.10.10	51.00	29.10.10
November 2010	54.95	01.11.10	40.05	29.11.10
December 2010	46.00	03.12.10	38.80	09.12.10
January 2011	47.75	04.01.11	35.00	31.01.11
February 2011	37.95	04.02.11	28.30	10.02.11 11.02.11
March 2011	33.45	10.03.11	28.00	30.03.11

Months	National Stock Exchange of India Limited (NSE)			
	Market Price (₹) - High Price		Market Price (₹) - Low Price	
April 2010	70.50	30.04.10	55.20	01.04.10
May 2010	73.05	10.05.10	48.50	21.05.10
June 2010	57.90	18.06.10	50.70	08.06.10
July 2010	61.25	29.07.10	49.95	08.07.10
August 2010	58.70	02.08.10	45.50	30.08.10
September 2010	64.50	15.09.10	46.05	01.09.10
October 2010	61.00	07.10.10	50.50	29.10.10
November 2010	55.00	05.11.10	37.20	26.11.10
December 2010	46.40	06.12.10	35.00	13.12.10
January 2011	47.00	04.01.11	35.20	31.01.11
February 2011	40.00	02.02.11	28.10	10.02.11
March 2011	33.90	03.03.11	27.40	16.03.11

## ANNEXURE 'A' TO DIRECTORS' REPORT - REPORT ON CORPORATE GOVERNANCE (Contd.)

Equity Shares of the Company are regularly traded on the BSE and NSE. However, its market price does not substantially fluctuate with increase or decrease in the SENSEX/NIFTY.

### Registrar and Share Transfer Agent

Maheshwari Datamatics Private Limited of 6, Mangoe Lane (Surendra Mohan Ghosh Sarani), 2nd Floor, Kolkata 700 001, Phone : +91 33 22482248, Fax No : +91 33 22484787, E-mail : mdpl@cal.vsnl.net.in is presently 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 investorcomplaints@bajoria.in or to the Company Secretary, Mr R Agarwal at 3, Netaji Subhas Road, Kolkata 700 001, Phone: +91 33 22482411, Fax : +91 33 22430886, E-mail: ragarwal@bajoria.in.

### Share Transfer System

Share transfers are presently registered within a maximum period of 15(fifteen) days from the date of receipt provided the documents are complete in all respects. All share transfers are approved by the Company Secretary under the authority delegated to him by the Shareholders/Investors Grievance Committee.

### Secretarial Audit

- Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, Certificates, on half year basis, have been issued by a Company Secretary-in-Practice for due compliance of Share Transfer formalities by the Company.
- A Chartered Accountant in full time practice carried out Reconciliation of Share Capital Audit to reconcile total admitted capital with NSDL and CDSL and the total issued and listed capital. The Audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

### Distribution of Equity Shareholding as on 31st March 2011

Category	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Promoter's Holding*				
- Indian Promoters	6	0.03	19,669,248	56.83
- Foreign Promoters	2	0.01	5,006,956	14.47
Financial Institutions/Banks/Mutual Funds/UTI	14	0.07	1,001,122	2.89
Foreign Institutional Investors	1	0.00	1,300	0.00
NRIs/Trusts/Clearing Member	163	0.78	179,490	0.52
Private Body Corporate	363	1.74	2,596,707	7.50
Individuals	20,310	97.37	6,155,649	17.79
<b>Total</b>	<b>20,859</b>	<b>100.00</b>	<b>34,610,472</b>	<b>100.00</b>

\* Shares held by the Promoters have not been pledged or otherwise encumbered in any manner.

Number of Shares	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Upto 500	19,065	91.40	2,702,294	7.81
501 to 1000	896	4.30	750,861	2.17
1001 to 2000	440	2.11	679,873	1.96
2001 to 3000	168	0.80	434,749	1.25
3001 to 4000	87	0.42	311,943	0.90
4001 to 5000	56	0.27	265,452	0.77
5001 to 10000	76	0.36	559,871	1.62
10001 and above	71	0.34	28,905,429	83.52
<b>Total</b>	<b>20,859</b>	<b>100.00</b>	<b>34,610,472</b>	<b>100.00</b>

**ANNEXURE 'A' TO DIRECTORS' REPORT - REPORT ON CORPORATE GOVERNANCE (Contd.)****Dematerialisation of Shares and Liquidity**

The shareholders may have their holding of equity shares of the Company dematerialized either with the NSDL or CDSL if equity shares are desired to be held in electronic mode.

As on 31st March 2011, 79.51% of your Company's Equity Shares representing 27,518,431 Equity Shares were held in dematerialised mode and the balance 20.49 % representing 7,092,041 Equity Shares were held in physical mode.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity.	Not Applicable
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**Addresses for correspondence**

Registered Office & Works	Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031 (Near Rourkela) Dist. Sundergarh, Orissa, Phone : +91 661 2660195, Fax : +91 661 2660173 E-mail : ifglworks@bajoria.in
Head & Corporate Office	McLeod House, 3, Netaji Subhas Road, Kolkata 700 001. Phone : +91 33 22482411, Fax : +91 33 22430886, +91 33 22480482 E-mail : ifgl@bajoria.in and investorcomplaints@bajoria.in

**8. Unclaimed Dividend**

Pursuant to Sections 205A and 205C of the Act, all unclaimed/unpaid dividend pertaining to the Company and erstwhile Indo Flogates Limited remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.

Following table gives information relating to outstanding dividend accounts and dates when due for transfer to IEPF

Financial Year	Date of Declaration of Dividend	Proposed Date for transfer to IEPF*
2003 - 2004	02.08.2004	01.10.2011
2004 - 2005	02.08.2005	01.10.2012
2005 - 2006	29.08.2006	28.10.2013
2006 - 2007	24.08.2007	23.10.2014
2007 - 2008	22.08.2008	21.10.2015
2009 - 2010	31.07.2010	29.09.2017

\* Indicative dates. Actual dates may vary.

Persons who have not yet encashed their above outstanding Dividends may immediately send their claims to the Company. For Financial Year 2003-2004, it will not be possible to entertain claims received by the Company after Thursday, 1st September 2011.

**9. Status of Adoption of the Non Mandatory Requirements****The Board**

Tenure of some of the independent directors is also more than nine years in aggregate considering their respective initial date of induction on the Board.

**Remuneration Committee**

The Company has a Remuneration Committee as reported in paragraph 3 above.

**Audit Qualification**

The Company does not have any qualification pertaining to the Financial Statements of the year under review. However, Auditors have inserted emphasis of matter paragraph in their Audit Report regarding remuneration paid to the Chairman and Managing Director in excess of the limits laid down in the Companies Act, 1956 aggregating ₹ 86.94 lacs awaiting approval of the Central Government.

**Other Items**

The Company has adopted **Whistle Blower Policy** in Board Meeting of the Company held on 25th May 2011. Other Non Mandatory requirements such as **Shareholder Rights; Training of Board Members and Mechanism for evaluating** performance of non-executive Board Members will be implemented by your Company's Board as and when required and/or deemed necessary.

## ANNEXURE 'B' TO DIRECTORS' REPORT

**Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for financial year ended on 31st March 2011**

### A. Conservation of Energy

- a) Energy conservation measures taken :
1. Replaced and/or modified Dust Collector Systems, Hammer Mills and other equipments/appliances wherever necessary.
  2. Adopted energy efficient technologies and installed equipments.
  3. Avoided energy leakages by regular preventive checks.
  4. Installed stabilizers, capacitors and other energy saving devices.
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy.  
This is being done on a continuous basis, including by installation of new energy efficient equipments/appliances.
- c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.  
Efforts are being made on regular basis to reduce energy consumption and consequently achieve reduction in consumption per unit of production.
- d) Total energy consumption and energy consumption per unit of production.  
As per Form A enclosed

### B. Technology Absorption

- e) Efforts made in technology absorption.  
As per Form B enclosed.

### C. Foreign Exchange Earnings and Outgo

- f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; export plans.

Thrust and focus on overseas markets continued during financial year 2010-2011. FOB value of exports effected has been ₹ 568.53 Millions compared to ₹ 474.07 Millions for immediately preceding financial year 2009-2010. Your Company for eighth consecutive year have received CAPEXIL Award in recognition of exports for financial year 2009-2010.

- g) Total foreign exchange used and earned (₹ in Millions)

<b>1. Foreign Exchange Outgo</b>	
(i) CIF Value of Imports of Raw Materials, Stores and Spares, Trading goods and Capital goods	572.36
(ii) Others	103.13
<b>2. Foreign Exchange Earnings</b>	
FOB Value of Exports	568.53



**ANNEXURE 'B' TO DIRECTORS' REPORT (Contd.)****Form - A****Disclosure of particulars with respect to conservation of energy**

	<b>Year ended 31st March 2011</b>	<b>Year ended 31st March 2010</b>
<b>A. Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
a) Purchased		
Units (KWH)	<b>4,873,276</b>	3,827,773
Total Amount (₹ in Millions)	<b>22.81</b>	14.84
Rate/Unit (₹)	<b>4.68</b>	3.88
b) Own Generation		
i) Through Diesel Generator		
Units (KWH)	<b>557,539</b>	570,936
Units per Ltr of Diesel Oil	<b>2.47</b>	2.22
Cost/Unit (₹)	<b>15.85</b>	15.71
ii) Through Steam Turbine/Generator		
Units (KWH)	<b>Nil</b>	Nil
Units per Ltr of Fuel Oil/Gas	<b>Nil</b>	Nil
Cost/Unit (₹)	<b>Nil</b>	Nil
<b>2. Coal (Specify quality and where used)</b>		
Quantity	<b>Nil</b>	Nil
Total Cost	<b>Nil</b>	Nil
Average Rate	<b>Nil</b>	Nil
<b>3. LDO</b>		
Quantity (Kilo Ltr)	<b>Nil</b>	1.62
Total Cost (₹ in Millions)	<b>Nil</b>	0.08
Average Rate (₹/Ltr)	<b>Nil</b>	46.51
<b>4. LPG</b>		
Quantity (MT)	<b>2,013.15</b>	1,636.98
Total Cost (₹ in Millions)	<b>93.82</b>	66.50
Average Rate (₹/MT)	<b>46,603.14</b>	40,622.96
<b>5. Others/Internal generation</b>		
Quantity	<b>Nil</b>	Nil
Total Cost	<b>Nil</b>	Nil
Rate/Unit	<b>Nil</b>	Nil
<b>B. Consumption per unit of production</b>		
a) Products-Refractories		
Electricity (KWH/Pc)	<b>7.99</b>	7.19
LDO (Ltrs/Pc)	<b>0.00</b>	0.00
Coal	<b>Nil</b>	Nil
LPG (Kgs/Pc)	<b>2.95</b>	3.08
HSD (Ltrs/Pc)	<b>0.37</b>	0.53

## **ANNEXURE 'B' TO DIRECTORS' REPORT (Contd.)**

### **Form - B**

#### **Disclosure of particulars with respect to technology absorption**

##### **Research & Development (R&D)**

1. Specific areas in which R&D carried out :
  - a) Improvement in product quality and performance.
  - b) Development of indigenous sources of raw materials including quality upgradation and substitutes.
  - c) Increase of production capacity and capability.
2. Benefits derived as a result of above R&D
  - a) Improvement in customer satisfaction.
  - b) Increased cost competitiveness.
  - c) Improvement in product quality, productivity and performance.
3. Future plan of action : Continued efforts in areas of cost reduction, improvement of productivity, quality and performance, import substitution etc.
4. Expenditure on R&D : No major expenditure has been incurred on R&D.

##### **Technology Absorption, Adaptation and Innovation**

1&2 Efforts, in brief, made towards technology absorption, adaptation and innovation and benefits derived as a result of above efforts e.g. product development, import substitution etc.

Technologies imported from time to time have been successfully absorbed. Changes were made, wherever necessary, in imported technologies with consent of the Collaborators to suit Indian conditions in your Company's own R&D.

3. Information regarding Imported Technology
  - A.
    - a) Technology Imported - On-going technical support for Refractory Components of Continuous Casting Alumina Graphite materials
    - b) Year of Import - Financial year 2005-2006
    - c) Has technology been fully absorbed - Yes. This will however be a continued endeavour.
    - d) If not absorbed, areas where this has not taken place, reasons therefor and future plan of action - Not applicable.
  - B.
    - a) Technology Imported : Know-how for design, application, installation, reprocessing, commissioning, servicing, manufacture etc of Tube-Changer comprising of System and Refractories therefor, for Continuous Casting Slab Machines.
    - b) Year of Import : Financial year 2006-2007
    - c) Has technology been fully absorbed : Yes
    - d) If not absorbed, areas where this has not taken place, reasons therefor and future plan of action - Not applicable.
  - C.
    - a) Technology Imported - Know-how for manufacture of Refractories for Sliding Gate System.
    - b) Year of Import - Financial year 2006-2007
    - c) Has technology been fully absorbed - Yes
    - d) If not absorbed, areas where this has not taken place, reasons therefor and future plan of action - Not applicable.
  - D.
    - a) Technology Imported - Know-how for design, manufacturing and application of Round Hole Pressed Filters, Siebkerne, Silicon Carbide Chill Plates and other refractory products mainly used in Foundries.
    - b) Year of Import - Financial year 2009-2010
    - c) Has technology been fully absorbed - Yes
    - d) If not absorbed, areas where this has not taken place, reasons therefor and future plan of action - Not applicable.

## **Annual Certificate under Clause 49(I)(D) of Listing Agreement with Stock Exchanges**

### **DECLARATION**

As required under Clause 49(I)(D) of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Board members and senior management personnel i.e. employees in the grades of General Manager and above, of the Company have complied with the Code of Conduct of the Company for financial year ended 31st March 2011.

Kolkata  
25th May 2011

**P Bajoria**  
*Managing Director*

### **CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES IN INDIA**

#### **To The Members of IFGL Refractories Limited**

We have examined the compliance of conditions of Corporate Governance by IFGL Refractories Limited for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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, subject to the following:

As stipulated in Clause I(A)(ii) of Clause 49 of the Listing Agreement, in case where the Chairman of the Board is an executive director, at least half of the Board should comprise of independent directors. During the year ended 31st March 2011, the Company did not comply with the requirement regarding independent directors.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We 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 **DELOITTE HASKINS & SELLS**

*Chartered Accountants*  
Registration No. 302009E

**A Bhattacharya**  
*Partner*

Membership No. 54110

Kolkata  
25th May 2011

## AUDITORS' REPORT

### To the Members of IFGL Refractories Limited

1. We have audited the attached Balance Sheet of IFGL Refractories Limited ("the Company") as at 31st March 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our report, attention is invited to Note 12 (d) on Schedule 15 regarding remuneration paid to the Chairman and Managing Director in excess of the limits laid down in the Companies Act, 1956 aggregating ₹ 86.94 lacs awaiting approval of the Central Government.
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows :
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) 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;
  - (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
    - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
6. On the basis of the written representations received from the Directors as on 31st March 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**

*Chartered Accountants*

Registration No. 302009E

**A Bhattacharya**

*Partner*

Membership No. 054110

Kolkata  
25th May 2011

## **ANNEXURE TO THE AUDITORS' REPORT**

### **(REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE)**

- (i) Having regard to the nature of the Company's business/activities, clauses (x), (xii), (xiii) and (xiv) of CARO are not applicable.
- (ii) In respect of its fixed assets :
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory :
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were 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 has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) 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.  
 In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us :
  - (a) The Company has taken and repaid loans aggregating ₹ 200 lacs from a party during the year. At the year-end, the outstanding balance of such loans taken aggregated ₹ Nil and the maximum amount involved during the year was ₹ 208.41 lacs (number of party - one).
  - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.
  - (c) The payments of principal amounts and interest in respect of such loans are as per stipulations.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us :
  - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except

## ANNEXURE TO THE AUDITORS' REPORT (Contd.)

in respect of sale of certain goods for which comparable quotations are not available and in respect of which we are unable to comment.

- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. At the year end the Company had no unclaimed deposits in respect of any earlier years.
- (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any of the products of the Company.
- (x) According to the information and explanations given to us in respect of statutory dues :
- The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March 2011 for a period of more than six months from the date they became payable.
  - Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March 2011 on account of disputes are given below :

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lacs)
<b>Sales Tax</b> Central Sales Tax Act, 1956	Sales Tax	Sales Tax Tribunal	1995-96	1.14
	Sales Tax	Additional Commissioner of Sales Tax	1997-98	0.47
	Sales Tax	Orissa High Court	1999-00	2.17
	Sales Tax	Assistant Commissioner of Sales Tax	2003-04	0.25
Orissa Sales Tax Act, 1947	Sales Tax	Orissa Sales Tax Tribunal	1996-97 and 1997-98	39.91
	Sales Tax	Orissa High Court	1999-00	0.11
	<b>Total</b>			<b>44.05</b>
<b>Income Tax</b> The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Kolkata	Assessment Year 2005-06	15.88
	Fringe Benefit Tax	Deputy Commissioner of Income Tax	Assessment Year 2007-08	0.51
	Income Tax	Deputy Commissioner of Income Tax	Assessment Year 2008-09	68.00
	Fringe Benefit Tax	Deputy Commissioner of Income Tax	Assessment Year 2008-09	1.19
	<b>Total</b>			<b>85.58</b>
<b>Service Tax</b> Service Tax Rules, 1994	Service Tax	Joint Commissioner of Central Excise, Customs & Service Tax	2006-07	1.54

**ANNEXURE TO THE AUDITORS' REPORT (Contd.)**

- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any banks. The Company has neither any outstanding dues to any financial institutions or debenture holders at the beginning of the year nor has it obtained any loans from such parties during the year.
- (xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xv) 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 Companies Act, 1956 at a price which is prima facie not prejudicial to the interests of the Company.
- (xvi) According to the information and explanations given to us, the Company has neither any outstanding debenture at the beginning of the year nor has it issued any debentures during the year.
- (xvii) The Company has not raised any money by public issues during the year.
- (xviii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**

*Chartered Accountants*

Registration No. 302009E

**A Bhattacharya**

*Partner*

Membership No. 054110

Kolkata  
25th May 2011

**BALANCE SHEET** As at 31st March 2011

*(₹ in lacs)*

	Schedule	As at 31st March 2011		As at 31st March 2010	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Fund</b>					
Capital	1	<b>4,911.05</b>		3,461.05	
Reserves and Surplus	2	<b>6,713.91</b>	<b>11,624.96</b>	<u>6,226.33</u>	9,687.38
<b>Loan Funds</b>					
Secured Loans	3		<b>5,851.00</b>		3,719.66
<b>Deferred Tax Liabilities (Net)</b> (Note 9 on Schedule 15)			<b>347.85</b>		328.05
<b>TOTAL</b>			<b><u>17,823.81</u></b>		<u>13,735.09</u>
<b>APPLICATIONS OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	4		<b>9,725.84</b>	8,397.99	
Less : Depreciation			<b>5,290.95</b>	4,775.09	
Net Block			<b>4,434.89</b>	3,622.90	
Capital Work-in-Progress			<b>131.09</b>	<u>169.60</u>	3,792.50
<b>Investments</b>	5		<b>5,761.59</b>		4,220.59
<b>Current Assets, Loans and Advances</b>					
Inventories	6		<b>3,508.13</b>	2,624.45	
Sundry Debtors	7		<b>6,202.21</b>	5,218.27	
Cash and Bank Balances	8		<b>333.16</b>	182.15	
Loans and Advances	9		<b>1,105.63</b>	910.85	
			<b><u>11,149.13</u></b>	<u>8,935.72</u>	
<b>Less : Current Liabilities and Provisions</b>	10				
Liabilities			<b>3,293.84</b>	2,763.24	
Provisions			<b>359.05</b>	450.48	
<b>Net Current Assets</b>			<b><u>3,652.89</u></b>	<u>3,213.72</u>	5,722.00
<b>TOTAL</b>			<b><u>17,823.81</u></b>		<u>13,735.09</u>
<b>NOTES ON ACCOUNTS</b>	15				

In terms of our Report attached.

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

 For **DELOITTE HASKINS & SELLS**
*Chartered Accountants*
**A Bhattacharya**
*Partner*

Kolkata

25th May 2011

On behalf of the Board of Directors

**R Agarwal**  
*Company Secretary*
**P Bajoria**  
*Managing Director*
**S K Bajoria**  
*Chairman*



**PROFIT AND LOSS ACCOUNT** For the year ended 31st March 2011

		(₹ in lacs)	
	Schedule	Year ended 31st March 2011	Year ended 31st March 2010
<b>INCOME</b>			
Turnover (Gross)		<b>22,268.09</b>	18,407.00
Less : Excise Duty		<b>1,448.15</b>	884.22
Turnover (Net)		<b>20,819.94</b>	17,522.78
Other Income	11	<b>64.16</b>	53.70
		<b>20,884.10</b>	17,576.48
<b>EXPENDITURE</b>			
(Increase) / Decrease in Finished Goods and Work-in-Progress	12A	<b>(237.94)</b>	(91.55)
Raw Materials and Trading Goods	12B	<b>11,265.34</b>	8,385.05
Manufacturing and Other Expenses	13	<b>5,916.10</b>	4,911.23
Payments and Provisions for Employees	14	<b>1,920.03</b>	1,412.35
Interest (Note 8 on Schedule 15)		<b>395.04</b>	267.81
Depreciation		<b>528.55</b>	453.16
		<b>19,787.12</b>	15,338.05
<b>Profit before Tax</b>		<b>1,096.98</b>	2,238.43
Less : Provision for Taxation			
For Current Tax		<b>340.00</b>	770.00
For Deferred Tax-Charge/(Credit)		<b>19.80</b>	(5.35)
		<b>359.80</b>	764.65
<b>Profit after Tax</b>		<b>737.18</b>	1,473.78
Profit brought forward from previous year		<b>5,774.54</b>	4,705.68
<b>Profit available for Appropriation</b>		<b>6,511.72</b>	6,179.46
Proposed Dividend			
on Equity Shares		<b>173.05</b>	346.10
on Non Cumulative Preference Shares		<b>41.71</b>	-
Tax on Dividend		<b>34.84</b>	58.82
		<b>249.60</b>	404.92
<b>Balance carried to Balance Sheet</b>		<b>6,262.12</b>	5,774.54
Earning per Share			
Basic and Diluted (₹) (Note 2 on Schedule 15)		<b>1.99</b>	4.26
<b>NOTES ON ACCOUNTS</b>	15		

In terms of our Report attached.

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

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

**A Bhattacharya**

Partner

Kolkata

25th May 2011

On behalf of the Board of Directors

**R Agarwal**  
Company Secretary**P Bajoria**  
Managing Director**S K Bajoria**  
Chairman

**CASH FLOW STATEMENT** For the year ended 31st March 2011

*(₹ in lacs)*

	Year ended 31st March 2011	Year ended 31st March 2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit before tax and extra-ordinary items</b>	<b>1,096.98</b>	2,238.43
<b>Adjustments for :</b>		
Depreciation	<b>528.55</b>	453.16
Interest Expenses (net)	<b>395.04</b>	267.81
Dividend Income	—	(0.11)
Liabilities no longer required written back	<b>(59.80)</b>	(32.42)
Bad Debts/Advances written off	<b>79.87</b>	51.60
Provision for Doubtful Debts	<b>11.71</b>	80.34
Unrealised Foreign Exchange (Gain)/Loss (net)	<b>(16.96)</b>	139.90
Loss on Sale/Discard of Assets (net)	<b>1.41</b>	0.11
	<b>939.82</b>	960.39
<b>Operating Profit before Working Capital changes</b>	<b>2,036.80</b>	3,198.82
<b>Adjustments for :</b>		
Trade and other Receivables	<b>(1,356.91)</b>	(2,336.23)
Inventories	<b>(883.68)</b>	(106.93)
Trade Payables	<b>681.32</b>	1,377.79
	<b>(1,559.27)</b>	(1,065.37)
<b>Cash generated from Operations</b>	<b>477.53</b>	2,133.45
Direct Taxes paid - Net	<b>(312.10)</b>	(818.59)
Cash flow before extra-ordinary items	<b>165.43</b>	1,314.86
<b>Net Cash from Operating Activities</b>	<b>165.43</b>	1,314.86
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	<b>(1,167.89)</b>	(918.68)
Proceeds from sale of Fixed Assets	<b>1.02</b>	0.15
Interest Received	<b>14.89</b>	9.17
Dividend Received	—	0.11
Sale/(Purchase) of Long Term Investments	<b>(1,541.00)</b>	(35.00)
	<b>(2,692.98)</b>	(944.25)
<b>Net Cash (used in) Investing Activities</b>	<b>(2,692.98)</b>	(944.25)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issue of Preference Shares	<b>1,450.00</b>	—
Interest Paid	<b>(413.48)</b>	(279.93)
Dividend Paid	<b>(346.14)</b>	(0.56)
Dividend Tax Paid	<b>(57.49)</b>	—
Proceeds from Long Term Borrowings	<b>1,000.00</b>	553.52
Repayment of Long Term Borrowings	<b>(470.00)</b>	(1,410.00)
Proceeds from Short Term Borrowings	<b>491.75</b>	—
Repayment of Short Term Borrowings	<b>(491.75)</b>	—
Increase in Cash Credit Facilities	<b>1,515.67</b>	618.71
	<b>2,678.56</b>	(518.26)
<b>Net Cash (used in)/from Financing Activities</b>	<b>2,678.56</b>	(518.26)

**CASH FLOW STATEMENT (Contd.)**

	(₹ in lacs)	
	Year ended 31st March 2011	Year ended 31st March 2010
<b>Net Increase/(Decrease ) in Cash and Cash Equivalents (A+B+C)</b>	<b>151.01</b>	<b>(147.65)</b>
<b>Cash and Cash Equivalents (Opening Balance) - Schedule 8</b>	<b>182.15</b>	<b>329.80</b>
<b>Cash and Cash Equivalents (Closing Balance) - Schedule 8 *</b>	<b>333.16</b>	<b>182.15</b>

\* includes fixed deposit held with banks as margin money of ₹ 46 (previous year - ₹ 53)

**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 Statements.
- (2) Figures for the previous year have been re-arranged and re-grouped wherever necessary to make the same comparable with the current year's figure.

In terms of our Report attached.

The Schedules referred to above form an integral part of the Cash Flow Statement.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

**A Bhattacharya**

Partner

Kolkata

25th May 2011

On behalf of the Board of Directors

**R Agarwal**  
Company Secretary

**P Bajoria**  
Managing Director

**S K Bajoria**  
Chairman

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	(₹ in lacs)	
	As at 31st March 2011	As at 31st March 2010
<b>1. CAPITAL</b>		
<b>AUTHORISED</b>		
40,000,000 (Previous year - 39,995,000) Equity Shares of ₹ 10/- each	<b>4,000.00</b>	3,999.50
2,000,000 (Previous year - 500) Redeemable Preference Shares of ₹ 100/- each	<b>2,000.00</b>	0.50
	<b>6,000.00</b>	4,000.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
34,610,472 Equity Shares of ₹ 10/- each fully paid up (Note 1 below)	<b>3,461.05</b>	3,461.05
1,450,000 (Previous year - Nil) 5% Redeemable Non Cumulative Preference Shares of ₹ 100/- each fully paid up (Note 2 below)	<b>1,450.00</b>	—
	<b>4,911.05</b>	3,461.05
Notes : 1. Of the above Equity shares -		
a. 18,320,973 shares are held by Bajoria Holdings Private Limited, the Holding Company.		
b. 16,600,872 shares were allotted as fully paid up other than in cash, pursuant to a Scheme of Amalgamation.		
2. The 5% Redeemable Non Cumulative Preference Shares are redeemable at par at the end of ten years from date of allotment (i.e. 3rd September 2010) or any earlier date at the option of the Company except that said shares shall not be redeemed within the initial period of three years from the date of allotment.		
<b>2. RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>	<b>5.00</b>	5.00
<b>General Reserve</b>	<b>446.79</b>	446.79
<b>Profit and Loss Account</b>	<b>6,262.12</b>	5,774.54
	<b>6,713.91</b>	6,226.33
<b>3. LOAN FUNDS</b>		
<b>SECURED LOANS</b>		
<b>Cash Credit/Packing Credit From State Bank of India</b>	<b>2,891.12</b>	1,562.26
(Secured by hypothecation of stocks of raw materials, stock in process, finished goods, consumables, spares, stores, receivables and other liquid assets etc including goods in transit and by a second charge over all fixed assets of the Company, situated at Sectors 'A' and 'B' of Kalunga Industrial Estate, near Rourkela, ranking pari passu with The Hongkong and Shanghai Banking Corporation Limited).		
<b>From The Hongkong and Shanghai Banking Corporation Limited</b>	<b>1,429.88</b>	1,157.40
(Secured by charge on current assets and second charge over all fixed assets of the Company ranking pari passu with that created in favour of State Bank of India)		
<b>Term Loan From State Bank of India</b>		
- Term Loan - I	—	300.00
(Secured by first charge over all fixed assets of the Company, including Land and other immovable properties, situated at Sectors 'A' and 'B' of Kalunga Industrial Estate, near Rourkela and by an extension of charge over the current assets)		

**SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)**

(₹ in lacs)

	As at 31st March 2011	As at 31st March 2010
<b>3. LOAN FUNDS (Contd.)</b>		
- Term Loan - II (Secured by first charge over Plant and Machinery and other fixed assets acquired in the project considered for financing, situated at Sectors 'A' and 'B' of Kalunga Industrial Estate, near Rourkela and by first charge over all other fixed assets of the Company, ranking pari passu with The Hongkong and Shanghai Banking Corporation Limited).	<b>150.00</b>	225.00
- Term Loan - III (Secured by first charge over Plant and Machinery and other fixed assets acquired in the project considered for financing, situated at Sectors 'A' and 'B' of Kalunga Industrial Estate, near Rourkela and by first charge over all other fixed assets and current assets of the Company, ranking pari passu with The Hongkong and Shanghai Banking Corporation Limited).	<b>380.00</b>	475.00
<b>From The Hongkong and Shanghai Banking Corporation Limited</b> (To be secured by charge over Plant and Machinery and other fixed assets acquired in the project considered for financing, situated at Sectors 'A' and 'B' of Kalunga Industrial Estate, near Rourkela, and by first charge over all other fixed assets and current assets of the Company, ranking pari passu with State Bank of India)	<b>1,000.00</b>	—
	<b><u>5,851.00</u></b>	<b><u>3,719.66</u></b>

**4. FIXED ASSETS**

DESCRIPTION OF THE ASSETS	GROSS BLOCK - AT COST				DEPRECIATION				NET BLOCK	
	As at 31.03.10	Additions during the year	Deductions during the year	Total as at 31.03.11	Upto 31.03.10	For the year	Deductions during the year	Total upto 31.03.11	As at 31.03.11	As at 31.03.10
<b>TANGIBLE</b>										
Land - Lease hold (Note 1 below)	34.76	—	—	<b>34.76</b>	3.04	0.44	—	<b>3.48</b>	<b>31.28</b>	31.72
- Freehold	1.29	—	—	<b>1.29</b>	—	—	—	<b>—</b>	<b>1.29</b>	1.29
Buildings	1,036.66	226.74	—	<b>1,263.40</b>	381.44	36.37	—	<b>417.81</b>	<b>845.59</b>	655.22
Plant and Machinery	6,146.09	1,115.04	47.05	<b>7,214.08</b>	3,432.63	436.12	3.37	<b>3,865.38</b>	<b>3,348.70</b>	2,713.46
Computers	127.15	10.53	3.69	<b>133.99</b>	107.29	10.88	3.64	<b>114.53</b>	<b>19.46</b>	19.86
Furniture and Fixtures	89.65	7.13	—	<b>96.78</b>	80.20	2.89	—	<b>83.09</b>	<b>13.69</b>	9.45
Equipment	50.17	4.80	—	<b>54.97</b>	19.26	3.51	—	<b>22.77</b>	<b>32.20</b>	30.91
Vehicles	168.39	14.25	8.06	<b>174.58</b>	56.72	18.14	5.68	<b>69.18</b>	<b>105.40</b>	111.67
<b>Sub Total - A</b>	<b>7,654.16</b>	<b>1,378.49</b>	<b>58.80</b>	<b>8,973.85</b>	<b>4,080.58</b>	<b>508.35</b>	<b>12.69</b>	<b>4,576.24</b>	<b>4,397.61</b>	3,573.58
<b>INTANGIBLE (acquired items)</b>										
Goodwill arising on Amalgamation	503.06	—	—	<b>503.06</b>	503.06	—	—	<b>503.06</b>	<b>—</b>	—
Computer Software	8.48	8.16	—	<b>16.64</b>	8.48	3.76	—	<b>12.24</b>	<b>4.40</b>	—
Technical Know-how (Note 2 below)	232.29	—	—	<b>232.29</b>	182.97	16.44	—	<b>199.41</b>	<b>32.88</b>	49.32
<b>Sub Total - B</b>	<b>743.83</b>	<b>8.16</b>	<b>—</b>	<b>751.99</b>	<b>694.51</b>	<b>20.20</b>	<b>—</b>	<b>714.71</b>	<b>37.28</b>	49.32
<b>Total (A+B)</b>	<b>8,397.99</b>	<b>1,386.65</b>	<b>58.80</b>	<b>9,725.84</b>	<b>4,775.09</b>	<b>528.55</b>	<b>12.69</b>	<b>5,290.95</b>	<b>4,434.89</b>	3,622.90
Previous Year	7,609.43	801.57	13.01	8,397.99	4,334.68	453.16	12.75	4,775.09		
<b>Capital Work-in-Progress</b>									<b>131.09</b>	169.60
									<b>4,565.98</b>	3,792.50

Notes : (1) Acquired under a lease of 99 years with a renewal option.

(2) Technical know-how represents technical drawings, designs, etc. relating to manufacture of the Company's products and acquired pursuant to various agreements conferring the right to usage only.

**SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)**

	As at 31st March 2011	As at 31st March 2010
(₹ in lacs)		
<b>5. INVESTMENTS</b>		
<b>Long Term - Trade Investment</b> (At cost less provision for dimunition in values, if any)		
<b>Unquoted</b>		
<b>Subsidiary :</b>		
IFGL Worldwide Holdings Limited [63,50,000 (previous year - 53,50,000) Fully paid Equity Shares of GBP 1 each]	<b>5,625.39</b>	4,185.59
<b>Other Than Subsidiary :</b>		
IFGL Exports Limited [1,36,000 (previous year - 35,000) Fully paid Equity Shares of ₹ 10/- each] [Subsequent to the year end, 100% shareholding pledged with Export Import Bank of India for loan granted to IFGL Exports Limited]	<b>136.00</b>	35.00
Krosaki IFGL Refractories Private Limited [2,000 (previous year - Nil) Fully paid Equity Shares ₹ 10/- each]	<b>0.20</b>	—
	<b><u>5,761.59</u></b>	<u>4,220.59</u>
<b>6. INVENTORIES</b> (Note 1(d) on Schedule 15)		
Stores and Spares	<b>137.91</b>	102.89
Raw Materials and Components	<b>1,833.13</b>	1,480.54
Raw Materials and Components in transit	<b>415.06</b>	169.75
Work-in-Progress	<b>554.50</b>	379.68
Finished Goods		
- Manufactured Goods	<b>113.58</b>	42.97
- Trading Goods	<b>150.58</b>	145.29
Stock with Third Parties		
- Manufactured Goods	<b>266.93</b>	274.42
- Trading Goods	<b>36.44</b>	28.91
	<b><u>3,508.13</u></b>	<u>2,624.45</u>
<b>7. SUNDRY DEBTORS (*)</b> (Unsecured)		
Debts outstanding for more than six months		
Considered good	<b>134.05</b>	257.26
Considered Doubtful	<b>92.05</b>	80.34
	<b><u>226.10</u></b>	<u>337.60</u>
Other Debts	<b>6,068.16</b>	4,961.01
	<b><u>6,294.26</u></b>	<u>5,298.61</u>
Less : Provision for Doubtful Debts	<b>92.05</b>	80.34
	<b><u>6,202.21</u></b>	<u>5,218.27</u>

\* Includes ₹ 75.15 (previous year - ₹ 109.95) not due for payment at the year end as per related terms of orders.

**SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)**

	(₹ in lacs)	
	As at 31st March 2011	As at 31st March 2010
<b>8. CASH AND BANK BALANCES</b>		
Cash in hand (Include cheques in hand - ₹ 187.67, previous year - ₹ 21.34)	<b>190.12</b>	23.72
With Scheduled Banks		
- On Current Accounts	<b>23.65</b>	52.75
- On Dividend Accounts	<b>52.67</b>	52.68
- On Fixed Deposit Accounts (As margin on Letter of Credit and Bank Guarantee)	<b>46.00</b>	53.00
With Other Bank on Current Account (Represents balance lying with Banca Nazionale Del Lavoro, Genova, Italy. Maximum balance outstanding during the year ₹ 48.40)	<b>20.72</b>	—
	<b>333.16</b>	<b>182.15</b>
<b>9. LOANS AND ADVANCES</b> (Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	<b>176.05</b>	240.83
Advances and Loans to subsidiaries	<b>1.82</b>	124.27
Accrued Export benefits under DEPB Scheme	<b>624.02</b>	383.93
Balance with Customs, Excise Authorities etc.	<b>257.49</b>	119.55
Other Deposits	<b>46.25</b>	42.27
	<b>1,105.63</b>	<b>910.85</b>
<b>10. CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Liabilities -</b>		
Sundry Creditors		
Total Outstanding dues of micro enterprises and small enterprises (Note 7 on Schedule 15)	<b>30.35</b>	48.44
Total Outstanding dues of creditors other than micro enterprises and small enterprises	<b>2,845.02</b>	2,439.28
Balance with a Subsidiary Company	<b>221.34</b>	31.99
Advance Received from Customers	<b>13.36</b>	19.49
Investor Education and Protection Fund shall be credited by Unpaid Dividend **	<b>52.67</b>	52.68
Other Liabilities	<b>131.10</b>	171.36
	<b>3,293.84</b>	2,763.24
<b>Provisions -</b>		
Taxation (Net of Advance Income Tax/Tax Deducted at Source ₹ 2,657.03, previous year - ₹ 2,344.93)	<b>56.76</b>	28.86
Fringe Benefit Tax (Net of Advance Fringe Benefit Tax ₹ 87.85, previous year - ₹ 87.85)	<b>0.04</b>	0.04
Proposed Dividend	<b>214.76</b>	346.10
Tax on Proposed Dividend	<b>36.17</b>	58.82
Employee Benefits	<b>51.32</b>	16.66
	<b>359.05</b>	450.48
	<b>3,652.89</b>	<b>3,213.72</b>

\*\* No amount is due as on 31st March 2011 for credit to Investor Education and Protection Fund.

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**
*(₹ in lacs)*

	Year ended 31st March 2011		Year ended 31st March 2010	
<b>11. OTHER INCOME</b>				
Commission		<b>1.59</b>		18.47
Dividend from Mutual Funds		–		0.11
Liabilities no longer required written back		<b>59.80</b>		32.42
Miscellaneous Income		<b>2.77</b>		2.70
		<u><b>64.16</b></u>		<u>53.70</u>
<b>12A. INCREASE/DECREASE IN FINISHED GOODS AND WORK-IN-PROGRESS</b>				
Opening Work-in-Progress	<b>379.68</b>		194.07	
Opening Finished Goods	<b>317.39</b>	<b>697.07</b>	<u>411.45</u>	605.52
Less : Closing Work-in-Progress	<b>554.50</b>		379.68	
Closing Finished Goods	<b>380.51</b>	<b>935.01</b>	<u>317.39</u>	<u>697.07</u>
		<u><b>(237.94)</b></u>		<u>(91.55)</u>
<b>12B. RAW MATERIALS AND TRADING GOODS</b>				
Raw Materials consumed *		<b>10,659.61</b>		7,663.66
Opening Stock of Trading Goods	<b>174.20</b>		120.62	
Add : Purchases of Trading Goods	<b>618.55</b>		<u>774.97</u>	
	<b>792.75</b>		895.59	
Less : Closing Stock of Trading Goods	<b>187.02</b>	<b>605.73</b>	<u>174.20</u>	<u>721.39</u>
		<u><b>11,265.34</b></u>		<u>8,385.05</u>

\* Net of ₹ 807.81 (previous year - ₹ 609.18), being duty benefit pertaining to exports.



**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT (Contd.)**

(₹ in lacs)

	Year ended 31st March 2011	Year ended 31st March 2010
<b>13. MANUFACTURING AND OTHER EXPENSES</b>		
Consumable Stores and Spares	584.86	434.88
Power and Fuel	1,262.46	908.36
Repairs and Maintenance		
- Plant and Machinery	121.64	108.63
- Building	7.12	25.43
- Others	48.75	35.32
	<u>177.51</u>	<u>169.38</u>
Rent	22.43	7.71
Rates and Taxes	28.39	19.16
Insurance	54.42	44.73
Postage, Telephone, Telex etc.	52.39	40.27
Travelling and Conveyance	377.60	394.98
Packing Expenses	699.08	497.14
Delivery and Forwarding Expenses	1,266.35	777.46
Professional Fees	121.76	105.46
Processing Charges	272.60	193.82
Royalty	100.89	109.21
Commission	384.10	280.27
Service Charges	104.68	113.68
Directors' Sitting Fees	3.65	4.15
Foreign Exchange Loss/(Gain)	(178.07)	126.62
Provision for Doubtful Debts	11.71	80.34
Bad Debts/Advances written off	79.87	51.60
Loss on Sale/Discard of Fixed Assets (net)	1.41	0.11
Site Contractors Expenses	252.82	177.29
Other Expenses (Note 13 on Schedule 15)	235.19	374.61
	<u>5,916.10</u>	<u>4,911.23</u>
<b>14. PAYMENTS AND PROVISIONS FOR EMPLOYEES</b>		
Salaries and Wages	1,592.14	1,165.02
Staff Welfare Expenses	142.74	126.32
Contribution to Funds :		
- Gratuity Fund	53.39	25.00
- Provident Fund and Pension Schemes	67.33	44.14
- Superannuation Fund	54.21	45.18
- Employees State Insurance Fund etc.	10.22	6.69
	<u>185.15</u>	<u>121.01</u>
	<u>1,920.03</u>	<u>1,412.35</u>

## 15. NOTES FORMING PART OF THE ACCOUNTS

(All figures are in ₹ in lacs)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) **These Financial Statements** are prepared under the historical cost convention on an accrual basis of accounting to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under Section 211(3C) of the Companies Act, 1956 (the 'Act') and the relevant provisions of the Act.
- b) **Fixed Assets** (including intangible items) are stated at cost less accumulated depreciation (including amortisation). The Company capitalises all costs (net of CENVAT credit) relating to acquisition and installation of Fixed Assets. An impairment loss is recognised wherever the carrying value of the fixed assets exceeds its recoverable amount i.e. net selling price or value in use, whichever is higher.  
Spares that can be used only with particular items of plant and machinery and such usage is expected to be irregular are capitalised.
- c) **Depreciation** on tangible assets (other than Leasehold Land and Computers) is calculated on straight-line method at applicable rates and the manner prescribed in Schedule XIV of the Companies Act, 1956. Leasehold Land is amortised over the period of lease. Computers are depreciated over a period of three years. Intangible assets (other than Goodwill arising on amalgamation fully amortised in earlier years and Computer Software which are amortised over a period of two to five years) are amortised on straight-line method over a period of five years.  
Spares capitalised are depreciated over a period not exceeding the useful lives of Plant and Machinery with which such spares can be used.  
Assets individually costing ₹ 5,000 or less are fully depreciated in the year of acquisition.
- d) **Inventories** are valued at lower of cost and net realisable value. Cost is determined on the weighted average basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads.
- e) **Sales** are exclusive of sales tax and returns and are recognised when significant risk and rewards of ownership of the goods is transferred to the buyer and the revenue is measurable at the time of sale and it is reasonable to expect ultimate collection of the sale consideration.  
Export incentive under Duty Entitlement Pass Book Scheme is recognised on accrual basis.  
Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.
- f) **Current investments** are stated at lower of cost and fair value. Long term investments are stated at cost less provision for diminution, other than temporary, if any, in value.
- g) **Current tax** is determined as the amount of tax payable in respect of taxable income for the year based on applicable tax rates and laws. Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax asset, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are periodically reviewed to reassess realisation thereof.
- h) **Transactions in foreign currencies** are recognised at the rates existing at the time of such transactions. Gain or losses resulting from the settlement of such transactions are recognised in the Profit and Loss Account. Year end balances of monetary assets and liabilities denominated in foreign currencies are translated at applicable year-end rates and the resultant differences is recognised in the Profit and Loss Account.  
In case of forward exchange contracts which are entered into to hedge the foreign currency risk of a receivable/ payable recognised in these financial statements, premium or discount on such contracts are amortised over the life of the contract and exchange differences arising thereon in the reporting period are recognised in the Profit and Loss Account.  
Forward exchange contracts which are arranged to hedge the foreign currency risk of a firm commitment or a highly

**15. NOTES FORMING PART OF THE ACCOUNTS (Contd.)***(All figures are in ₹ in lacs)*

probable forecast transaction is marked to market at the year-end and the resulting losses, if any, are charged to the profit and loss account. The net gain, if any, based on the above evaluation, is not accounted for.

- i) **Borrowing cost** that are attributable to acquisition, construction or production of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalised as part of cost of such assets. All other borrowing costs are recognised as expenses in the period they are incurred.
- j) **Employee Benefits :**
- i) The undiscounted amount of Short-term Employee Benefits (i.e. benefits payable within one year) is recognised in the period in which employee services are rendered.
  - ii) Contributions towards provident fund are recognised as expense. Provident fund contributions in respect of employees are made to Trust administered by the Company; the interest rate payable to the members of the Trust is not lower than the rate of interest declared annually by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, is to be made good by the Company. (Also refer note 10A below).
  - iii) Contribution under Employees' Pension Scheme is made as per statutory requirements and charged as expenses for the year.
  - iv) Contribution to Superannuation (Defined Contribution Plan) is made as per the approved Scheme and charged as expenses for the year (Refer Note 10C below).
  - v) The Company also contributes to the Central Government administered Employees' State Insurance Scheme for its eligible employees which is a defined contribution plan.
  - vi) Liability towards Gratuity, Superannuation (Defined Benefit Plan) covering eligible employees, is provided and funded on the basis of year-end actuarial valuation (Refer Note 10B and 10C below).
  - vii) Accrued liability towards leave encashment benefits, covering eligible employees, evaluated on the basis of year-end actuarial valuation is recognised as a charge.
  - viii) Actuarial gains/losses arising under Defined Benefit Plans are recognised immediately in the Profit and Loss Account as income/expense for the year in which they occur.
- k) **Provisions, Contingent Liabilities and Contingent Assets** - Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.
2. Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS :

	2010-2011	2009-2010
Profit after Tax	737.18	1,473.78
Less : Dividend on Preference Shares	41.71	-
Tax on Dividend on Preference Shares	6.77	-
Profit after Tax attributable to the Equity Shareholders (A)	688.70	1,473.78
Weighted Average number of Equity Shares (in numbers) (B)	34,610,472	34,610,472
Nominal Value of Equity Shares (in ₹)	10	10
Dilutive potential Equity Shares	-	-
Basic/Diluted EPS (A/B)	1.99	4.26

3. Estimated amounts of Capital Commitments (net of advances) outstanding as at 31st March 2011 and not provided for is ₹ 136.49 (Previous year - ₹ 893.93).

**15. NOTES FORMING PART OF THE ACCOUNTS (Contd.)**
*(All figures are in ₹ in lacs)*
**4. Contingent Liabilities not provided for :**

	<b>2010-2011</b>	2009-2010
a) Claims against the Company not acknowledged as debts :		
i) Sales tax matter under appeal [net of ₹ 5.49 (previous year - ₹ 5.49) paid under protest]	<b>44.06</b>	44.06
ii) Income tax matters under dispute	<b>78.83</b>	15.88
iii) Service tax matters under dispute	<b>1.54</b>	33.62
b) Letter of comfort/Corporate Guarantee given to banks against term loan, working capital and Forwards Exchange Contracts facility provided by them to a step down subsidiary [ limit ₹ 16.65 million, (previous year - ₹ 12.98 million)]	<b>12,138.90</b>	8,949.89
Utilised at year end ₹ 8.45 million, (previous year - ₹ 5.02 million) [Converted at year end rate]	<b>6,163.84</b>	3,461.09
c) Corporate Guarantee given to Exim Bank against term loan availed by a Body Corporate	<b>2,700.00</b>	Nil
Utilised at year end	<b>962.20</b>	Nil

<b>5. Outstanding Bank Guarantees (net of margin money).</b>	<b>383.04</b>	388.97
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6. The Company, in March 2004, withdrew its application for exemption under Para 39 of the Employees' Pension Scheme, 1995 (EPS, 95) pending with the Regional Provident Fund Commissioner (RPFC) at Rourkela. Subsequent thereto, from April 2004, the Company has been depositing contributions under EPS, 95 with the RPFC. A sum of ₹ 81.72 has been paid in earlier years to RPFC from the Company's Superannuation Fund towards contribution (as estimated by the Company) under EPS, 95 for the period 16th November 1995 to 31st March 2004 in respect of employees continuing in the Company's employment as on 31st March 2004. RPFC has however demanded contribution also for persons who ceased to be employees of the Company in said period, which has been disputed by the Company.

RPFC had raised a demand of ₹ 27.26 in March 1998 on the Company towards contribution under EPS, 95 for the period 16th November 1995 to 31st January 1998, which was stayed by the Hon'ble Orissa High Court in a petition filed before them by the Company. The matter was disposed off by the Hon'ble High Court vide its Order dated 3rd March 2009 whereby liberty was granted to RPFC to take steps for recovery of amount due, if the same was found not deposited, no communication has since been received from RPFC.

7. 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. The disclosures relating to Micro and Small Enterprises as at 31st March 2011 are as under :

	<b>2010-2011</b>	2009-2010
1. The principal amount remaining unpaid to supplier as at the end of accounting year [included in Item 1 to Schedule 10]	<b>30.35</b>	48.44
2. The interest due thereon remaining unpaid to supplier as at the end of accounting year	<b>9.36</b>	9.36
3. The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year 2010-2011	-	2.62
4. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
5. The amount of interest accrued during the year and remaining unpaid at the end of the accounting year [included in Item 1 to Schedule 10]	-	-

**15. NOTES FORMING PART OF THE ACCOUNTS (Contd.)***(All figures are in ₹ in lacs)*

8. (a) Interest paid/payable is net of Interest received [Tax Deducted at Source, ₹ 0.44 (previous year - ₹ 2.11)] as detailed below :

	2010-2011	2009-2010
Interest on Bank Deposits	4.57	7.58
Interest on Customers' overdue bills	13.07	7.07
Interest from Employees and Others	0.79	0.07
<b>Total</b>	<b>18.43</b>	14.72

(b) Interest paid/payable includes interest on Fixed Loans during the year ₹ 110.13 (previous year - ₹ 142.73).

(c) No interest was capitalised during the year.

9. The break up of Deferred Tax (Assets) and Liabilities at the year end into major components of the respective balances are :

	2010-2011	2009-2010
Tax Impact of –		
Accrued expenses deductible when paid	(36.51)	(32.73)
Difference between tax depreciation and book depreciation	384.36	360.78
<b>Total</b>	<b>347.85</b>	328.05

10. Disclosure in respect of Employee Benefits in keeping with Accounting Standard 15.

A. In keeping with the Guidance on implementing Accounting Standard (AS) 15 on Employee Benefits issued by the Accounting Standards Board of the Institute of Chartered Accountants of India (ASB Guidance), employer established provident fund trusts are treated as Defined Benefit Plan since the Company is obligated to meet interest shortfall, if any, with respect to covered employees. However, there is no such interest shortfall at the year end.

According to the actuary, actuarial valuation cannot be applied to reliably measure provident fund liabilities in absence of guidance from the Actuarial Society of India. Accordingly, the Company is currently not in a position to provide other related disclosures as required by the aforesaid AS 15 read with the ASB Guidance. During the year, the Company has contributed ₹ 35.57 (previous year - ₹ 27.67) to the Provident Fund.

B. Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the Scheme, the Gratuity Trust fund makes payments to vested employees on retirement, death, incapacitation or termination of employment. For employees joining after 1st April 2003, the amount is based on the respective employee's eligible salary (half month's salary) depending on the tenure of the service subject to a maximum of ₹ 10 as per the Payment of Gratuity Act, 1972. For employees joining before 1st April 2003, the amount is calculated similarly as per the Payment of Gratuity Act, 1972 (with the cap of ₹ 10) or the Company's scheme, whichever is higher. Vesting occurs on completion of five years of service. Liabilities with regard to the Gratuity plan are determined by actuarial valuation as set out in Note 1 (j) (vi) above, based on which the Company makes contribution to the fund. The most recent actuarial valuation of the fund was carried out as at 31st March 2011.

C. In keeping with the Company's Superannuation Scheme (applicable to employees joined before 31st March 2004), employees are entitled to superannuation benefit on retirement/death/incapacitation/termination. Superannuation Scheme was amended from Defined Benefit Plan to Defined Contribution Plan effective 1st April 2004 and the benefits under the Defined Benefit Plan were frozen as on 31st March 2004. Necessary formalities/approvals have been complied with/obtained. Also refer Notes 1 (j) (iv) and (vi) for accounting policy relating to superannuation.

D. Leave Encashment (Unfunded)

The Company provides for accumulated leave benefit for eligible employees (i.e. workmen) at the time of retirement, death, incapacitation or termination of employment, subject to a maximum of one hundred and twenty days based on the last drawn salary. Liabilities are determined by actuarial valuation as set out in Note 1 (j) (vii) above.

**15. NOTES FORMING PART OF THE ACCOUNTS (Contd.)**
*(All figures are in ₹ in lacs)*

10.1 Following are further particulars with respect to Defined Benefit Plans of the Company for year ended 31st March 2011 :

	Gratuity (Funded)		Superannuation (Funded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>a) Reconciliation of the opening and closing balances of present value of Defined Benefit Obligation :</b>						
Present Value of obligation, as at the beginning of the year	<b>308.48</b>	197.31	<b>194.98</b>	189.75	<b>13.66</b>	10.62
Service Cost	<b>22.99</b>	21.29	–	–	<b>2.07</b>	1.72
Interest Cost	<b>24.04</b>	15.59	<b>15.58</b>	14.82	<b>1.06</b>	0.85
Plan Amedments Cost/(Credits)	–	2.20	–	–	–	–
Actuarial (gains)/losses (Benefits paid)	<b>33.41</b> <b>(16.00)</b>	77.04 (4.95)	<b>(4.50)</b> <b>(0.49)</b>	(0.67) (8.92)	<b>2.18</b> <b>(0.80)</b>	0.57 (0.10)
Present Value of obligation, as at the end of the year	<b>372.92</b>	308.48	<b>205.57</b>	194.98	<b>18.17</b>	13.66
<b>b) Reconciliation of the Opening and Closing balances of the Fair Value of Plan Assets :</b>						
Fair Value of plan assets at the beginning of the year	<b>305.64</b>	243.75	<b>372.33</b>	334.27	<b>N.A.</b>	N.A.
Expected return on plan assets	<b>25.62</b>	20.94	<b>30.51</b>	27.04	<b>N.A.</b>	N.A.
Actuarial gains/(losses)	<b>2.51</b>	23.90	<b>(3.94)</b>	19.94	–	–
Contribution by the Company	<b>22.00</b>	22.00	–	–	<b>0.80</b>	0.10
Benefits paid	<b>(16.00)</b>	(4.95)	<b>(0.49)</b>	(8.92)	<b>(0.80)</b>	(0.10)
Fair Value of Plan Assets at the end of the year	<b>339.77</b>	305.64	<b>398.41</b>	372.33	–	–
<b>c) Reconciliation of the Present Value of Defined Benefit Obligation and Fair Value of the Plan Assets :</b>						
Fair Value of Plan Assets at the end of the year	<b>339.77</b>	305.64	<b>398.41</b>	372.33	–	–
Present value of obligation at the end of the year	<b>372.92</b>	308.48	<b>205.57</b>	194.98	<b>18.17</b>	13.66
Assets/(Liabilities) recognised in the Balance Sheet	<b>(33.15)</b>	(2.84)	<b>192.84*</b>	177.35*	<b>(18.17)</b>	(13.66)

\* Actual amount of asset in the Balance Sheet ₹ Nil (previous year - ₹ Nil)

	Gratuity (Funded)		Superannuation (Funded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>d) Expense recognised in the Profit and Loss Account :</b>						
Current Service Cost	<b>22.99</b>	21.29	–	–	<b>2.07</b>	1.72
Interest Cost	<b>24.04</b>	15.59	<b>15.58</b>	14.82	<b>1.06</b>	0.85
Expected return of plan assets	<b>(25.62)</b>	(20.94)	<b>(30.51)</b>	(27.04)	–	–
Past Service cost	–	2.20	–	–	–	–
Actuarial (gain)/loss	<b>30.90</b>	53.14	<b>(0.56)</b>	(20.61)	<b>2.18</b>	0.57
Total Expense as per the Actuarial Valuation	<b>52.31</b>	71.28	<b>(15.49)</b>	(32.83)	<b>5.31</b>	3.14
Actual Expenses Recognised	<b>52.31</b> <sup>@</sup>	25 <sup>@</sup>	–	–	<b>5.31</b> <sup>*</sup>	3.14 <sup>*</sup>

@ The expenses for the above benefit are recognised under 'Contribution to Provident and Other Funds' on Schedule 14.

\* The Expenses for the above benefit are recognised under 'Staff Welfare' on Schedule 14.

**15. NOTES FORMING PART OF THE ACCOUNTS (Contd.)**

(All figures are in ₹ in lacs)

	Gratuity (Funded)		Superannuation (Funded)		Leave Encashment (Unfunded)	
	2010-11 %	2009-10 %	2010-11 %	2009-10 %	2010-11 %	2009-10 %
<b>e) Category of Plan Assets :</b>						
GOI Securities	6	7	15	18	NA	NA
Bonds	5	12	11	17	NA	NA
State Government/State Government guaranteed securities	5	5	3	4	NA	NA
Units of Insurers	84	76	69	60	NA	NA
Others (including bank balances)	-	-	2	1	NA	NA
	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>NA</b>	<b>NA</b>
<b>f) Principal Actuarial Assumptions :</b>						
Discount rate (per annum) (%)	8.00	8.00	8.00	8.00	8.00	8.00
Rate of increase in salaries (%)	6.00	6.00	NA	NA	6.00	6.00
Expected rate of return on plan assets (%)	8.30	8.30	8.20	8.20	-	-
Remaining working life (in Years)	18.97	18.04	14.55	15.39	15.63	15.55
Mortality Rate	<b>LIC (1994-96) ultimate</b>					
Method used	<b>Projected Accrued Benefit Method</b>					
Actual Return on Plan Assets	28.13	44.84	46.98	46.98	NA	NA
<b>g) Other Disclosures :</b>						
<b>Gratuity Scheme :</b>						
<b>Experience History</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>		
1 Defined Benefit Obligation at end of the period	(372.92)	(308.48)	197.31	-		
2 Plan Assets at end of the period	339.77	305.64	243.75	-		
3 Funded Status	(33.15)	(2.84)	46.44	-		
4 Experience Gain/(Loss) adjustments on plan liabilities	(33.41)	(52.19)	-	-		
5 Experience Gain/(Loss) adjustments on plan assets	2.51	23.90	-	-		
6 Actuarial Gain/(Loss) due to change on assumptions	-	(24.85)	-	-		
<b>Superannuation Scheme :</b>						
<b>Experience History</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>		
1 Defined Benefit Obligation at end of the period	(205.57)	(194.98)	(189.75)	-		
2 Plan Assets at end of the period	398.41	372.33	334.27	-		
3 Funded Status	192.84	177.35	144.52	-		
4 Experience Gain/(Loss) adjustments on plan liabilities	4.50	0.67	-	-		
5 Experience Gain/(Loss) adjustments on plan assets	(3.94)	19.94	-	-		
6 Actuarial Gain/(Loss) due to change on assumptions	-	-	-	-		
<b>Leave Encashment Scheme :</b>						
<b>Experience History</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>		
1 Defined Benefit Obligation at end of the period	(18.17)	(13.66)	(10.62)	-		
2 Plan Assets at end of the period	-	-	-	-		
3 Funded Status	(18.17)	(13.66)	(10.62)	-		
4 Experience Gain/(Loss) adjustments on plan liabilities	(2.18)	0.67	(6.96)	-		
5 Experience Gain/(Loss) adjustments on plan assets	-	-	-	-		
6 Actuarial Gain/(Loss) due to change on assumptions	-	(1.24)	8.89	-		

## 15. NOTES FORMING PART OF THE ACCOUNTS (Contd.)

(All figures are in ₹ in lacs)

The basis used to determine overall expected return on assets and the major categories of Plan Assets are as follows :  
The major portion of the assets is invested in units of Insurers and Government Bonds. Based on the asset allocation and prevailing yield rates on these asset classes, the long term estimate of the expected rate of return on the fund have been arrived at. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government Bonds.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors.

10.2 The Company has recognised, in the Profit and Loss Account, an amount of ₹ 131.76 (previous year - ₹ 96.01) as expenses under defined contribution plans.

### 11. Related Party Disclosures in keeping with Accounting Standard-18 prescribed under 'the Act'

#### a) List of Related Parties

Where Control exists :

Holding Company

Bajoria Holdings Private Limited

Subsidiary Companies (including step down subsidiaries)

IFGL Worldwide Holdings Limited  
IFGL Monocon Holdings Limited  
Monocon International Refractories Limited  
Monocon Overseas Limited  
Mono Ceramics Inc.  
Monotec Refratarios Ltda  
Tianjin Monocon Refractories Company Limited  
Tianjin Monocon Aluminous Refractories Company Limited  
Goricon Metallurgical Services Limited  
Goricon LLC  
IFGL GmbH  
Hofmann Ceramic GmbH  
Hofmann GmbH & Co. OHG  
Hofmann Ceramic CZ s.r.o.  
Hofmann Ceramic Limited  
Hofmann Ceramic LLC  
Hofmann Pyemetric LLC  
IFGL Pyemetric LLC  
IFGL Inc.  
EI Ceramic LLC (w.e.f. September 10, 2010)  
CUSC International Limited (w.e.f. September 10, 2010)

Fellow Subsidiaries

Heritage Health TPA Private Limited  
Bajoria Financial Services Private Limited  
IFGL Bio Ceramics Limited  
Ganges Art Gallery Private Limited  
Bajoria Enterprises Limited  
Bajoria Service Providers Private Limited

Others

Key Management Personnel

S K Bajoria (Chairman)  
P Bajoria (Managing Director)

Relatives of Key Management Personnel

B P Bajoria  
Mihir Bajoria

Enterprises in which key management personnel has significant influence

Heritage Insurance Brokers Private Limited  
Coris Heritage Asia Pacific Private Limited  
IFGL Exports Limited



**15. NOTES FORMING PART OF THE ACCOUNTS (Contd.)***(All figures are in ₹ in lacs)*

	2010-2011	2009-2010
<b>11.b) Particulars of Transactions during the year and year end balances</b>		
<b>(I) With Holding Company : Bajoria Holdings Private Limited</b>		
Issue of 5% Non Cumulative Preference Share	640.00	–
Rent for Office Premises	7.59	6.83
Maintenance Charges	10.89	10.89
Expenses Reimbursement/incurred	11.67	15.88
Interest on loan	0.17	–
Loan taken during the year	200.00	–
Loan repaid	200.00	–
	<u>1,070.32</u>	<u>33.60</u>
<b>Year end Balances (Accounts Payable)</b>	<b>0.45</b>	–
<b>(II) With Subsidiaries including Step down Subsidiaries</b>		
<b>Purchase of Raw Material</b>		
Monocon International Refractories Limited	209.22	15.18
Tianjin Monocon Refractories Company Limited	774.65	349.83
Tianjin Monocon Aluminous Refractories Company Limited	52.45	105.01
Hofmann Ceramic GmbH	76.15	29.99
	<u>1,112.47</u>	<u>500.01</u>
<b>Purchase of Capital Goods</b>		
Hofmann Ceramic GmbH	158.92	56.95
	<u>158.92</u>	<u>56.95</u>
<b>Sale of Finished Goods</b>		
Monocon International Refractories Limited	464.76	591.35
Mono Ceramics Inc	141.48	102.11
Monotec Refratarios Ltda	0.12	–
Tianjin Monocon Aluminous Refractories Company Limited	–	8.70
Hofmann Ceramic GmbH	35.17	11.34
IFGL Pyemetric LLC	1.39	–
	<u>642.92</u>	<u>713.50</u>
<b>Commission</b>		
Mono Ceramics Inc	2.55	–
Monotec Refratarios Ltda	4.11	–
	<u>6.66</u>	–
<b>Royalty</b>		
Hofmann Ceramic GmbH	2.40	–
	<u>2.40</u>	–
<b>Expenses Reimbursement/Incurred</b>		
Monocon International Refractories Limited	7.58	9.18
Mono Ceramics Inc	3.00	1.63
Monotec Refratarios Ltda	44.69	2.98
	<u>55.27</u>	<u>13.79</u>
<b>Expenses Recovered/Received</b>		
Monocon International Refractories Limited	10.88	1.63
Tianjin Monocon Refractories Company Limited	2.35	2.99
Mono Ceramics Inc	1.13	–
Tianjin Monocon Aluminous Refractories Company Limited	0.27	–
	<u>14.63</u>	<u>4.62</u>

**15. NOTES FORMING PART OF THE ACCOUNTS (Contd.)**
*(All figures are in ₹ in lacs)*
**11.b) Particulars of Transactions during the year and year end balances (Contd.)**

	2010-2011	2009-2010
<b>Investment</b>		
IFGL Worldwide Holdings Limited	1,439.80	–
	<u>1,439.80</u>	<u>–</u>
<b>Advance paid against Capital Goods</b>		
Hofmann Ceramic GmbH	–	124.27
	<u>–</u>	<u>124.27</u>
<b>Corporate Guarantees/Letter of Comfort</b>		
Monocon International Refractories Limited	6,161.26	3,461.09
	<u>6,161.26</u>	<u>3,461.09</u>
<b>YEAR END BALANCES</b>		
<b>Sundry Creditors</b>		
Monocon International Refractories Limited	6.93	13.77
Tianjin Monocon Refractories Company Limited	219.28	–
Monotec Refratarios Ltda	2.25	2.98
Hofmann Ceramic GmbH	3.95	18.21
Mono Ceramics Inc	2.76	–
	<u>235.17</u>	<u>34.96</u>
<b>Sundry Debtors</b>		
Monocon International Refractories Limited	87.23	347.03
Mono Ceramics Inc	30.58	75.50
Hofmann Ceramic GmbH	13.42	0.93
	<u>131.23</u>	<u>423.46</u>
<b>Loans and Advances</b>		
Hofmann Ceramic GmbH	–	124.27
Monocon International Refractories Limited	0.11	–
Tianjin Monocon Refractories Company Limited	1.48	–
Tianjin Monocon Aluminous Refractories Company Limited	0.15	–
Mono Ceramics Inc	0.08	–
	<u>1.82</u>	<u>124.27</u>
<b>Investment</b>		
IFGL Worldwide Holdings Limited	5,625.39	4,185.59
	<u>5,625.39</u>	<u>4,185.59</u>
<b>Corporate Guarantee/Letter of Comfort</b>		
Monocon International Refractories Limited	6,161.26	3,461.09
	<u>6,161.26</u>	<u>3,461.09</u>
<b>(III) With Fellow Subsidiaries</b>		
<b>Sale of Finished Goods</b>		
IFGL Bio Ceramics Limited	21.92	18.49
	<u>21.92</u>	<u>18.49</u>
<b>Expenses Reimbursement/Incurred</b>		
Ganges Art Gallery Private Limited	1.08	1.54
	<u>1.08</u>	<u>1.54</u>
<b>Expenses Recovered/Received</b>		
Heritage Health TPA Private Limited	1.97	–
IFGL Bio Ceramics Limited	0.67	0.29
	<u>2.64</u>	<u>0.29</u>

**15. NOTES FORMING PART OF THE ACCOUNTS (Contd.)***(All figures are in ₹ in lacs)***11.b) Particulars of Transactions during the year and year end balances (Contd.)**

	2010-2011	2009-2010
<b>5% Non Cumulative Preference Share</b>		
Bajoria Enterprises Limited	230.00	-
Bajoria Financial Services Private Limited	420.00	-
Bajoria Service Providers Private Limited	160.00	-
	<u>810.00</u>	<u>-</u>
<b>YEAR END BALANCES</b>		
<b>Sundry Debtors</b>		
IFGL Bio Ceramics Limited	19.60	14.37
	<u>19.60</u>	<u>14.37</u>
(IV) <b>With Key Management Personnel</b>		
<b>Director's Remuneration (Refer Note 12 below)</b>		
S K Bajoria (Chairman)	108.33	95.07
P Bajoria (Managing Director)	111.86	101.74
	<u>220.19</u>	<u>196.81</u>
(V) <b>With Relative of Key Management Personnel</b>		
<b>Sitting Fees</b>		
B P Bajoria	0.20	0.80
	<u>0.20</u>	<u>0.80</u>
<b>Remuneration</b>		
Mihir Bajoria	0.61	1.29
	<u>0.61</u>	<u>1.29</u>
(VI) <b>With Enterprise in which a key management personnel has significant influence</b>		
<b>Expenses Recovered/Received</b>		
Heritage Insurance Brokers Private Limited	0.11	0.75
IFGL Exports Limited	3.84	1.15
	<u>3.95</u>	<u>1.90</u>
<b>Sale of Services</b>		
IFGL Exports Limited	18.00	-
	<u>18.00</u>	<u>-</u>
<b>Investment</b>		
IFGL Exports Limited	101.00	35.00
	<u>101.00</u>	<u>35.00</u>
<b>YEAR END BALANCES</b>		
<b>Sundry Debtors</b>		
Heritage Insurance Brokers Private Limited	-	0.72
	<u>-</u>	<u>0.72</u>
<b>Investment</b>		
IFGL Exports Limited	136.00	35.00
	<u>136.00</u>	<u>35.00</u>
<b>Corporate Guarantee/Letter of Comfort</b>		
IFGL Exports Limited	2,700.00	-
	<u>2,700.00</u>	<u>-</u>

**15. NOTES FORMING PART OF THE ACCOUNTS (Contd.)**
*(All figures are in ₹ in lacs)*
**12. Managerial remuneration :**

	2010-2011		2009-2010	
a) Chairman and Managing Director				
Salaries	<b>141.00</b>		94.50	
Commission	–		48.78	
Contribution to Provident and other Funds	<b>64.04</b>		36.16	
Other Perquisites	<b>15.15</b>	<b>220.19</b>	17.37	196.81
b) Non-executive Directors - Sitting Fees		<b>3.65</b>		4.15
<b>Total Managerial Remuneration</b>		<b>223.84</b>		<b>200.96</b>
c) Schedule of computation of Net Profit in accordance with Section 198/349 of the Companies Act, 1956 for the purpose of Managerial Remuneration :				
Profit before tax as per the Profit and Loss Account		<b>1,096.98</b>		2,238.43
Add : Directors' Remuneration	<b>220.19</b>		196.81	
Directors' Sitting Fees	<b>3.65</b>		4.15	
Provision for Doubtful Debts	<b>11.71</b>	<b>235.55</b>	–	200.96
<b>Net Profit</b>		<b>1,332.53</b>		<b>2,439.39</b>
Chairman's Commission - 1% of the Net Profit		*		24.39
Managing Director's Commission - 1% of the Net Profit		*		24.39
<b>Total Commission</b>		–		<b>48.78</b>
* in view of inadequate profit, no commission is payable.				
d) Computation of excess amount paid to Chairman and Managing Director				
Limit as per the Companies Act, 1956 - 10% of the Net Profit as per (c) above		<b>133.25</b>		
Amount actually paid		<b>220.19</b>		
Amount paid in excess over the limit #		<b>86.94</b>		
# The Company's application to the Central Government for approving the excess remuneration aggregating ₹ 86.94 paid to the Chairman and Managing Director, is awaited.				

**13. Other Expenses (Schedule 13) includes :**

Amounts paid/payable to Auditors as auditor :

	2010-2011	2009-2010
Audit Fees	<b>7.50</b>	7.00
For Tax Audit	<b>2.50</b>	2.50
For Limited Reviews	<b>3.00</b>	2.00
For Other Certificates	<b>2.50</b>	3.25
Reimbursement of expenses #	<b>0.41 @</b>	0.68

@ includes ₹ 0.35 to erstwhile auditors.

# Exclusive of Service Tax ₹ 1.64 (previous year - ₹ 1.59) not routed through Profit and Loss Account during the year.

**15. NOTES FORMING PART OF THE ACCOUNTS (Contd.)**

(All figures are in ₹ in lacs)

## 14. Raw Materials Consumed :

	2010-2011		2009-2010	
	Qty. (M/T)	Value	Qty. (M/T)	Value
Alumina	7,384.47	2,956.38	6,028.74	2,444.10
Zirconia	850.60	1,382.52	641.27	1,031.88
Resin	1,334.99	1,456.91	1,100.41	902.47
Others*		4,863.80		3,285.21
		<b>10,659.61</b>		<b>7,663.66</b>

\*As none of the other items individually exceed 10% of the total value of the raw materials consumed, the quantitative details have not been provided.

## 15. (a) Particulars regarding Licensed and Installed Capacity, Opening and Closing Stock, Actual Production and Sales of Manufactured Items.

	Units	For the year ended 31st March 2011		For the year ended 31st March 2010	
		Quantity	Value	Quantity	Value
(i) <b>Licensed Capacity</b>		N.A.		N.A.	
(ii) <b>Installed Capacity</b> (as certified by the management)					
Refractories (Shaped)	Pcs.	776,000		776,000	
Refractories (Unshaped)	M/T	24,000		24,000	
Ceramics (Filters)	Pcs.	5,700,000		-	
Ceramics (Shaped)	Pcs.	10,000		10,000	
Ceramics (Unshaped)	Kgs	50.00		50.00	
(iii) <b>Opening Stock of Finished Goods</b>					
At Factory					
Refractories (Shaped)	Pcs.	2,325	38.38	5,799	51.82
Refractories (Unshaped)	M/T	-	-	-	-
Stock in Transit **					
Refractories (Shaped)	Pcs.	1,122	4.59	9,770	173.39
Refractories (Unshaped)	M/T	-	-	12	4.89
With Third Party					
Refractories (Shaped)	Pcs.	15,443	206.22	9,268	130.50
Refractories (Unshaped)	M/T	768.78	68.20	188.66	50.85
<b>Total</b>			<b>317.39</b>		<b>411.45</b>
(iv) <b>Actual Production</b>					
Refractories (Shaped)	Pcs.	674,487	-	530,375	-
Refractories (Unshaped)	M/T	11,660.66	-	8,099.04	-
Ceramics (Filters)	Pcs.	1,589,024	-	-	-
Ceramics (Shaped)	Pcs.	1,673	-	903	-
Ceramics (Unshaped)	Kgs	26.68	-	14.65	-
(v) <b>Sales *</b>					
Refractories (Shaped)	Pcs.	674,294	17,015.83	536,322	14,593.08
Refractories (Unshaped)	M/T	11,691.60	2,994.12	7,530.92	2,155.01
Ceramics (Filters)	Pcs.	1,589,024	152.43	-	-
Ceramics (Shaped)	Pcs.	1,673	8.19	903	10.01
Ceramics (Unshaped)	Kgs	26.68	13.73	14.65	8.48
Scrap			5.95		14.22
<b>Total</b>			<b>20,190.25</b>		<b>16,780.80</b>

**15. NOTES FORMING PART OF THE ACCOUNTS (Contd.)**
*(All figures are in ₹ in lacs)*

	Units	For the year ended 31st March 2011		For the year ended 31st March 2010	
		Quantity	Value	Quantity	Value
<b>(vi) Closing Stock of Finished Goods</b>					
At Factory					
Refractories (Shaped)	Pcs.	<b>3,650</b>	<b>97.35</b>	2,325	38.38
Refractories (Unshaped)	M/T	–	–	–	–
Stock in Transit **					
Refractories (Shaped)	Pcs.	<b>3,516</b>	<b>16.23</b>	1,122	4.59
Refractories (Unshaped)	M/T	–	–	–	–
With Third Party					
Refractories (Shaped)	Pcs.	<b>11,917</b>	<b>194.81</b>	15,443	206.22
Refractories (Unshaped)	M/T	<b>737.84</b>	<b>72.12</b>	768.78	68.20
<b>Total</b>			<b>380.51</b>		<b>317.39</b>

**15. (b) Particulars regarding Purchases, Sales, Opening and Closing Stock of Trading Items**

	Units	For the year ended 31st March 2011		For the year ended 31st March 2010	
		Quantity	Value	Quantity	Value
<b>Opening Stock</b>					
At Factory					
Operating Systems for Refractories	Sets	<b>63</b>	<b>21.94</b>	12	5.35
Others #			<b>123.35</b>		97.56
With Third Party					
Refractories (Unshaped)	M/T	<b>185.39</b>	<b>9.06</b>	89.91	8.86
Others #			<b>19.85</b>		8.85
<b>Total</b>			<b>174.20</b>		<b>120.62</b>
<b>Purchases</b>					
Operating Systems for Refractories	Sets	<b>72</b>	<b>49.79</b>	120	20.47
Refractories (Unshaped)	M/T	<b>1,625.29</b>	<b>291.01</b>	2,019.99	336.56
Others #			<b>313.69</b>		417.94
<b>Total</b>			<b>654.49</b>		<b>774.97</b>
<b>Sales *</b>					
Operating Systems for Refractories	Sets	<b>83</b>	<b>40.36</b>	69	67.83
Refractories (Unshaped)	M/T	<b>1,611.86</b>	<b>290.44</b>	1,925.19	320.82
Others #			<b>298.89</b>		353.33
<b>Total</b>			<b>629.69</b>		<b>741.98</b>
<b>Closing Stock</b>					
At Factory					
Operating Systems for Refractories	Sets	<b>52</b>	<b>19.81</b>	63	21.94
Others #			<b>130.77</b>		123.35
With Third Party					
Refractories (Unshaped)	M/T	<b>198.82</b>	<b>12.31</b>	185.39	9.06
Others #			<b>24.13</b>		19.85
<b>Total</b>			<b>187.02</b>		<b>174.20</b>

\* Inclusive of quantities supplied free of cost. Sales figures are net of excise duty.

\*\* Corresponding Sales Value ₹ 40.99

# As none of the items exceed 10% of Purchase/Sales/Stock, the quantitative details have not been provided

**15. NOTES FORMING PART OF THE ACCOUNTS (Contd.)***(All figures are in ₹ in lacs)***16. Value of Imported and Indigenous Raw Materials and Stores and Spares consumed -**

	2010-2011		2009-2010	
	Value	%	Value	%
Raw Materials				
- Imported	<b>5,845.86</b>	<b>54.84</b>	4,011.83	52.35
- Indigenous	<b>4,813.75</b>	<b>45.16</b>	3,651.83	47.65
<b>Total</b>	<b>10,659.61</b>	<b>100.00</b>	7,663.66	100.00
Stores and Spares				
- Imported	<b>73.59</b>	<b>12.58</b>	31.13	7.16
- Indigenous	<b>511.27</b>	<b>87.42</b>	403.75	92.84
<b>Total</b>	<b>584.86</b>	<b>100.00</b>	434.88	100.00

**17. Operating Lease Commitments** - The Company entered into non-cancelable operating lease agreements in connection with certain office spaces. Tenure of lease is for a period of 3 years. Terms of the lease include operating terms of renewal, reimbursement of maintenance charges, increase in future maintenance charges, etc. The future minimum lease commitments of the Company are as follows :

	2010-2011	2009-2010
Within 1 Year	<b>3.80</b>	7.59
More than 1 Year upto 5 Years	-	3.80
<b>Total</b>	<b>3.80</b>	11.39

Lease rentals recognised in this profit and loss account amount to ₹ 7.59 (previous year - ₹ 6.83)

**18. CIF Value of Imports**

	2010-2011	2009-2010
Raw Materials	<b>5,392.45</b>	3,101.13
Stores and Spares	<b>102.39</b>	28.70
Trading Items	<b>16.28</b>	36.92
Capital Goods	<b>212.52</b>	80.00

**19. Expenditure in Foreign Currency (on payment basis)**

	2010-2011	2009-2010
Salaries and wages	<b>392.66</b>	87.21
Travelling	<b>187.76</b>	146.91
Commission	<b>230.28</b>	177.19
Royalty (Net of tax)	<b>97.45</b>	80.31
Selling Expenses	<b>69.64</b>	24.57
Professional Fees	<b>11.92</b>	2.64
Others	<b>41.57</b>	14.48

**20. Earnings in Foreign Exchange**

	2010-2011	2009-2010
FOB Value of Exports	<b>5,685.25</b>	4,740.73

**15. NOTES FORMING PART OF THE ACCOUNTS (Contd.)**
*(All figures are in ₹ in lacs)*
**21. Remittance in Foreign Currency on account of Dividend to Non-Resident Shareholders**

	<b>2010-2011</b>	2009-2010
(a) Amount Remitted		
- For the year 2009-2010	<b>50.07</b>	-
- For the year 2008-2009	-	-
(b) Number of Non-Resident Shareholders	<b>2</b>	2
(c) Number of Shares held by them	<b>5,006,956</b>	5,006,956

22. In terms of Accounting Standard 17 'Segment Reporting' prescribed under 'the Act', segment information has been presented in the consolidated financial statements of the Company included in the Annual Report. Given below is the information relating to Geographical market of the Company :

	<b>2010-2011</b>	2009-2010
<b>Sales Revenue</b>		
India	<b>10,081.26</b>	9,510.68
Outside India		
Direct Exports	<b>5,685.25</b>	5,051.60
Indirect Exports	<b>5,053.43</b>	2,960.50
<b>Total</b>	<b>20,819.94</b>	17,522.78
<b>Carrying amount of Assets</b>		
India	<b>17,671.82</b>	14,137.15
Outside India		
Branch Assets in Italy	<b>54.23</b>	-
Direct Exports	<b>2,136.79</b>	1,590.60
Indirect Exports	<b>1,613.86</b>	1,221.06
<b>Total</b>	<b>21,476.70</b>	16,948.81
<b>Purchase of Tangible and Intangible Assets</b>		
India	<b>1,324.02</b>	678.61
Outside India	<b>24.12</b>	-

23. Expenses include reimbursements to/by the Company.

24. Previous year's figures have been re-arranged and re-grouped wherever necessary to make the same comparable with the current year's figures.



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### (a) Registration Details

Company Identification No. L 2 7 2 0 2 O R 1 9 8 9 P L C 0 0 2 9 7 1

Balance Sheet Date 3 1 0 3 2 0 1 1  
 D D M M Y Y Y Y

(₹ in lacs)

### (b) Capital raised during the year

Public Issue N I L Right Issue N I L

Bonus Issue N I L Private Placement 1 4 5 0

### (c) Position of Mobilisation and Deployment of Funds

Total Liabilities 2 1 4 7 6 . 7 0 Total Assets 2 1 4 7 6 . 7 0

#### Sources of Funds

Paid-up-Capital 4 9 1 1 . 0 5

Reserves and Surplus 6 7 1 3 . 9 1

Secured Loans 5 8 5 1 . 0 0

Unsecured Loans N I L

Deferred Tax Liabilities (Net) 3 4 7 . 8 5

#### Application of Funds

Net Fixed Assets (Including Goodwill) 4 5 6 5 . 9 8

Investments 5 7 6 1 . 5 9

Net Current Assets 7 4 9 6 . 2 4

Miscellaneous Expenditure N I L

### (d) Performance of the Company

Total Income 2 0 8 8 4 . 1 0 Total Expenditure 1 9 7 8 7 . 1 2

Profit/(Loss) before Tax 1 0 9 6 . 9 8 Profit/(Loss) after Tax 7 3 7 . 1 8

Earning Per Share (in ₹) 1 . 9 9 Dividend Rate (%) 5 . 0 0

### (e) Generic names of three principal products/services of the Company (As per the monetary terms)

#### Item Code No.

6 9 0 2 2 0 2 0

6 9 0 3 2 0 9 0

6 9 0 3 1 0 9 0 / 6 9 0 3 2 0 9 0

3 8 1 6 0 0 0 0

3 8 1 6 0 0 0 0

9 0 2 1 3 9 0 0

3 0 0 6 4 0 0 0

#### Product Description

Slide Gate Refractories for Ladles and Furnace.

Refractories for Injectall Purgemeister Valve.

Refractory Nozzle, Plugs, Rods, Tubes, Pipes.

Spraying/Gunning Masses, Coatings, Filler Mix.

Mortar, Castables and other Refractory Cements.

Hydroxyapatite based Orbital Implants and Alumina based Femoral Head for Hip Joint Prosthesis.

Hydroxyapatite Powder for Dental Application/Bone filling powder.

On behalf of the Board of Directors

**STATEMENT U/S 212 OF THE COMPANIES ACT, 1956 REGARDING SUBSIDIARY COMPANIES As at 31st March 2011**

	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Tax	Provision for Tax	Profit/(Loss) after Tax	Proposed Dividend
<b>Subsidiary</b>	4,538.35	2,824.68	2,962.54	-	-	-	(12.48)	-	(12.48)	-
IFGL Worldwide Holdings Limited, Isle of Man										
<b>Step Down Subsidiaries</b>										
CUSC International Ltd, USA	212.94	64.78	511.20	233.48	-	252.61	84.15	17.90	66.24	-
EI Ceramics LLC, USA	408.16	224.63	1,640.63	1,007.84	-	3,324.11	292.49	62.80	229.69	-
Goricon LLC, USA	-	15.87	16.41	0.54	-	289.83	1.58	0.54	1.05	-
Goricon Metallurgical Services Ltd, (Wales) UK	42.88	390.20	502.01	68.93	-	127.78	38.77	11.36	27.41	-
Hofmann Ceramic CZ s.r.o, Czech Republic	43.70	(309.58)	436.69	702.57	-	404.24	(15.47)	-	(15.47)	-
Hofmann Ceramic GmbH, Germany	164.45	1,062.91	2,038.53	905.96	-	6,696.23	284.57	38.13	246.45	-
Hofmann Ceramic LLC, USA	12.73	19.08	32.41	0.60	-	-	19.36	6.01	13.35	-
Hofmann Ceramic Limited, UK	0.07	54.00	54.23	0.16	-	-	(0.46)	-	(0.46)	-
Hofmann GmbH & Co. OHG, Germany	73.68	203.23	742.35	465.45	-	-	77.26	7.00	70.27	-
Hofmann Pyometric LLC, USA	0.24	1.90	4.64	0.44	-	-	3.74	-	3.74	-
IFGL GmbH, Germany	3,948.70	(53.21)	0.04	24.44	-	-	(3.63)	10.54	(14.17)	-
IFGL Inc, USA	1,775.60	(40.73)	725.36	3,900.19	-	-	(67.44)	(25.80)	(41.64)	-
IFGL Monocon Holdings Limited, UK	3,573.50	-	-	17.87	-	-	-	-	-	-
IFGL Pyometric LLC, USA	21.87	(58.40)	51.53	88.06	-	55.66	(35.82)	(12.18)	(23.64)	-
Mono Ceramics Inc, USA	1,862.55	1,803.99	2,124.88	418.56	-	4,114.49	161.73	53.72	108.01	-
Monocon International Refractories Limited, UK	0.07	4,017.78	5,861.01	9,009.11	-	11,482.70	1,172.86	270.55	902.31	-
Monocon Overseas Limited, UK	0.71	5,801.37	3.20	454.23	-	-	11.09	-	11.09	-
Monotec Refratarios Ltda, Brazil	196.52	126.12	507.47	184.83	-	917.44	(149.65)	0.63	(150.28)	-
Tianjin Monocon Aluminous Refractories Company Limited, PRC	370.88	310.05	803.31	122.37	-	1,453.77	61.75	5.04	56.71	135.83 @
Tianjin Monocon Refractories Company Limited, PRC	100.06	532.17	1,347.74	715.51	-	3,502.88	142.46	37.35	105.11	154.46 @

@ Paid to holding company, IFGL Worldwide Holdings Limited, Isle of Man

**NOTES :**

- (a) Balance Sheet figures have been converted into Indian Rupees by applying year end foreign exchange closing rate of ₹ 63.25 equivalent to 1 Euro, ₹ 71.47 equivalent to 1 GBP and ₹ 44.39 equivalent to 1 USD. Profit and Loss Account figures have however been converted into Indian Rupees by using yearly Average exchange rate of ₹ 60.30 equivalent to 1 Euro, ₹ 70.64 equivalent to 1 GBP and ₹ 45.39 equivalent to 1 USD
- (b) Investments exclude investments made in subsidiary companies.

## AUDITORS' REPORT

### To the Board of Directors of IFGL REFRACTORIES LIMITED

1. We have audited the attached Consolidated Balance Sheet of IFGL Refractories Limited ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of ₹ 22,772.61 lacs as at 31st March 2011, total revenues of ₹ 26,233.42 lacs and net cash outflows amounting to ₹ 443.97 lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
4. Without qualifying our Report, attention is invited to Note 13(b)(III) on Schedule 15 regarding remuneration paid to the Chairman and Managing Director in excess of the limits laid down in the Companies Act, 1956 aggregating to ₹ 86.94 lacs awaiting approval of the Central Government.
5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
6. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its aforesaid subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2011;
  - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
  - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Registration No. 302009E  
**A Bhattacharya**  
Partner  
Membership No. 054110

Kolkata  
25th May 2011

**CONSOLIDATED BALANCE SHEET** As at 31st March 2011

*(₹ in lacs)*

	Schedule	As at 31st March 2011		As at 31st March 2010	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Fund</b>					
Capital	1	<b>4,911.05</b>		3,461.05	
Reserves and Surplus	2	<b>12,659.77</b>	<b>17,570.82</b>	<u>10,256.52</u>	13,717.57
<b>Minority Interest</b>			<b>38.68</b>		37.61
<b>Loan Funds</b>					
Secured Loans	3A	<b>12,425.42</b>		7,746.18	
Unsecured Loans	3B	<b>99.83</b>	<b>12,525.25</b>	<u>182.26</u>	7,928.44
<b>Deferred Tax Liabilities (Net)</b> (Note 12 on Schedule 15)			<b>400.97</b>		374.10
<b>TOTAL</b>			<b><u>30,535.72</u></b>	<u>22,057.72</u>	
<b>APPLICATIONS OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	4	<b>27,378.96</b>		19,660.34	
Less : Depreciation		<b>9,595.17</b>		<u>8,640.21</u>	
Net Block		<b>17,783.79</b>		11,020.13	
Capital Work-in-Progress		<b>205.32</b>	<b>17,989.11</b>	<u>278.82</u>	11,298.95
<b>Investment</b>	5		<b>136.20</b>		35.00
<b>Current Assets, Loans and Advances</b>					
Inventories	6	<b>7,018.19</b>		5,924.90	
Sundry Debtors	7	<b>10,956.90</b>		8,948.56	
Cash and Bank Balances	8	<b>1,001.66</b>		1,203.23	
Loans and Advances	9	<b>1,521.85</b>		<u>1,325.16</u>	
		<b><u>20,498.60</u></b>		<u>17,401.85</u>	
<b>Less : Current Liabilities and Provisions</b>	10				
Liabilities		<b>7,489.27</b>		6,077.05	
Provisions		<b>598.92</b>		<u>601.03</u>	
<b>Net Current Assets</b>		<b><u>8,088.19</u></b>	<b>12,410.41</b>	<u>6,678.08</u>	10,723.77
<b>TOTAL</b>			<b><u>30,535.72</u></b>	<u>22,057.72</u>	
<b>NOTES ON ACCOUNTS</b>	15				

In terms of our Report attached.

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

 For **DELOITTE HASKINS & SELLS**  
 Chartered Accountants  
**A Bhattacharya**  
 Partner  
 Kolkata  
 25th May 2011

**R Agarwal**  
 Company Secretary

**P Bajoria**  
 Managing Director

**S K Bajoria**  
 Chairman

On behalf of the Board of Directors

**CONSOLIDATED PROFIT AND LOSS ACCOUNT** For the year ended 31st March 2011

(₹ in lacs)

	Schedule	Year ended 31st March 2011	Year ended 31st March 2010
<b>INCOME</b>			
Turnover (Gross)		<b>48,342.58</b>	42,407.52
Less : Excise Duty		<b>1,448.15</b>	884.21
Turnover (Net)		<b>46,894.43</b>	41,523.31
Other Income	11	<b>432.61</b>	341.86
		<b>47,327.04</b>	41,865.17
<b>EXPENDITURE</b>			
(Increase)/Decrease in Finished Goods and Work-in-Progress	12A	<b>(13.89)</b>	(763.23)
Raw Materials and Trading Goods	12B	<b>24,711.06</b>	21,608.89
Manufacturing and Other Expenses	13	<b>11,484.61</b>	9,513.63
Payments and Provisions for Employees	14	<b>6,605.69</b>	5,386.60
Interest (Note 11 on Schedule 15)		<b>557.47</b>	452.39
Depreciation		<b>872.23</b>	752.22
Adjustment for items capitalised		<b>(158.92)</b>	(56.95)
		<b>44,058.25</b>	36,893.55
<b>Profit before Tax and Minority Interest</b>		<b>3,268.79</b>	4,971.62
Less : Provision for Taxation			
For Current Tax		<b>817.76</b>	1,550.72
For Deferred Tax-Charge / (Credit)		<b>24.60</b>	(5.55)
		<b>842.36</b>	1,545.17
<b>Profit after Tax and before Minority Interest</b>		<b>2,426.43</b>	3,426.45
Less : Minority Interest		<b>(1.20)</b>	(3.96)
<b>Profit after Tax and Minority Interest</b>		<b>2,427.63</b>	3,430.41
Profit brought forward from previous year		<b>9,470.44</b>	6,504.36
<b>Profit available for Appropriation</b>		<b>11,898.07</b>	9,934.77
Transferred to General Reserve		—	—
Proposed Dividend			
on Equity Shares		<b>173.05</b>	346.10
on Non Cumulative Preference Shares		<b>41.71</b>	—
Tax on Proposed Dividend		<b>91.17</b>	118.23
		<b>305.93</b>	464.33
<b>Balance carried to Balance Sheet</b>		<b>11,592.14</b>	9,470.44
Earning per Share			
Basic and Diluted (₹) (Note 6 on Schedule 15)		<b>6.87</b>	9.91
<b>NOTES ON ACCOUNTS</b>	15		

In terms of our Report attached.

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

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

**A Bhattacharya**

Partner

Kolkata

25th May 2011

On behalf of the Board of Directors

**R Agarwal**  
Company Secretary**P Bajoria**  
Managing Director**S K Bajoria**  
Chairman

**CONSOLIDATED CASH FLOW STATEMENT** For the year ended 31st March 2011

*(₹ in lacs)*

	Year ended 31st March 2011	Year ended 31st March 2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit before tax and Minority Interest</b>	<b>3,268.79</b>	4,971.62
<b>Adjustments for :</b>		
Depreciation and Amortisation	<b>872.23</b>	752.22
Interest Expenses (Net)	<b>557.47</b>	452.39
Dividend Income	—	(0.11)
Liabilities no Longer required written back	<b>(59.80)</b>	(32.42)
Loss on Sale/Discard of Fixed Assets (Net)	<b>5.50</b>	1.17
Bad Debts/Advances written off	<b>114.73</b>	191.04
Unrealised Exchange (Gain)/Loss (Net)	<b>(233.52)</b>	(6.43)
Effect of change in Foreign Exchange Translation	<b>7.01</b>	57.88
	<u><b>1,263.62</b></u>	<u>1,415.74</u>
	<b>4,532.41</b>	6,387.36
<b>Operating Profit before Working Capital changes</b>		
<b>Adjustments for :</b>		
Trade and other Receivables	<b>(1,835.93)</b>	(3,297.49)
Inventories	<b>(773.37)</b>	(790.13)
Trade Payables	<b>1,149.07</b>	<u>2,663.67</u>
	<b>(1,460.23)</b>	(1,423.95)
<b>Cash generated from Operations</b>	<b>3,072.18</b>	4,963.41
Direct Taxes paid - Net	<b>(700.55)</b>	(1,375.81)
Cash flow before extra-ordinary items	<b>2,371.63</b>	<u>3,587.60</u>
<b>Net Cash from Operating Activities</b>	<b>2,371.63</b>	<u>3,587.60</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	<b>(1,570.51)</b>	(1,197.97)
Proceeds from Sale of Fixed Assets	<b>34.53</b>	45.33
Acquisition of step down subsidiary companies	<b>(5,175.31)</b>	—
Further Acquisition of shares in step down subsidiary company	—	(30.24)
Sale/(Purchase) of Long Term Investments	<b>(101.20)</b>	(35.00)
Interest Received	<b>37.41</b>	23.87
Dividend Received	—	0.11
	<u><b>(6,775.08)</b></u>	(1,193.90)
<b>Net Cash (used in) Investing Activities</b>	<b>(6,775.08)</b>	<u>(1,193.90)</u>

**CONSOLIDATED CASH FLOW STATEMENT (Contd.)**

(₹ in lacs)

	Year ended 31st March 2011	Year ended 31st March 2010	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>			
Proceeds from Issue of Preference Shares	1,450.00	—	
Proceeds from Long Term Borrowings	5,552.23	553.52	
Repayment of Long Term Borrowings	(3,022.37)	(3,434.42)	
Proceeds from Short Term Borrowings	491.75	116.30	
Repayment of Short Term Borrowings	(574.18)	—	
Increase/(Decrease) in Cash Credit Facilities	1,240.53	891.97	
Proceeds from minority on formation of new company	0.20	—	
Interest Paid	(598.43)	(472.57)	
Dividend Paid	(346.13)	(0.57)	
Dividend Tax paid	(113.81)	(59.41)	(2,405.18)
<b>Net Cash (used in)/from Financing Activities</b>	<b>4,079.79</b>	<b>4,079.79</b>	<b>(2,405.18)</b>
<b>D. EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY</b>	<b>30.69</b>		<b>(70.98)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)</b>	<b>(292.97)</b>		<b>(82.46)</b>
<b>Cash and Cash Equivalents as at 31st March 2010 (Schedule 8)</b>	<b>1,203.23</b>	1,285.69	
Add : Taken over consequent upon acquisition of Subsidiary	91.40	—	1,285.69
<b>Cash and Cash Equivalents as at 31st March 2011 (Schedule 8)*</b>	<b>1,001.66</b>		<b>1,203.23</b>

\* includes fixed deposit held with banks as margin money of ₹ 76.76 (previous year - ₹ 200.16)

**Notes :**

- (1) The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements.
- (2) Previous year's figures have been re-grouped/re-arranged wherever necessary, to make the same comparable with the current year's figures.

In terms of our Report attached.

The Schedules referred to above form an integral part of the Consolidated Cash Flow Statement.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

**A Bhattacharya**

Partner

Kolkata

25th May 2011

On behalf of the Board of Directors

**R Agarwal**  
Company Secretary

**P Bajoria**  
Managing Director

**S K Bajoria**  
Chairman

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET**

	(₹ in lacs)	
	As at 31st March 2011	As at 31st March 2010
<b>1. CAPITAL AUTHORISED</b>		
40,000,000 (Previous year - 39,995,000) Equity Shares of ₹ 10/- each	<b>4,000.00</b>	3,999.50
2,000,000 (Previous year - 500) Redeemable Preference Shares of ₹ 100/- each	<b>2,000.00</b>	0.50
	<u><b>6,000.00</b></u>	<u>4,000.00</u>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
34,610,472 Equity Shares of ₹ 10/- each fully paid up (Note 1 below)	<b>3,461.05</b>	3,461.05
1,450,000 (Previous year - Nil) 5% Redeemable Non Cumulative Preference Shares of ₹ 100/- each fully paid up (Note 2 below)	<b>1,450.00</b>	-
	<u><b>4,911.05</b></u>	<u>3,461.05</u>
Notes: 1. Of the above Equity Shares -		
a. 18,320,973 shares are held by Bajoria Holdings Private Limited, the Holding Company.		
b. 16,600,872 shares were allotted as fully paid up other than in cash, pursuant to a Scheme of Amalgamation.		
2. 5% Redeemable Non Cumulative Preference Shares are redeemable at par at the end of ten years from date of allotment (i.e. 3rd September 2010) or any earlier date at the option of the Company except that said shares shall not be redeemed within the initial period of three years from date of allotment.		
<b>2. RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>	<b>5.00</b>	5.00
<b>General Reserve</b>		
At the commencement of the year	<b>446.79</b>	446.79
Add : Transfer from Profit and Loss Account	-	-
	<u><b>446.79</b></u>	<u>446.79</u>
<b>Foreign Exchange Translation Adjustment Account</b>		
At the commencement of the year	<b>334.29</b>	937.73
Add : Net addition/(deletion) during the year	<b>281.55</b>	<u>(603.44)</u>
	<u><b>615.84</b></u>	<u>334.29</u>
<b>Profit and Loss Account</b>	<b>11,592.14</b>	9,470.44
	<u><b>12,659.77</b></u>	<u>10,256.52</u>
<b>3. LOAN FUNDS</b>		
<b>A. SECURED LOANS</b>		
<b>Cash Credit/Packing Credit</b>		
- From State Bank of India	<b>2,891.12</b>	1,562.26
- From The Hongkong and Shanghai Banking Corporation Limited (HSBC)	<b>1,429.88</b>	1,157.40
- From ICICI Bank UK Limited	-	275.20
- From CSOB Radlicka	<b>20.23</b>	20.17
<b>Term Loan</b>		
From State Bank of India		
Term Loan	<b>530.00</b>	1,000.00
- From HSBC Bank	<b>1,000.00</b>	-
- From ICICI Bank UK Limited	<b>320.82</b>	1,181.87
- From HSBC Bank Plc	<b>5,752.98</b>	1,966.36
- From Barclays Bank	<b>5.81</b>	14.58
- From Sparkasse	<b>66.45</b>	101.82
- From Volksbank Dill eG	<b>363.86</b>	399.55
- From Commerzbank	<b>44.27</b>	66.97
	<u><b>12,425.42</b></u>	<u>7,746.18</u>



**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET (Contd.)**

(₹ in lacs)

	<b>As at 31st March 2011</b>	As at 31st March 2010
<b>3. LOAN FUNDS (Contd.)</b>		
<b>B. UNSECURED LOANS</b>		
<b>Short Term</b>		
- From Volksbank Dill eG	<b>28.49</b>	54.43
- From Postbank	<b>48.27</b>	-
- From Commerzbank	<b>23.07</b>	20.79
- From Sparkasse	-	107.04
	<b>99.83</b>	<b>182.26</b>

**4. FIXED ASSETS**

DESCRIPTION OF THE ASSETS	GROSS BLOCK - AT COST						DEPRECIATION					NET BLOCK	
	As at 01.04.10	Addition on Acquisition of Subsidiaries	Additions during the year	Deductions during the year	Exchange Difference	Total as at 31.03.11	As at 01.04.10	For the year	On Deductions	Exchange Difference	Total upto 31.03.11	As at 31.03.11	As at 01.04.10
<b>TANGIBLE</b>													
Land - Lease hold (Note 1 below)	34.76	-	-	-	-	<b>34.76</b>	3.03	0.43	-	-	<b>3.46</b>	<b>31.30</b>	31.73
- Freehold	169.95	76.92	-	-	2.73	<b>249.60</b>	-	-	-	-	-	<b>249.60</b>	169.95
Buildings	2,723.42	493.54	226.75	-	38.49	<b>3,482.20</b>	1,076.46	108.41	-	23.75	<b>1,208.62</b>	<b>2,273.58</b>	1,646.96
Plant and Machinery (Note 2 below)	9,772.60	413.64	1,482.07	81.50	94.43	<b>11,681.24</b>	6,009.40	661.66	22.54	73.11	<b>6,721.63</b>	<b>4,959.61</b>	3,763.20
Computers	341.86	-	20.69	3.69	9.28	<b>368.14</b>	316.00	15.94	3.64	8.93	<b>337.23</b>	<b>30.91</b>	25.86
Furniture and Fixtures	259.22	11.92	26.81	-	7.45	<b>305.40</b>	249.33	10.68	-	7.84	<b>267.85</b>	<b>37.55</b>	9.89
Equipments	188.96	-	20.95	-	4.26	<b>214.17</b>	132.49	14.07	-	3.47	<b>150.03</b>	<b>64.14</b>	56.47
Vehicles	315.19	139.27	29.91	30.38	(0.34)	<b>453.65</b>	133.65	38.38	5.68	2.53	<b>168.88</b>	<b>284.77</b>	181.54
<b>Sub Total - A</b>	<b>13,805.96</b>	<b>1,135.29</b>	<b>1,807.18</b>	<b>115.57</b>	<b>156.30</b>	<b>16,789.16</b>	<b>7,920.36</b>	<b>849.57</b>	<b>31.86</b>	<b>119.63</b>	<b>8,857.70</b>	<b>7,931.46</b>	5,885.60
<b>INTANGIBLE</b>													
Goodwill arising on amalgamation	503.06	-	-	-	-	<b>503.06</b>	503.06	-	-	-	<b>503.06</b>	-	-
Goodwill arising on acquisition	12.79	-	-	5.95	0.48	<b>7.32</b>	12.79	-	5.95	0.48	<b>7.32</b>	-	-
Goodwill arising on consolidation	5,077.29	4,520.62	-	-	211.57	<b>9,809.48</b>	-	-	-	-	-	<b>9,809.48</b>	5,077.29
Computer Software	19.76	-	8.30	-	0.44	<b>28.50</b>	18.56	4.59	-	0.43	<b>23.58</b>	<b>4.92</b>	1.20
Technical Know-how (Note 3 below)	241.48	-	-	-	(0.04)	<b>241.44</b>	185.44	18.07	-	-	<b>203.51</b>	<b>37.93</b>	56.04
<b>Sub Total - B</b>	<b>5,854.38</b>	<b>4,520.62</b>	<b>8.30</b>	<b>5.95</b>	<b>212.45</b>	<b>10,589.80</b>	<b>719.85</b>	<b>22.66</b>	<b>5.95</b>	<b>0.91</b>	<b>737.47</b>	<b>9,852.33</b>	5,134.53
<b>TOTAL (A + B)</b>	<b>19,660.34</b>	<b>5,655.91</b>	<b>1,815.48</b>	<b>121.52</b>	<b>368.75</b>	<b>27,378.96</b>	<b>8,640.21</b>	<b>872.23</b>	<b>37.81</b>	<b>120.54</b>	<b>9,595.17</b>	<b>17,783.79</b>	11,020.13
Previous Year	19,477.10	-	1,206.56	77.23	(946.09)	19,660.34	8,270.88	752.22	30.73	(352.16)	8,640.21		
<b>Capital Work-in-Progress</b>												<b>205.32</b>	278.82
												<b>17,989.11</b>	11,298.95

Notes: (1) Acquired under a lease of 99 years with a renewal option.

(2) The gross block and net block of plant and machinery includes an amount of ₹ 48.72 (previous year - ₹ 46.49) and ₹ 14.74 (previous year - ₹ 21.40) respectively in respect of assets held under Hire Purchase Contract.

(3) Technical know-how represents technical drawings, designs, etc. relating to manufacture of group's products and acquired pursuant to various agreements conferring the right to usage only.

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET (Contd.)**
*(₹ in lacs)*

	As at 31st March 2011	As at 31st March 2010
<b>5. INVESTMENTS</b>		
<b>Long Term-Trade Investment</b> (at cost less provision for dimunition in value, if any)		
<b>Unquoted</b>		
<b>IFGL Exports Limited</b>	<b>136.00</b>	35.00
[1,36,000 (previous year - 35,000) Fully paid Equity Shares of ₹ 10/- each] [Subsequent to the year end, shares pledged with Export Import Bank of India for loan granted to IFGL Exports Limited]		
<b>Krosaki IFGL Refractories Private Limited</b>	<b>0.20</b>	-
[2,000 (previous year - Nil) Fully paid Equity Shares ₹ 10/- each]		
	<u><b>136.20</b></u>	<u>35.00</u>
<b>6. INVENTORIES</b>		
Stores and Spares	<b>137.91</b>	102.89
Raw Materials and Components	<b>2,976.36</b>	2,337.34
Raw Materials and Components-in-Transit	<b>415.06</b>	169.75
Work-in-Progress	<b>891.32</b>	611.86
Finished Goods		
- Manufactured Goods	<b>2,143.59</b>	2,254.44
- Trading Goods	<b>150.58</b>	145.29
Stock with third parties		
- Manufactured Goods	<b>266.93</b>	274.42
- Trading Goods	<b>36.44</b>	28.91
	<u><b>7,018.19</b></u>	<u>5,924.90</u>
<b>7. SUNDRY DEBTORS</b> (Unsecured)		
Debts outstanding for more than six months	<b>739.86</b>	838.73
Other Debts		
- Considered Good	<b>10,217.04</b>	8,109.83
- Considered Doubtful	<b>318.91</b>	273.39
	<u><b>11,275.81</b></u>	<u>9,221.95</u>
Less : Provision for Doubtful Debts	<b>318.91</b>	273.39
	<u><b>10,956.90</b></u>	<u>8,948.56</u>

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET (Contd.)**

(₹ in lacs)

	As at 31st March 2011	As at 31st March 2010
<b>8. CASH AND BANK BALANCES</b>		
Cash on hand (Include cheques in hand - ₹ 187.67, previous year - ₹ 21.34)	<b>196.29</b>	33.51
With Banks -		
- On Current Accounts	<b>675.94</b>	916.88
- On Dividend Accounts	<b>52.67</b>	52.68
- On Fixed Deposit Accounts (As margin on Letter of Credit and Bank Guarantee)	<b>76.76</b>	200.16
	<b><u>1,001.66</u></b>	<u>1,203.23</u>
<b>9. LOANS AND ADVANCES</b> (Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	<b>530.73</b>	715.42
Accrued Export benefits under DEPB Scheme	<b>624.02</b>	383.93
Balance with Customs and Excise Authorities etc	<b>257.48</b>	119.55
Other Deposits	<b>109.62</b>	106.26
	<b><u>1,521.85</u></b>	<u>1,325.16</u>
<b>10. CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Liabilities -</b>		
Sundry Creditors	<b>6,365.80</b>	4,705.31
Advance Received from Customers	<b>13.36</b>	12.92
Investor Education and Protection Fund shall be credited by Unpaid Dividend *	<b>52.67</b>	52.68
Other liabilities	<b>1,057.44</b>	1,306.14
	<b>7,489.27</b>	6,077.05
<b>Provisions -</b>		
Taxation (Net of Advance Income Tax / Tax Deducted at Source ₹ 2,657.03, previous year - ₹ 2,344.93)	<b>296.62</b>	179.41
Fringe Benefit Tax (Net of Advance Fringe Benefit tax ₹ 87.85, previous year - ₹ 87.85)	<b>0.04</b>	0.04
Proposed Dividend	<b>214.76</b>	346.10
Tax on Proposed Dividend	<b>36.18</b>	58.82
Employee Benefits	<b>51.32</b>	16.66
	<b><u>598.92</u></b>	<u>601.03</u>
	<b><u>8,088.19</u></b>	<u>6,678.08</u>

\* No amount is due as on 31st March 2011 for credit to Investor Education and Protection Fund.

**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT**
*(₹ in lacs)*

	Year ended 31st March 2011		Year ended 31st March 2010	
<b>11. OTHER INCOME</b>				
Commission		1.59		18.47
Dividend from Mutual Funds		–		0.11
Liabilities no longer required written back		59.80		32.42
Miscellaneous Income		371.22		290.86
		<u>432.61</u>		<u>341.86</u>
<b>12A. INCREASE / DECREASE IN FINISHED GOODS AND WORK IN-PROGRESS</b>				
Opening Work-in-Progress**	759.10		423.04	
Opening Finished Goods	<u>2,528.86</u>	<u>3,287.96</u>	<u>1,954.45</u>	<u>2,377.49</u>
Less : Closing Work-in-Progress	891.88		611.86	
Closing Finished Goods	<u>2,409.97</u>	<u>3,301.85</u>	<u>2,528.86</u>	<u>3,140.72</u>
		<u>(13.89)</u>		<u>(763.23)</u>
<b>12B. RAW MATERIALS AND TRADING GOODS</b>				
Raw Materials Consumed ***		23,890.51		20,584.51
Opening Stock of Trading Goods	174.20		120.62	
Add : Purchases of Trading Goods	<u>833.37</u>		<u>1,077.96</u>	
	<u>1,007.57</u>		<u>1,198.58</u>	
Less : Closing Stock of Trading Goods	<u>187.02</u>	<u>820.55</u>	<u>174.20</u>	<u>1,024.38</u>
		<u>24,711.06</u>		<u>21,608.89</u>

\*\* includes ₹ 147.24 on acquisition of EI Ceramics LLC and CUSC International Ltd during the year.

\*\*\* Net of ₹ 807.81 (previous year - ₹ 609.18), being duty benefit pertaining to exports

**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT (Contd.)**

(₹ in Lacs)

	Year ended 31st March 2011	Year ended 31st March 2010
<b>13. MANUFACTURING AND OTHER EXPENSES</b>		
Consumable Stores and Spares	964.60	606.12
Power and Fuel	1,762.79	1,286.79
Repairs and Maintenance		
- Plant and Machinery	386.21	255.04
- Building	20.69	47.70
- Others	<u>204.38</u>	<u>167.66</u>
	611.28	470.40
Rent	446.56	281.99
Rates and Taxes	111.46	59.29
Insurance	167.19	166.01
Postage, Telephone, Telex, etc.	169.55	161.02
Travelling and Conveyance	765.25	712.02
Packing and Material Handling Expenses	1,640.68	1,473.82
Delivery and Forwarding Expenses	1,942.85	1,295.42
Professional Fees	595.36	513.61
Processing Charges	281.37	202.81
Royalty	99.03	112.75
Commission	862.37	893.11
Service Charges	272.23	259.99
Directors' Sitting Fees	3.65	4.15
Foreign Exchange (Gain)/Loss (net) (Note 5 on Schedule 15)	(300.38)	(233.96)
Bad Debts/Advances written off	79.87	89.55
Provision for Doubtful Debts	34.86	101.49
Loss on Sale/Discard of Fixed Assets (Net)	5.50	1.17
Site Contractors expenses	252.82	177.30
Other Expenses	715.72	878.78
	<u>11,484.61</u>	<u>9,513.63</u>
<b>14. PAYMENTS AND PROVISIONS FOR EMPLOYEES</b>		
Salaries and Wages	5,749.93	4,742.15
Staff Welfare Expenses	362.99	231.59
Contribution to Provident and other Funds :		
- Gratuity	53.39	25.00
- Provident Fund and Employees Pension Schemes	98.69	78.82
- Superannuation Fund	54.21	45.18
- Employees State Insurance Fund etc.	<u>286.48</u>	<u>263.86</u>
	492.77	412.86
	<u>6,605.69</u>	<u>5,386.60</u>

## 15. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

*(All figures are in ₹ in lacs)*

1. These Consolidated Financial Statements (CFS) are prepared to comply in all material aspects with all applicable accounting principles in India, the applicable accounting standards notified under Section 211(3C) of the Companies Act, 1956 (the Act) and the relevant provisions of the Act.

2. (a) Principles of Consolidation

The CFS comprises of the financial statements of IFGL Refractories Limited (Parent Company) and its subsidiary companies (Group). The Consolidated Financial Statements are in conformity with Accounting Standard 21 on "Consolidated Financial Statements" notified under Section 211 (3C) of the Act, and are prepared on the following basis:

- The financial statements of the Parent Company and its subsidiaries (listed below) have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after adjustments/elimination of intra Group balances and intra Group transactions and resulting unrealised profits/losses.
- The CFS are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances in all material respect, except as indicated in the Note 4 below, and are presented to the extent possible, in the same manner as the Parent Company's separate Financial Statements.
- The excess of cost to the Parent Company of its investment in the subsidiaries (including step down subsidiaries) over parent's portion of equity of subsidiaries at the dates they become subsidiaries is recognised in the financial statements as goodwill. Goodwill arising on consolidation is initially recognised as an asset at cost and is subsequently measured at cost less any impairment loss, if any.
- The translation of functional currencies into Indian Rupees (reporting currency) is performed for equity in foreign subsidiary (being non integral operation), assets and liabilities using the closing exchange rate at the balance sheet date, for revenues, costs and expenses using average exchange rate prevailing during the year. The resultant exchange difference arising out of such translations is recognised as part of equity (Foreign Currency Translation Adjustment Account) by the Parent Company until the disposal of investment.
- Minority interest in the Consolidated Financial Statements is identified and recognised after taking into consideration :
  - The amount of equity attributable to minorities at the date on which investment in subsidiary is made.
  - The minority's share of movement in equity since the date parent - subsidiary relationship came into existence.
  - Losses applicable to the minority in excess of the minority's interest, if any, in the subsidiary's equity are allocated against the interest of the Group.
- Monotec Refratarios Ltda, Tianjin Monocon Refractories Company Limited and Tianjin Monocon Aluminos Refractories Company Limited (step down subsidiaries), each has an accounting period end of 31st December 2010. These subsidiaries have been consolidated using the financial statements for the year ended on that date adjusted for management account movements to 31st March 2011.

**15. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)***(All figures are in ₹ in lacs)*

b) The subsidiaries (including step down subsidiaries) considered in the consolidated financial statements are :

<b>Name of the Subsidiary</b>	<b>Country of Incorporation</b>	<b>Proportion of Ownership Interest</b>	<b>Accounting Year Ended</b>
IFGL Worldwide Holdings Limited (IWHL)	Isle of Man	100%	31st March
<b>Step down subsidiaries</b>			
Monotec Refratarios Ltda (MRL)	Brazil	95 %	31st December
Tianjin Monocon Refractories Company Limited (TMRL)	Peoples Republic of China	100 %	31st December
Tianjin Monocon Aluminous Refractories Company Limited (TMARL)	Peoples Republic of China	100 %	31st December
Hofmann Ceramic CZ s.r.o. (HCC)	Czech Republic	98.78%	31st March
IFGL GmbH (IG)	Germany	100 %	31st March
Hofmann Ceramic GmbH (HCG)	Germany	98.08%	31st March
Hofmann GmbH & Co. OHG (HGCO)	Germany	100 %	31st March
IFGL Monocon Holdings Limited (IMHL)	United Kingdom (UK)	100 %	31st March
Monocon International Refractories Limited (MIRL)	UK	100 %	31st March
Monocon Overseas Limited (MOL)	UK	100 %	31st March
Goricon Metallurgical Services Limited (GMSL)	UK	100 %	31st March
Hofmann Ceramic Limited (HCL)	UK	100 %	31st March
Mono Ceramics Inc (MCI)	United States of America (USA)	100 %	31st March
Goricon LLC (GLLC)	USA	100 %	31st March
Hofmann Ceramic LLC (HCLL)	USA	100 %	31st March
IFGL Pyemetric LLC (IPL)	USA	100%	31st March
Hofmann Pyemetric LLC (HPLLC) (incorporated during the year)	USA	51%	31st March
IFGL Inc (IFGL INC) (incorporated during the year)	USA	100%	31st March
EI Ceramics LLC (EICLLC) (acquired during the year)	USA	100%	31st March
CUSC International Ltd (CUSCIL) (acquired during the year)	USA	100%	31st March

3. Accounting Policies for the Group are same as followed by the Parent Company as indicated in Note 1 on the Schedule 15 of Parent Company's Accounts for the year ended 31st March 2011, except as follows :

Fixed Assets of operating step down subsidiaries are depreciated under Straight Line Method and also under Written Down Value method, over their estimated useful lives (being lower than useful lives prescribed under Schedule XIV to the Companies Act, 1956 of India except in case of Buildings), as indicated below :

Building	Up to 50 years
Plant and Machinery	3 - 10 years
Fixtures and Fittings	1 - 10 years
Office Equipments	1 - 4 years
Computers	1 - 4 years
Motor Vehicles	4 - 10 years

## 15. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

(All figures are in ₹ in lacs)

Depreciation charge for the year and year-end Accumulated Depreciation pertaining to the aforesaid subsidiaries amount to ₹ 343.68 (previous year - ₹ 299.06) and ₹ 4,236.39 (previous year - ₹ 3,797.31) respectively.

Had the operating subsidiaries followed the depreciation rates only under Straight Line Method prescribed under Schedule XIV to the Companies Act, 1956 of India, the amount by which the net depreciation charge would have been lower is not ascertainable at this stage.

4. For the purpose of valuation, cost at MIRL and MCI, FIFO Method is used unlike the Parent Company, where weighted average method is used. However, had the weighted average method been used at these subsidiaries, the impact on inventory valuation is likely to be not material.
5. As per Accounting Standard 11, the effect of changes in Foreign Exchange Rates resulted in a year-end translation loss of ₹ 30.85 (previous year - ₹ 122.76) on USD foreign currency loan (fully hedged through swap contract for GBP repayments). As per the confirmation received from the bank contracting the swap, the liability has in effect been converted to GBP and the Company has to pay GBP only for repayment of loan and interest. The mark-to-market valuation of this swap contract at the year-end resulted in a gain of ₹ 22.95 (previous year - ₹ 115.27). In line with the Accounting Standard 11 and the announcement by the Council of the Institute of Chartered Accountants of India on accounting of derivatives dated 29th March 2008, the mark-to-market gain has not been accounted for. Had the gain been netted off against the translation loss, the year-end profit and the year-end net worth of the company would have been higher to that extent.
6. Earning Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted

	2010-2011	2009-2010
Profit after Tax	2,427.63	3,430.41
Less : Dividend on Preference Shares	41.71	-
Tax on Dividend on Preference Shares	6.77	-
Profit after Tax attributable to the Equity Shareholders (A)	2,379.15	3,430.41
Weighted Average number of Equity Shares (in number) (B)	34,610,472	34,610,472
Nominal Value of Equity Shares (in ₹)	10	10
Dilutive Potential Equity Shares	-	-
Basic/Diluted EPS (A/B)	6.87	9.91

7. Estimated amounts of Capital Commitments (net of advances) outstanding as at 31st March 2011 and not provided for is ₹ 136.49 (previous year - ₹ 893.93).
8. Contingent Liabilities not provided for :

	2010-2011	2009-2010
a) Claims against the Parent Company not acknowledged as debts :		
i) Sales Tax matter under appeal [net of ₹ 5.49 (previous year - ₹ 5.49) paid under protest]	44.06	44.06
ii) Income Tax matters under dispute	78.83	15.88
iii) Service Tax matters under dispute	1.54	33.62
b) Corporate Guarantee given to Exim Bank against Term Loan availed by a Body Corporate	2,700.00	Nil
Utilised at year end	962.20	Nil

9. Outstanding Bank Guarantees (net of margin money) 383.04 388.97



**15. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)***(All figures are in ₹ in lacs)*

10. The Parent Company, in March 2004 withdrew its application for exemption under Para 39 of the Employees' Pension Scheme 1995 (EPS, 95) pending with the Regional Provident Fund Commissioner (RPFC) at Rourkela. Subsequent thereto, from April 2004 the Parent Company has been depositing contributions under EPS, 95 with the RPFC. A sum of ₹ 81.72 has been paid in earlier year to RPFC from the Parent Company's Superannuation Fund towards contribution (as estimated by the Parent Company) under EPS, 95 for the period 16th November 1995 to 31st March 2004 in respect of employees continuing in the Parent Company's employment as on 31st March 2004. RPFC has however demanded contribution also for persons who ceased to be employees of the Parent Company in said period, which has been disputed by the Company.

RPFC had raised a demand of ₹ 27.26 in March 1998 on the Parent Company towards contribution under EPS, 95 for the period 16th November 1995 to 31st January 1998 which was stayed by the Hon'ble Orissa High Court in a petition filed before them by the Parent Company. The matter was disposed off by the Hon'ble High Court vide its order dated 3rd March 2009 whereby liberty was granted to RPFC to take steps for recovery of amount due, if the same was found not deposited, no communication has since been received from RPFC.

11. (a) Interest paid/payable is net of Interest Received as detailed below :

	2010-2011	2009-2010
Interest on Bank Deposits	27.10	15.66
Interest on Customers' Overdue Bills	13.07	7.07
Interest from Employees and Others	0.79	0.07
<b>Total</b>	<b>40.96</b>	<b>22.80</b>

(b) Interest paid/payable includes Interest on Fixed Loans during the year ₹ 311.42 (previous year - ₹ 320.95)

(c) No interest was capitalised during the year.

12. The break up of Deferred Tax (Assets) and Liabilities at the year end into major components of the respective balances are :

	2010-2011	2009-2010
Tax Impact of -		
Accrued expenses deductible when paid	(43.95)	(40.77)
Difference between Tax Depreciation and Book Depreciation	444.92	414.87
<b>Total</b>	<b>*400.97</b>	<b>*374.10</b>

\* Includes gain/(loss) of ₹ (2.44) (previous year - gain of ₹ 3.20) on account of exchange fluctuations due to re-statement of year end Deferred Tax assets and liabilities.

13. Related Party Disclosures of Parent Company in keeping with Accounting Standards 18 prescribed under 'the Act'.

a) List of Related Parties

i) Where Control exists

Holding Company

Fellow Subsidiaries

Bajoria Holdings Private Limited

Heritage Health TPA Private Limited

Bajoria Financial Services Private Limited

IFGL Bio Ceramics Limited

Ganges Art Gallery Private Limited

Bajoria Enterprises Limited

Bajoria Service Providers Private Limited

**15. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)**
*(All figures are in ₹ in lacs)*

II) Others	
Key Management Personnel	S K Bajoria (Chairman) P Bajoria (Managing Director)
Relatives of Key Management Personnel	B P Bajoria Mihir Bajoria
Enterprises in which Key Management Personnel has significant influence	Coris Heritage Asia Pacific Private Limited Heritage Insurance Brokers Private Limited IFGL Exports Limited

**13. b) Particulars of Transactions during the year and year end balances**

	2010-2011	2009-2010
<b>(I) With Holding Company : Bajoria Holdings Private Limited</b>		
Issue of 5% Non Cumulative Preference Share	<b>640.00</b>	–
Rent for Office Premises	<b>7.59</b>	6.83
Maintenance Charges	<b>10.89</b>	10.89
Expenses Reimbursement / Incurred	<b>11.67</b>	15.88
Interest on Loan	<b>0.17</b>	–
Loan taken during the year	<b>200.00</b>	–
Loan Repaid	<b>200.00</b>	–
	<b><u>1,070.32</u></b>	<u>33.60</u>
<b>YEAR END BALANCES (Accounts Payable)</b>	<b>0.45</b>	–
<b>(II) With Fellow Subsidiaries</b>		
<b>Sale of Finished Goods</b>		
IFGL Bio Ceramics Limited	<b>21.92</b>	18.49
	<b><u>21.92</u></b>	<u>18.49</u>
<b>Expenses Reimbursement / Incurred</b>		
Ganges Art Gallery Private Limited	<b>1.08</b>	1.54
	<b><u>1.08</u></b>	<u>1.54</u>
<b>Expenses Recovered/Received</b>		
Heritage Health TPA Private Limited	<b>1.97</b>	–
IFGL Bio Ceramics Limited	<b>0.67</b>	0.29
	<b><u>2.64</u></b>	<u>0.29</u>
<b>5% Non Cumulative Preference Share</b>		
Bajoria Enterprises Limited	<b>230.00</b>	–
Bajoria Financial Services Private Limited	<b>420.00</b>	–
Bajoria Service Providers Private Limited	<b>160.00</b>	–
	<b><u>810.00</u></b>	<u>–</u>
<b>YEAR END BALANCES</b>		
<b>Sundry Debtors</b>		
IFGL Bio Ceramics Limited	<b>19.60</b>	14.37
	<b><u>19.60</u></b>	<u>14.37</u>

**15. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)***(All figures are in ₹ in lacs)*

	2010-2011	2009-2010
<b>(III) With Key Management Personnel</b>		
<b>Director's Remuneration</b>		
S K Bajoria (Chairman)	108.33	95.07
P Bajoria (Managing Director)	111.86	101.74
	<u>220.19</u> *	<u>196.81</u>
* Includes ₹ 86.94 paid in excess of the limits laid down in the Companies Act, 1956. The Company's application to the Central Government for approving the excess remuneration is awaited.		
<b>(IV) With Relative of Key Management Personnel</b>		
<b>Sitting Fees</b>		
B P Bajoria	0.20	0.80
	<u>0.20</u>	<u>0.80</u>
<b>Remuneration</b>		
Mihir Bajoria	14.67	1.29
	<u>14.67</u>	<u>1.29</u>
<b>(V) With Enterprise in which a Key Management Personnel has significant influence</b>		
<b>Expenses Recovered/Received</b>		
Heritage Insurance Brokers Private Limited	0.11	0.75
IFGL Exports Limited	3.84	1.15
	<u>3.95</u>	<u>1.90</u>
<b>Sale of Services</b>		
IFGL Exports Limited	18.00	-
	<u>18.00</u>	<u>-</u>
<b>Investment</b>		
IFGL Exports Limited	101.00	35.00
	<u>101.00</u>	<u>35.00</u>
<b>YEAR END BALANCES</b>		
<b>Sundry Debtors</b>		
Heritage Insurance Brokers Private Limited	-	0.72
	<u>-</u>	<u>0.72</u>
<b>Investment</b>		
IFGL Exports Limited	136.00	35.00
	<u>136.00</u>	<u>35.00</u>
<b>Corporate Guarantee/Letter of Comfort</b>		
IFGL Exports Limited	2,700.00	-
	<u>2,700.00</u>	<u>-</u>

**14. Disclosure in respect of Employee Benefits in keeping with Accounting Standard 15**

- (a) In keeping with the Guidance on implementing Accounting Standard (AS) 15 on Employee Benefits issued by the Accounting Standards Board of the Institute of Chartered Accountants of India (ASB Guidance), employer-established provident fund trusts are treated as Defined Benefit Plan since the Parent Company is obligated to meet interest shortfall, if any, with respect to covered employees. However, there is no such interest shortfall at the year end.

According to the actuary, actuarial valuation cannot be applied to reliably measure provident fund liabilities in absence of guidance from the Actuarial Society of India. Accordingly, the Parent Company is currently not in a position to provide other related disclosures as required by the aforesaid AS 15 read with the ASB Guidance. During the year, the Parent Company has contributed ₹ 35.57 (previous year - ₹ 27.67) to the Provident Fund.

## 15. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

(All figures are in ₹ in lacs)

- (b) The Parent Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the Scheme, the Gratuity Trust fund makes payments to vested employees on retirement, death, incapacitation or termination of employment. For employees joining after 1st April 2003, the amount is based on the respective employee's eligible salary (half month's salary) depending on the tenure of the service subject to a maximum of ₹ 10 as per the Payment of Gratuity Act, 1972 For employees joining before 1st April 2003, the amount is calculated similarly as per the Payment of Gratuity Act, 1972 (with the cap of ₹10) or the Company's scheme, whichever is higher. Vesting occurs on completion of five years of service. Liabilities with regard to the Gratuity plan are determined by actuarial valuation, based on which the Parent Company makes contribution to the fund. The most recent actuarial valuation of the fund was carried out as at 31st March 2011.
- (c) In keeping with the Parent Company's Superannuation Scheme (applicable to employees joined before 31st March 2004), employees are entitled to superannuation benefit on retirement/death/incapacitation/termination. Superannuation Scheme was amended from Defined Benefit Plan to Defined Contribution Plan effective 1st April 2004 and the benefits under the Defined Benefit Plan were frozen as on 31st March 2004. Necessary formalities/approvals have been complied with/obtained.
- (d) **Leave Encashment (Unfunded)**  
The Parent Company provides for accumulated leave benefit for eligible employees at the time of retirement, death, incapacitation or termination of employment, subject to a maximum of one hundred and twenty days based on the last drawn salary. Liabilities are determined by actuarial valuation.
- (e) With regard to subsidiaries, including step down subsidiaries, they operate a defined contribution pension scheme for the benefit of the employees and contributions payable are charged to the profit and loss account in the period they are payable. Only Goricon Metallurgical Services Limited (GMSL), a step down subsidiary operates a defined benefit pension scheme. Scheme assets are measured by the actuary at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. A net surplus is recognised only to the extent that it is recoverable by the Company. The current service costs and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included in finance costs. The scheme is closed effective from 1st April 2003 to new members.

### 14. 1) Following are the further particulars with respect to defined benefit plans of the Group

	Gratuity (Funded)		Superannuation (Funded)		Leave Encashment (Unfunded)		Step down subsidiary Retirement Benefit Scheme (Funded)	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>a) Reconciliation of the opening and closing balances of present value of Defined Benefit obligation :</b>								
Present Value of obligation, as at the beginning of the year	<b>308.48</b>	197.31	<b>194.98</b>	189.75	<b>13.66</b>	10.62	<b>1,700.64</b>	1,091.75
Service Cost	<b>22.99</b>	21.29	–	–	<b>2.07</b>	1.72	–	–
Interest Cost	<b>24.04</b>	15.59	<b>15.58</b>	14.82	<b>1.06</b>	0.85	<b>94.66</b>	75.27
Plan Amendments Cost/(Credits)	–	2.20	–	–	–	–	<b>81.26</b>	–
Actuarial (gains) / losses	<b>33.41</b>	77.04	<b>(4.50)</b>	(0.67)	<b>2.18</b>	0.57	<b>(61.46)</b>	675.17
(Benefits Paid)	<b>(16.00)</b>	(4.95)	<b>(0.49)</b>	(8.92)	<b>(0.80)</b>	(0.10)	<b>(79.82)</b>	–
Exchange differences on foreign plans	–	–	–	–	–	–	–	(141.55)
Present Value of obligation, as at the end of the year	<b>372.92</b>	308.48	<b>205.57</b>	194.98	<b>18.17</b>	13.66	<b>1,735.28</b>	1,700.64

## 15. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

(All figures are in ₹ in lacs)

	Gratuity (Funded)		Superannuation (Funded)		Leave Encashment (Unfunded)		Step down subsidiary Retirement Benefit Scheme (Funded)	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>b) Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets :</b>								
Fair Value of Plan Assets at the beginning of the year	305.64	243.75	372.33	334.27	NA	NA	1,837.69	1,462.25
Expected return on Plan Assets	25.62	20.94	30.51	27.04	NA	NA	94.66	75.27
Actuarial gains / (losses)	2.51	23.90	(3.94)	19.94	-	-	(7.06)	442.59
Contribution by the Company	22.00	22.00	-	-	0.80	0.10	-	1.47
(Benefits Paid)	(16.00)	(4.95)	(0.49)	(8.92)	(0.80)	(0.10)	(79.82)	-
Exchange differences on foreign plans	-	-	-	-	-	-	88.49	(143.89)
Fair Value of Plan Assets at the end of the year	339.77	305.64	398.41	372.33	-	-	1,933.96	1,837.69
<b>c) Reconciliation of the Present Value of Defined Benefit Obligation and Fair Value of the Plan Assets :</b>								
Fair Value of Plan Assets at the end of the year	339.77	305.64	398.41	372.33	-	-	1,933.96	1,837.69
Present Value of Obligation at the end of the year	372.92	308.48	205.57	194.98	18.17	13.66	1,735.28	1,700.64
Assets / (Liabilities) recognised in the Balance Sheet	(33.15)	(2.84)	192.84*	177.35*	(18.17)	(13.66)	198.68	137.05**

\* Actual amount of Assets in the Balance Sheet ₹ Nil (previous year - ₹ Nil)

\*\* Actual amount of Assets in the Balance Sheet.

	Gratuity (Funded)		Superannuation (Funded)		Leave Encashment (Unfunded)		Step down subsidiary Retirement Benefit Scheme (Funded)	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>d) Expense recognised in the Profit and Loss Account</b>								
Current Service Cost	22.99	21.29	-	-	2.07	1.72	-	-
Interest Cost	24.04	15.59	15.58	14.82	1.06	0.85	94.66	75.27
(Expected return of plan assets)	(25.62)	(20.94)	(30.51)	(27.04)	-	-	(94.66)	(75.27)
Past Service Cost	-	2.20	-	-	-	-	-	-
Actuarial (gain) / loss	30.90	53.14	(0.56)	(20.61)	2.18	0.57	(54.40)	232.58
Non Recoverable Assets Written off	-	-	-	-	-	-	(54.40)	(231.11)
Total Expense as per the Actuarial Valuation	52.31	71.28	(15.49)	(32.83)	5.31	3.14	-	1.47
Actual Expenses Recognised	52.31 @	25.00 @	-	-	5.31 *	3.14 *	0 **	1.47 **

@ The expenses for the above benefits are recognised under 'Contribution to Provident and Other Funds' on Schedule 14.

\* The Expenses for the above benefit are recognised under 'Staff Welfare' on Schedule 14.

\*\* Includes exchange translation loss of ₹ Nil (previous year - ₹ 2.34)

**15. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)**
*(All figures are in ₹ in lacs)*

	Gratuity (Funded)		Superannuation (Funded)		Leave Encashment (Unfunded)		Step down subsidiary Retirement Benefit Scheme (Funded)	
	2010-11 %	2009-10 %	2010-11 %	2009-10 %	2010-11 %	2009-10 %	2010-11 %	2009-10 %
<b>e) Category of Plan Assets :</b>								
GOI Securities	6	7	15	18	NA	NA	-	-
Bonds	5	12	11	17	NA	NA	-	-
State Government / State Government								
Guaranteed Securities	5	5	3	4	NA	NA	-	-
Units of Insurers	84	76	69	60	NA	NA	-	-
Others (including bank balances)	-	-	2	1	NA	NA	-	-
Scottish Mutual with Profit	-	-	-	-	NA	NA	100	100
	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>NA</b>	<b>NA</b>	<b>100</b>	<b>100</b>
<b>f) Principal Actuarial Assumptions :</b>								
Discount Rate (per annum) (%)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	5.50
Rate of Increase in Salaries (%)	6.00	6.00	NA	NA	6.00	6.00	6.00	NA
Expected Rate of Return on Plan Assets (%)	8.30	8.30	8.20	8.20	-	-	-	6.70
Remaining Working Life (in Years)	18.97	18.04	14.55	15.39	15.63	15.55	As per table below @	
Mortality Rate	<b>LIC (1994-96) ultimate</b>							
Method Used	<b>Projected Accrued Benefit Method</b>							
Actual Return on Plan Assets	28.13	44.84	46.98	46.98	NA	NA	NA	517.86

**g) Other Disclosures :**
**Gratuity Scheme :**

<b>Experience History</b>	2010-11	2009-10	2008-09	2007-08
1) Defined Benefit Obligation at end of the period	(372.92)	(308.48)	(197.31)	-
2) Plan Assets at end of the period	339.77	305.64	243.75	-
3) Funded Status	(33.15)	(2.84)	46.44	-
4) Experience Gain / (Loss) adjustments on plan liabilities	(33.41)	(52.19)	-	-
5) Experience Gain / (Loss) adjustments on plan assets	2.51	23.90	-	-
6) Actuarial Gain / (Loss) due to change on assumptions	-	(24.85)	-	-

**Superannuation Scheme :**

<b>Experience History</b>	2010-11	2009-10	2008-09	2007-08
1) Defined Benefit Obligation at end of the period	(205.57)	(194.98)	(189.75)	-
2) Plan Assets at end of the period	398.41	372.33	334.27	-
3) Funded Status	192.84	177.35	144.52	-
4) Experience Gain / (Loss) adjustments on plan liabilities	4.50	0.67	-	-
5) Experience Gain / (Loss) adjustments on plan assets	(3.94)	19.94	-	-
6) Actuarial Gain / (Loss) due to change on assumptions	-	-	-	-

**Leave Encashment Scheme :**

<b>Experience History</b>	2010-11	2009-10	2008-09	2007-08
1) Defined Benefit Obligation at end of the period	(18.17)	(13.66)	(10.62)	-
2) Plan Assets at end of the period	-	-	-	-
3) Funded Status	(18.17)	(13.66)	(10.62)	-
4) Experience Gain / (Loss) adjustments on plan liabilities	(2.18)	0.67	(6.96)	-
5) Experience Gain / (Loss) adjustments on plan assets	-	-	-	-
6) Actuarial Gain / (Loss) due to change on assumptions	-	(1.24)	8.89	-

**15. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)***(All figures are in ₹ in lacs)*

The basis used to determine overall expected return on assets and the major categories of Plan Assets are as follows :

The major portion of the assets is invested in units of Insurers and Government Bonds. Based on the asset allocation and prevailing yield rates on these asset classes, the long term estimate of the expected rate of return on the fund have been arrived at. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government Bonds.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

14. 2) The Company has recognised, in the Profit and Loss Account, an amount of ₹ 439.38 (previous year - ₹ 387.87) as expenses under defined contribution plan.

15. Segment Information for the year ended 31st March 2011 in accordance with AS 17 prescribed under the Act.

(A) Primary Segment Reporting (by geographical location of operations)

**i) Composition of Geographical Segments**

The Group is predominantly a manufacturer and trader of Specialised Refractories and accordingly a single business segment Group. The Group has adopted the geographical location of its operations (where its products are produced or service rendering activities are based) as its primary segment and presented the related information accordingly together with corresponding figures for The Group's production facilities have been segmented into India, Europe (United Kingdom, Germany and Czech Republic), Asia excluding India (China) and Americas (USA and Brazil).

**ii) Inter Segment Transfer Pricing**

Inter segment prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks , within an overall optimisation objective for the Group.

**iii) Segment Revenues, Result and Other Information**

	<b>India</b>	<b>Europe</b>	<b>Asia excluding India</b>	<b>Americas</b>	<b>Total of Reportable Segments</b>
External Sales (Net of Excise Duty)	<b>20,177.03</b> 16,809.29	<b>14,587.93</b> 13,534.64	<b>4,114.24</b> 5,379.56	<b>8,015.23</b> 5,799.82	<b>46,894.43</b> 41,523.31
Inter Segment Sales	<b>642.91</b> 713.50	<b>3,651.76</b> 4,226.10	<b>842.40</b> 522.85	<b>612.01</b> 583.16	<b>5,749.08</b> 6,045.61
Segment Revenues	<b>20,819.94</b> 17,522.79	<b>18,239.69</b> 17,760.74	<b>4,956.64</b> 5,902.41	<b>8,627.24</b> 6,382.98	<b>52,643.51</b> 47,568.92
Segment Result	<b>1,492.02</b> 2,506.25	<b>1,661.24</b> 1,938.45	<b>204.21</b> 784.14	<b>357.90</b> 522.16	<b>3,715.37</b> 5,751.00
Segment Assets	<b>15,851.30</b> 12,763.21	<b>7,890.40</b> 7,883.73	<b>2,151.05</b> 2,098.48	<b>4,459.08</b> 2,696.61	<b>30,351.83</b> 25,442.03
Segment Liabilities	<b>3,345.19</b> 2,779.89	<b>3,528.25</b> 3,647.46	<b>828.60</b> 625.66	<b>1,131.52</b> 591.20	<b>8,833.56</b> 7,644.21
Capital Expenditure (Net)	<b>1,379.10</b> 768.93	<b>91.14</b> 321.69	<b>160.93</b> 38.38	<b>184.30</b> 77.56	<b>1,815.47</b> 1,206.56
Depreciation	<b>528.55</b> 453.17	<b>148.62</b> 185.76	<b>78.31</b> 67.10	<b>116.75</b> 46.19	<b>872.23</b> 752.22
Non cash expenses other than depreciation	<b>91.58</b> 131.94	<b>23.15</b> 1.17	- 29.70	- 28.23	<b>114.73</b> 191.04

**15. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)**
*(All figures are in ₹ in lacs)*
**IV) Reconciliation of Reportable Segments with the Financial Statements**

	<b>Revenues</b>	<b>Net Profit</b>	<b>Assets</b>	<b>Liabilites @</b>
Total of Reportable Segments	<b>52,643.51</b> 47,568.92	<b>3,715.37</b> 5,751.00	<b>30,351.83</b> 25,442.03	<b>8,833.56</b> 7,644.21
Corporate - Unallocated (Net)/Adjustments	<b>432.61</b> 341.86	<b>110.89</b> (326.99)	<b>8,272.08</b> 3,293.77	<b>12,180.85</b> 7,336.41
Inter Segment Sales	<b>(5,749.08)</b> (6,045.61)	- -	- -	- -
Interest (Net)	- -	<b>(557.47)</b> (452.39)	- -	- -
Provision for Taxation				
- Current	-	<b>(817.76)</b>	-	-
- Deferred	-	(1,550.72)	-	-
	-	<b>(24.60)</b>	-	-
	-	5.55	-	-
As per Financial Statements	<b>47,327.04</b> 41,865.17	<b>2,426.43</b> @@ 3,426.45	<b>38,623.91</b> 28,735.80	<b>21,014.41</b> 14,980.62

@ Excluding Shareholders' Funds and Minority Interest

@@ Profit after Taxation and before Minority Interest

**V) Revenue from sales to external customers for customer based Geographical Segments**

	<b>Total</b>
India	<b>10,159.67</b> 9,810.78
United Kingdom	<b>4,067.57</b> 4,322.89
Europe other than United Kingdom	<b>14,927.00</b> 12,561.44
Asia Excluding India	<b>4,380.22</b> 4,736.22
Americas	<b>9,678.70</b> 6,985.00
Others	<b>3,681.27</b> 3,106.98
<b>Total Sales</b>	<b>46,894.43</b> 41,523.31

Figures in Bold type relate to current year



**15. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)***(All figures are in ₹ in lacs)*

16. The carrying amount of Net Assets and results of the Subsidiary Companies, as referred to in Note 2 above, from the date of Acquisition/Incorporation are as under :

	<b>IFGL INC</b>	<b>EICLLC</b>	<b>CUSCIL</b>	<b>HPLLC</b>
Carrying amount of Net Assets	1,734.92	632.81	277.73	1.68
Net Profit / (Loss)	40.25	222.03	64.03	1.25

**17. Operating Lease Commitments**

- a) The Group entered into various non-cancelable operating lease agreements in connection with certain Properties, Plant and Equipment and Vehicles. Tenure of lease generally varies between 1 and 3 years. Terms of the lease includes operating term of renewal, increase in rent in future periods, terms of cancellation, etc. The future minimum lease commitments of the Group are as follows :

	<b>As at 31st March 2011</b>	As at 31st March 2010
Within 1 Year	<b>388.82</b>	304.18
More than 1 Year up to 5 years	<b>780.89</b>	636.28
More than 5 Years	—	—
<b>Total</b>	<b><u>1,169.71</u></b>	<u>940.46</u>

Lease rentals recognised in this Profit and Loss Account amount to ₹ 400.27 (previous year - ₹ 351.09)

- b) The Group has also entered into non-cancelable operating lease agreements in connection with certain office spaces. Tenure of lease is for a period of 3 years. Terms of the lease include operating terms of renewal, re-imbursement of maintenance charges, increase in future maintenance charges etc. The future minimum lease commitments of the Parent Company is as follows :

	<b>As at 31st March 2011</b>	As at 31st March 2010
Within 1 Year	3.80	7.59
More than 1 Year up to 5 years	—	3.80
<b>Total</b>	<b><u>3.80</u></b>	<u>11.39</u>

Lease rentals recognised in this Profit and Loss Account amount to ₹ 7.59 (previous year - ₹ 6.83)

18. Previous years figures have been re-grouped/re-arranged wherever necessary. However, in view of formation of two subsidiaries and acquisition of two subsidiaries referred to in Note 2(b) above, current year's figures are not comparable with the previous year.





Regd Office: Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh, Orissa

Name _____	Folio No./Client ID No. _____
Address _____	
_____	
JH 1 _____	_____
JH 2 _____	_____

**Attendance slip**

**22nd Annual General Meeting**

I/We hereby record my/our presence at the 22nd Annual General Meeting of the Company held on Friday, 26th August 2011 at 11 AM at Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh, Orissa.

.....  
SIGNATURE OF THE ATTENDING MEMBER/PROXY

NOTE : Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over the same at the entrance duly signed.



Regd Office: Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh, Orissa

**PROXY**

**22nd Annual General Meeting**

I/We ..... of .....  
.....being member/members of  
IFGL REFRACTORIES LIMITED hereby appoint.....  
of.....or failing  
him/her.....of .....  
.....as my/our proxy to vote for me/us  
on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Friday, 26th August 2011 at 11 AM at Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh, Orissa and at any adjournment thereof.

Signed on this.....day of.....2011

Folio No.

DP ID No.

Client ID No.

Signed this.....



NOTE : Proxy Form duly completed must be deposited either at the Registered Office or Head and Corporate Office of the Company not less than 48 hours before scheduled time of meeting.

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UNIT : **IFGL REFRACTORIES LIMITED**

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KOLKATA - 700 001



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