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Notice

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of the Company will be held on Monday, 30th September, 2013 at 10.00 A.M. at 'Rotary Sadan', 94/2, Chowringhee Road, Kolkata-700 020 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013, the Statement of Profit and Loss for the year ended on that date and the report of the Auditors & Directors thereon.
2. To appoint a Director in place of Mr. Ankit Patni, who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. R. Kothari & Co., Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, in place of retiring auditors M/s. S. Jaykishan, Chartered Accountants, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be mutually decided by the Board of Directors of the Company and the Statutory Auditors."
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mr. Jay Shanker Shukla who was appointed as an Additional Director of the Company by the Board of Directors on 29th September, 2012 to hold office upto the date of the next Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a member in terms of the provisions of Section 257 of the Act, proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mr. Santosh Kumar Khandelwal who was appointed as an Additional Director of the Company by the Board of Directors on 29th June, 2013 to hold office upto the date of the next Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a member in terms of the provisions of Section 257 of the Act, proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT subject to the provisions of Sections 198, 269 and 309 read with Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force consent of the Company be and is hereby accorded to the re-appointment of Mr. Suresh Kumar Patni as Managing Director of the Company for a further period of 5 (Five) years w.e.f. 1st July, 2013 on the terms and conditions including remuneration as set out in the agreement submitted to the meeting.
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the said re-appointment during the continuance of the tenure and grant such further increases in remuneration from time to time as they may deem fit and agreed by Mr. Suresh Kumar Patni, within the limits specified in Schedule XIII of the Companies Act, 1956, as may be amended from time to time."
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 94(1)(a) of the Companies Act, 1956, and other applicable provisions if any, the Authorised Share Capital of the Company be and is hereby increased from ₹ 68,00,00,000/- (Rupees Sixty Eight Crores only) divided into 6,80,00,000 Equity shares of ₹ 10/- each to ₹ 82,50,00,000/- (Rupees Eighty Two Crores Fifty Lacs only) divided into 8,25,00,000 Equity Shares of ₹ 10/- each by creation of 1,45,00,000 Equity Shares of ₹ 10/- each ranking pari passu in all respect with the existing Equity Shares.

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RESOLVED FURTHER THAT consequent upon increase in share capital as aforesaid, the existing clause V of the Memorandum of Association of the Company be and is hereby substituted by the following:

V. The Authorised Share Capital of the Company is ₹ 82,50,00,000/- (Rupees Eighty Two Crores and Fifty Lacs only) divided into 8,25,00,000 (Eight Crores Twenty Five Lacs) Equity Shares of ₹ 10/- each with power to increase and reduce the capital for the time being into several classes and attach thereto respectively such preferential or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Companies Act, 1956 and to vary, modify or abrogate such rights, privileges and conditions in such manner as may for the time being be provided by the regulations of the Company.

RESOLVED FURTHER THAT the Company Secretary of the Company be and is hereby authorised to make necessary amendments in the Memorandum of Association of the Company and do all such acts, deeds and things as may be necessary to give effect to the above resolution.”

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

“RESOLVED THAT pursuant to provisions of Section 81(1A) and other provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and subject to the provisions of the Memorandum of Association and the Articles of Association of the Company, the listing agreement entered into by the Company with the BSE Limited and National Stock Exchange of India Limited (“Stock Exchanges”) where the Equity Shares of the Company are listed and the Regulations for preferential issues, issued by the Securities and Exchange Board of India (“SEBI”) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI (ICDR) Regulations”) and other applicable rules, regulations, clarifications and/or guidelines, if any, of SEBI and such other authorities as may be applicable and as amended till date and subject to the requisite approvals or consents, if any, of the Central Government, Reserve Bank of India, Stock Exchanges, SEBI, Banks and Financial Institutions and any other appropriate authorities, institutions, bodies under any other applicable laws, statutes, rules and Regulations for the time being and from time to time in force and further subject to such terms, conditions, stipulations and modifications as may be prescribed, imposed or suggested by any of them while granting such approvals which the Board of Directors (herein after referred to as the “Board” which term shall be deemed to include any duly authorised committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated by the Board) be and is hereby authorised to accept and subject to such conditions and modifications as may be considered appropriate by the Board, consent of the Company be and is hereby accorded to the Board (with powers to delegate all, or any of the powers hereby conferred to any duly authorised committee thereof) to create, issue, offer and allot on preferential basis, at its sole and absolute discretion, 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of ₹ 10/- each at a price of ₹ 20/- per equity share (including a premium of ₹ 10/- per share) calculated as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 with 30th August, 2013, as the relevant date, of an amount aggregate ₹ 30 Crores (Rupees Thirty Crores Only) calculated as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 to the following entities:-

Sr. No.	Name of the Proposed Allottees	No. of Equity Shares	Category
1	Suanvi Trading & Investment Co. Pvt. Ltd.	35,90,000	Promoter Group
2	Shreyansh Leafin Pvt. Ltd	39,50,000	Promoter Group
3	Whitestone Suppliers Pvt. Ltd	24,50,000	Promoter Group
4	Rotomac Vinimay Pvt. Ltd.	10,00,000	Non - Promoter Group
5	Singrodia Bros. Holding Pvt. Ltd.	20,10,000	Non - Promoter Group
6	Indian Infotech and Software Ltd.	20,00,000	Non - Promoter Group
	Total	1,50,00,000	

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RESOLVED FURTHER THAT the Relevant Date for the purpose of pricing of the Equity Shares shall be 30th August, 2013, in accordance with SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted within a period of fifteen (15) days from the date of passing of this special resolution provided that where the allotment of Equity Shares is pending on account of pendency of any approvals for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such other extended period as may be permitted under the applicable SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted shall rank pari passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the entire pre-issue shareholding of the above allottees, if any, shall be under lock-in from the relevant date up to a period of six months from the date of trading approval granted by Stock Exchanges for the proposed preferential issue or such other period as may be applicable under the applicable SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted as above shall be subject to the lock-in as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted as above, shall be listed and traded on all the Stock Exchanges on which the existing Equity Shares of the Company are listed.

RESOLVED FURTHER THAT the Company do make application to the National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL) for admission of the new Equity Shares to be issued on preferential basis.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, at its discretion deem necessary or desirable for such purpose, including without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required, and entering into arrangements for listing, trading, depository services and such other arrangements and agreements as may be necessary, and also to seek listing of the Equity Shares so issued with any Indian stock exchanges with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard to any such issue, offer or allotment of Equity Shares and in complying with any regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authorities of this resolution.”

By Order of the Board
For Impex Ferro Tech Limited

Ritesh Kumar Singh
Company Secretary

Kolkata, 30th August, 2013

Notice

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in relation to the special business in point no. 3, 4, 5, 6, 7 & 8 to be transacted is annexed hereto.
3. Proxies in order to be effective should be completed, stamped, signed and must be deposited at the Corporate Office of the Company not less than forty eight hours before the commencement of the meeting.
4. The Register of Members and Share Transfer Books will remain closed from Wednesday, 25th September, 2013 to Monday, 30th September, 2013 (both days inclusive).
5. Shareholders holding shares in physical form are requested to advise any change of the address immediately to the Company's Registrar and Share Transfer Agents- M/s. Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata-700 001 and to their respective DP's in respect of Equity Shares held in dematerialised form.
6. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the Company has transferred unclaimed refund amount of ₹ 80,000 pertaining to Initial Public Offer of Company in the year 2005-06 to the Investor Education and Protection Fund (IEPF) established by the Central Government, which was remained unclaimed/unpaid for a period of seven years from the date it became due for payment.
7. Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the persons seeking appointment/re-appointment as Director under item no. 2, 4, 5 & 6 is annexed to the notice.
8. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least ten days before the meeting so that the same could be complied in advance.
9. Members/Proxies should bring their attendance slip sent herewith, duly filled in, for attending the meeting. Corporate members are requested to send a duly certified copy of the resolution authorising their representatives to attend and vote at the meeting.
10. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
11. In case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
12. Since the securities of the Company are compulsorily tradable in electronic form, to ensure better investor service and elimination of risk of holding securities in physical form, it is requested that the members holding shares in physical form, to get their shares dematerialised at the earliest.

IMPORTANT ANNOUNCEMENT TO MEMBERS

Pursuant to Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, Ministry of Corporate Affairs (MCA) has launched "Green Initiative in Corporate Governance" whereby the Companies are allowed to send notices, documents and other communication to the shareholders in electronic mode.

In view of the above circulars issued by MCA, like last year, this year too your Company is sending documents like the notice convening the General Meeting, Financial Statements, Directors' Report, Auditors' Report etc. to the email addresses provided by you to your Depository Participant(DP)/ Company's Registrar and Transfer Agent, M/s. Maheshwari Datamatics Private Limited.

Your Company encourages its shareholders to support the 'Green Initiative' by registering their email address with their respective depositories/Company's Registrar and Transfer Agent and intimate changes in the email address from time to time.

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Even after registering the email address, members are entitled to receive such communication in physical form, upon receipt of request for the same, by post/courier free of cost.

The Annual Report of 2013 (including notice of Annual General Meeting) will also be available on the Company's website www.impexferrotech.com for download by the members. Format for request letter for registration/changes of email id is also available in the Investor's Corner of the Company's website.

The physical copies of the aforesaid documents will also be available at the Company's Corporate Office for inspection during business hour upto the date of Annual General Meeting.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 3

M/s. S. Jaykishan, Chartered Accountants, have been the Statutory Auditors of the Company since last 14 years. They have, vide their letter dated 24th August, 2013, expressed their unwillingness to continue as the Statutory Auditors of the Company. The Board of Directors places on record their appreciation for the services rendered by M/s. S. Jaykishan.

The Board of Directors has on the recommendation of the Audit Committee proposed the appointment of M/s. R. Kothari & Company, Chartered Accountants as the Statutory Auditors of the Company. They vide their letter dated 24th August, 2013 informed the Company that their appointment, if made, will be within the limit specified in sub-section (1B) of Section 224 of the Companies Act, 1956. M/s. R. Kothari & Co., Chartered Accountants, are one of the renowned auditing firms of Chartered Accountants and the Board, therefore, recommends their appointment as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

None of the Directors are in any way concerned or interested in the aforesaid resolution.

The Board of Directors recommends the resolution set out in item No. 3 for your consideration and approval.

The following documents are open for inspection by the Members at the Corporate Office of the Company on any working day during business hours.

- a) Letter dated 24th August, 2013 from M/s. R. Kothari & Company, Chartered Accountants.
- b) Letter dated 24th August, 2013 from M/s. S. Jaykishan, Chartered Accountants.

Item No. 4

Mr. Jay Shanker Shukla was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956 by the Board of Directors at their meeting held on 29th September, 2012 to hold office upto the date of next Annual General Meeting.

The Company has received a notice under Section 257 of the Companies Act, 1956 along with the deposit from a member proposing the candidature of Mr. Jay Shanker Shukla as a Director of the Company.

None of the Directors except Mr. Jay Shanker Shukla himself are concerned or interested in the aforesaid resolution.

The Board of Directors recommends the resolution set out in item no. 4 for your consideration and approval.

Item No. 5

Mr. Santosh Kumar Khandelwal was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956 by the Board of Directors at their meeting held on 29th June, 2013 to hold office upto the date of next Annual General Meeting.

The Company has received a notice under Section 257 of the Companies Act, 1956 along with the deposit from a member proposing the candidature of Mr. Santosh Kumar Khandelwal as a Director of the Company.

None of the Directors except Mr. Santosh Kumar Khandelwal himself are concerned or interested in the aforesaid resolution.

The Board of Directors recommends the resolution set out in item no. 5 for your consideration and approval.

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Item No. 6

The terms of appointment of Mr. Suresh Kumar Patni as Managing Director has expired on 30th June, 2013. Subject to the approval of members at the ensuing Annual General Meeting, the Board of Directors of the Company at its meeting held on 29th June, 2013, based on the recommendation of the Remuneration Committee has re-appointed Mr. Suresh Kumar Patni as Managing Director of the Company for a further period of 5(Five) years w.e.f. 1st July, 2013 on the terms and conditions mentioned in the Agreement dated 29th June, 2013.

An abstract pursuant to provision of Section 302 of the Companies Act, 1956 setting out the material terms of Mr. Suresh Kumar Patni as provided in the agreement dated 29th June, 2013, with respect to his re-appointment and remuneration payable was sent to all members on 12th July, 2013.

The material terms and remuneration payable in terms of Agreement dated 29th June, 2013 are as follows:

Tenure: 5(Five) years with effect from 1st July, 2013.

Remuneration:

(a) Salary: ₹ 1,00,000/- (Rupees One Lac Only) per month.

(b) Perquisites/Allowances: He shall be entitled to the following Perquisites/Allowances:-

- i. Bonus: As may be decided by the Board.
- ii. Leave Encashment: As per applicable rules of the Company.
- iii. Gratuity: As may be decided by the Board, provided that it shall not exceed the ceiling limit as envisaged under the Payment of Gratuity Act, 1972.

Leave encashment and Gratuity shall not be included in the computation of ceiling on remuneration.

(c) Leave: Managing Director will be entitled to leave as per applicable rule of the Company.

(d) Power of the Board to increase Remuneration:

The Board of Directors shall have an authority to grant such further increases from time to time as they may deem fit, within the limits specified in Part II of Schedule XIII of the Act, as may be amended from time to time.

(e) Remuneration in the event of inadequacy or absence of profits:

In case of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Suresh Kumar Patni shall be restricted to the ceiling provided in Section II of Part II of Schedule XIII of the Act.

Memorandum of Concern or Interest of the Directors

None of the Directors of the Company, except Mr. Suresh Kumar Patni and Mr. Ankit Patni, being relative of Mr. Suresh Kumar Patni, are in any way concerned or interested in the aforesaid appointment.

Inspection

The relevant agreement entered into by the Board with Mr. Suresh Kumar Patni is available for inspection by members at the Corporate Office of the Company on any working day during business hours.

The Board of Directors recommends the resolution set out in item no. 6 for your consideration and approval.

Item No. 7

The Authorised Share Capital of the Company is presently ₹ 68,00,00,000/- (Rupees Sixty Eight Crores only) divided into 6,80,00,000 Equity Shares of ₹ 10/- each. In order to accommodate the issue of Equity Shares as mentioned in item no. 8, it is necessary to increase the Authorised Share Capital of the Company in the manner mentioned in the resolution.

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Any such increase in Authorised Share Capital of the Company would require the approval of the shareholders in the general meeting under Section 94 of the Companies Act, 1956.

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

The Board of Directors recommends the resolution set out in item no.7 for your consideration and approval.

Item No. 8

The Company wants to expand its business operations. In order to meet the fund requirements for its business plan and to meet its working capital requirements, the Company requires long term resources. It is proposed to raise part of such long term resources by issuance of Equity Shares as may be permitted under applicable laws and regulations and as may be deemed necessary and beneficial to the Company in the due course of time.

The proceeds of the issue are proposed to be utilised towards Company's long term working capital requirements, capital expenditure for expansion and modernisation activities and other corporate purposes. The Company requires ₹ 30 crores for long term working capital requirements, capital expenditure for expansion and modernisation activities and other corporate purposes. In order to raise equity, the Company has proposed a preferential issue of Equity Shares to certain entities belonging to the promoter and non-promoter group. In view of the confirmations received from the proposed allottees, the Board of Directors proposes to issue and allot 1,50,00,000 Equity Shares of ₹ 10/- each at a price of ₹ 20/- per Equity Share (including premium of ₹ 10/- per Equity Share) aggregating to ₹ 30 crores on a preferential basis in terms of the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto from time to time ("SEBI (ICDR) Regulations").

As on date, the Company owes ₹ 19.98 Crores to the allottees in the promoter group in respect of the unsecured loans extended by them to the Company, which shall be adjusted towards the share application money for the proposed issue of Equity Shares.

As stipulated by the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Board submits the following information to the members.

The Company has received inclination from the prospective entities to acquire shares in the Company are as under:-

Sr. No.	Name of the Proposed Allottees	No. of Equity Shares	Category
1	Suanvi Trading & Investment Co. Pvt. Ltd.	35,90,000	Promoter Group
2	Shreyansh Leafin Pvt. Ltd	39,50,000	Promoter Group
3	Whitestone Suppliers Pvt. Ltd	24,50,000	Promoter Group
4	Rotomac Vinimay Pvt. Ltd.	10,00,000	Non - Promoter Group
5	Singrodia Bros. Holding Pvt. Ltd.	20,10,000	Non - Promoter Group
6	Indian Infotech and Software Ltd.	20,00,000	Non - Promoter Group
	Total	1,50,00,000	

Hereinafter the aforesaid persons shall be individually and collectively called as "proposed allottee/(s)"

Information as required under Regulation 73 of the SEBI (ICDR) Regulations, 2009 is as under:

a) Objects of the Issue :

As mentioned above, the funds raised from the proposed issue of Equity Shares will be utilised to fund the long term working capital requirements, capital expenditure for expansion and moderisation activities and other corporate purposes.

b) Relevant Date & Price:

As per Chapter VII of the SEBI (ICDR) Regulations, issue of Equity Shares on a preferential basis to an investor, shall be made at a price not less than higher of the following:

- The average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchange during the twenty six weeks preceding the relevant date; or

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- b) The average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchange during the two weeks preceding the relevant date.

The "Relevant Date" for determining the issue price of the preferential issue of Equity Shares shall be 31st August, 2013 being the date which is 30 days prior to the date on which the Annual General Meeting is to be held to consider the proposed issue under Section 81(1A) of the Companies Act, 1956. As the date of Annual General Meeting of shareholders is on 30th September, 2013 the "Relevant Date" is 31st August, 2013. However, in terms of the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012 dated 30th January, 2012, where the relevant date falls on a Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the relevant date. Since, 31st August, 2013 (Saturday) is a weekend, therefore 30th August, 2013 (Friday) shall be deemed to be the Relevant Date.

The Stock Exchange means BSE Limited being the exchange where the highest trading volume in respect of the shares of the Company has been recorded during the preceding twenty six weeks prior to the Relevant Date.

The average price as computed on the above basis during the twenty six weeks preceding the Relevant Date is ₹ 3.59 per Equity Share where as during the two weeks preceding the Relevant Date is ₹ 3.05 per Equity Share. Hence the floor price is ₹ 3.59 per Equity Share.

The price at which the preferential issue is being made i.e. ₹ 20/- per Equity Share is higher than the floor price computed on the basis of the SEBI (ICDR) Regulations.

c) Intention of Promoters / Directors / Key Management Persons to subscribe to the Offer:

The Promoter group intends to subscribe to the extent of 99,90,000 Equity Shares being 12.11% of the post issue capital of the Company.

d) Shareholding Pattern before and after the issue:

CATEGORY	PRE-ISSUE		POST ISSUE	
	No. of shares	% of shares	No. of shares	% of shares
(A) Shareholding of Promoter and Promoter Group				
(1) Indian				
Individuals / Hindu Undivided Family	8,51,800	1.26	8,51,800	1.03
Bodies Corporate	4,35,88,046	64.60	5,35,78,046	64.97
Sub Total	4,44,39,846	65.86	5,44,29,846	66.00
(2) Foreign	-	-	-	-
Total shareholding of Promoter and Promoter Group (A)	4,44,39,846	65.86	5,44,29,846	66.00
(B) Public Shareholding				
(1) Institutions	-	-	-	-
(2) Non-Institutions				
Bodies Corporate	1,37,80,148	20.42	1,87,90,148	22.78
Individuals				
Individual shareholders holding nominal share capital up to ₹ 1 lakh	47,11,989	6.98	4711989	5.71
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	43,81,624	6.49	43,81,624	5.31
Any Others (Specify)				
Non Resident Indians	82,450	0.12	82,450	0.10
Trusts	100	0.00	100	0.00

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CATEGORY	PRE-ISSUE		POST ISSUE	
	No. of shares	% of shares	No. of shares	% of shares
Clearing Members	75,447	0.11	75,447	0.09
Sub Total	2,30,31,758	34.14	2,80,41,758	34.00
Total Public Shareholding (B)	2,30,31,758	34.14	2,80,41,758	34.00
Total (A)+(B)	6,74,71,604	100.00	8,24,71,604	100.00
(C) Shares held by Custodians and against which Depository Receipts have been issued				
(1) Promoter and Promoter Group	-	-	-	-
(2) Public	-	-	-	-
Sub Total	-	-	-	-
Total (A)+(B)+(C)	6,74,71,604	100.00	824,71,604	100.00

e) Proposed time within which allotment shall be completed :

The allotment of Shares pursuant to this resolution will be completed within 15 days from the date of passing of this resolution. Provided that if the approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of 15 days shall be counted from the date of such approval or permission, as the case may be.

f) Identity and details of the proposed allottees :-

Name of the Proposed Allottees	Category	Address	Name(s) of Natural Persons in control of the Proposed Allottee	Pre-Issue		Proposed Allotment	Post Issue	
				No. of Shares	% of Pre-Issue Capital	No. of Shares	No. of Shares	% of Post Issue Capital
Suanvi Trading & Investment Co. Pvt. Ltd.	Promoter Group	35, C. R. Avenue, Kolkata-700 012	Mr. Suresh Kumar Patni & Mr. Ankit Patni	114,83,046	17.02	35,90,000	1,50,73,046	18.28
Shreyansh Leafin Pvt. Ltd.	Promoter Group	SKP House, 132A, S.P.Mukherjee Road, Kolkata-700 026	Mr. Rohit Patni & Mr. Ankit Patni	-	-	39,50,000	39,50,000	4.79
Whitestone Suppliers Pvt. Ltd.	Promoter Group	SKP House, 132A, S.P.Mukherjee Road, Kolkata-700 026	Mr. Rohit Patni & Mr. Ankit Patni	-	-	24,50,000	24,50,000	2.97
Rotomac Vinimay Pvt. Ltd.	Non-Promoter Group	35, C.R. Avenue, 6th Floor, Room No. 26/7, Kolkata-700 012	Mr. G. D. Naita	-	-	10,00,000	10,00,000	1.21
Singrodia Bros. Holding Pvt. Ltd.	Non-Promoter Group	35, C.R. Avenue, 6th Floor, Room No. 26/7, Kolkata-700 012	Mr. G. D. Naita	-	-	20,10,000	20,10,000	2.44
Indian Infotech and Software Ltd.	Non-Promoter Group	D-114, Crystal Plaza, Link Road, Opp. Infinity Mall, Andheri(W), Mumbai-400 053	Not Applicable (Ref : Note)	-	-	20,00,000	20,00,000	2.43
Total				1,14,83,046	17.02	1,50,00,000	2,64,83,046	32.11

Note : Indian Infotech and Software Ltd. is a listed Company.

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g) Change in Control or Composition of the Board:

The allotment would not result in any change in control over the Company or the management of the affairs of the Company and the existing Promoters/Directors of the Company will continue to be in control of the Company.

h) Auditors' Certificate:

M/s. S. Jaykishan, Chartered Accountants, Statutory Auditor of the Company have certified that the proposed preferential issue is being made in accordance with the requirements contained in SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 for Preferential Issue. A copy of the said certificate is available for inspection by the shareholders at the Corporate Office of the Company on all working days except Saturdays, Sundays and public holidays between 3 p.m. and 5 p.m. prior to the date of the Annual General Meeting and will also be available for inspection at the Meeting.

i) Lock-in of proposed issue of shares:

The Equity Shares proposed to be issued to above proposed allottees shall be locked in for a period from the date of trading approval granted by the Stock Exchanges in terms of Regulation 78 of SEBI (ICDR) Regulations for preferential allotment contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Further the entire pre-allotment shareholding of the proposed allottees, if any, shall be locked-in from the relevant date upto a period of six months from the date of trading approval granted by the Stock Exchanges for proposed preferential issue of shares.

j) Undertaking:

The Company hereby undertakes that:

The Company shall re-compute the price of the specified securities in term of the provisions of these Regulations where it is required to do so.

If the amount payable on account of the re-computation of the price is not paid within the time stipulated in the Regulations, the specified securities shall be continue to be locked-in till the time such amount is paid by the proposed allottees.

As per Section 81 of the Companies Act, 1956 and the provisions of the Listing Agreement which have been entered into by the Company with the BSE Limited and National Stock Exchange of India Limited on which the shares of the Company are listed, as and when it is proposed to increase the shares of the Company by allotment of further shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down under Section 81 unless the shareholders in general meeting decide otherwise by passing a special resolution.

Additionally, the SEBI (ICDR) Regulations require matters to be stated in the resolution which is required to be passed under Section 81 (1A) of the Companies Act, 1956 and in the explanatory statement in respect of such resolution.

Hence, the consent of the shareholders by way of special resolution is being sought for issue of the shares on preferential basis.

Except Mr. Suresh Kumar Patni and Mr. Ankit Patni being a Promoter / Director of Suanvi Trading & Investment Co. Private Limited, Shreyansh Leafin Private Limited and Whitestone Suppliers Private Limited none of the Directors of your Company are concerned or interested in the aforesaid resolution.

The Board of Directors recommends the resolution set out in item no. 8 for your consideration and approval.

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

Ritesh Kumar Singh
Company Secretary

Kolkata, 30th August, 2013

10 | Impex Ferro Tech Limited

Notice

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE- APPOINTMENT

(In pursuance to Clause 49 of the Listing Agreement)

Name of the Director	Mr. Ankit Patni	Mr. Jay Shanker Shukla	Mr. Santosh Kumar Khandelwal	Mr. Suresh Kumar Patni
Date of Birth	13.01.1985	12.03.1960	11.02.1948	13.07.1959
Date of Appointment	28.03.2011	29.09.2012	29.06.2013	07.06.1995
Expertise in Specific Functional Area	Finance & Marketing	Wide experience in the field of production, finance, marketing and procurement.	Accounts & Finance	Wide Technical, Marketing and Management Experience.
Qualification	M.B.A from University of Technology, Sydney, CFA from ICFAI University.	B. Com and Diploma in International Trade	Cost Accountancy	B. Com
Board membership of other Public Companies (Excluding Directorship in Private/Foreign Companies and Companies under Section 25 of the Companies Act, 1956)	-Ankit Metal & Power Limited -Sarita Steel & Power Limited -SKP Power Ventures Limited -SKP Aviation Services Limited -Dhodwala Enterprises Limited -Impex Cements Limited -VSN Agro Products Limited -Patni Metal & Ferro Alloys Limited -Impex Industries Limited -Gold Mohar Steel Limited	-Rohit Ferro-Tech Limited -Ankit Metal & Power Limited	Nil	-Impex Metal & Ferro Alloys Limited -VSN Agro Products Limited -Impex Industries Limited -SKP Power Ventures Limited -Sarita Steel & Power Limited -Ankit Metal & Power Limited -Rohit Ferro-Tech Limited -SKP Aviation Services Limited -Patni Metal & Ferro Alloys Limited -Dhodwala Enterprises Limited -Gold Mohar Steel Limited -Impex Cements Limited
Chairman/Member of the Committee (Audit Committee, Investors' Grievance cum Share Transfer Committee and Remuneration Committee) of the Board of Directors of the Company	Member-Audit Committee	Chairman-Audit Committee and Remuneration Committee. Member-Investor Grievance cum Share Transfer Committee	Nil	Member-Investor Grievance cum Share Transfer Committee

Notice

Name of the Director	Mr. Ankit Patni	Mr. Jay Shanker Shukla	Mr. Santosh Kumar Khandelwal	Mr. Suresh Kumar Patni
Chairman/Member of the Committee of Directors of other public Companies in which he is a Director				
a) Audit Committee	Nil	Chairman : -Rohit Ferro-Tech Limited -Ankit Metal & Power Limited	Nil	Member : -Ankit Metal & Power Limited
b) Investor's Grievance cum Share Transfer Committee	Member-Ankit Metal & Power Limited	Member : -Ankit Metal & Power Limited	Nil	Member : - Rohit Ferro- Tech Limited
c) Remuneration Committee	Nil	Member : -Rohit Ferro- Tech Limited -Ankit Metal & Power Limited	Nil	Nil
Shareholding as on 31st March, 2013.	1,75,600 Equity Shares	Nil	Nil	4,66,200 Equity Shares

Directors' Report

Dear Shareholders

Your Directors are pleased to present the 18th Annual Report of the Company together with the Audited Accounts of the Company for the financial year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

Particulars	(₹ in Lacs)	
	Current Year 31.03.2013	Previous Year 31.03.2012
Revenue from Operation (net)	64,175.58	52,639.39
Other Income	244.45	556.51
Total Revenue	64,420.03	53,195.90
Profit before Finance Cost, Depreciation and Tax	5,337.65	3,487.59
Less : Depreciation & Amortisation	1,142.35	454.43
Less : Finance Cost	3,577.60	2,429.48
Less : Tax Expenses	221.47	245.13
Net Profit after Tax	396.23	358.55
Add : Balance brought forward from previous year	4,987.34	4,628.79
Balance carried over to Balance sheet	5,383.57	4,987.34

Financial and Operational Review

During the year under review the Company has achieved net sales/income from operation of ₹ 64,175.58 Lacs as against ₹ 52,639.39 Lacs in the previous year registering a growth of 21.91%. The profit before tax for the year grew by 2.32% to ₹ 617.70 Lacs. The Company has produced 47,617.64 MT of Ferro Alloys as compared to 38,580.28 MT in the previous year.

Dividend

The Directors of your Company do not recommend any dividend on the Equity Shares for the year under review.

Issue of Equity Shares on Preferential Basis

The Board of Directors in their meeting held on 30th August, 2013, subject to the approval of the members in the ensuing Annual General Meeting, has decided to raise the sum of ₹ 30.00 Crores by issuing 1,50,00,000 Equity Shares of ₹ 10/- each at a premium of ₹ 10/- per share on preferential basis to the entities belonging to promoter group and strategic investors belonging to non-promoter group.

The amount raised will be utilised towards long term working capital requirement, capital expenditure for expansion and modernisation activities and other corporate purposes.

Changes in Share Capital

To accommodate the allotment of Equity Shares consequent to proposed preferential issue, the board has recommended to increase the Authorised Share Capital from ₹ 68.00 Crores to ₹ 82.50 Crores.

Awards & Achievement

During the current year the Company has been awarded with "Top Exporter-Gold" under Medium Enterprise category by EEP-ER (Engineering Export Promotion Council, Eastern Region) for its export contribution during the year 2010-11.

Management Discussion & Analysis and Corporate Governance Report

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Corporate Governance along with the certificate from the Company Secretary in Practice and the Management Discussion & Analysis forms part of this Annual Report.

Directors' Report

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby confirms that :

- a) in preparation of the Annual Accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

Public Deposits

During the year under review, the Company has not accepted any deposits from the public.

Directors

Mr. Ankit Patni retire by rotation and being eligible, offer himself for re-appointment.

Mr. Jay Shanker Shukla has been appointed as an Additional Director w.e.f. 29th September, 2012 to hold office up to the date of the next Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Jay Shanker Shukla as Director of the Company.

Mr. Vijay Kumar Jain has resigned from the Directorship of the Company with effect from 8th October, 2012. The Board of Directors recorded its appreciation for the valuable services rendered by Mr. Vijay Kumar Jain to the Company.

Mr. Prem Narayan Khandelwal has resigned from the Directorship of the Company with effect from 29th June, 2013. The Board of Directors recorded its appreciation for the valuable services rendered by Mr. Prem Narayan Khandelwal to the Company.

Mr. Santosh Kumar Khandelwal has been appointed as an Additional Director w.e.f. 29th June, 2013 to hold office up to the date of the next Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Santosh Kumar Khandelwal as Director of the Company.

Mr. Suresh Kumar Patni, Managing Director of the Company, whose terms of appointment expired on 30th June, 2013 has been re-appointed by the Board of Directors for a further period of five years w.e.f. 1st July, 2013, subject to the approval of the shareholders in the ensuing Annual General Meeting.

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in Section 274(1)(g) of the Companies Act, 1956. As required under Clause 49 of the Listing Agreement the additional information on the Directors seeking appointment/re-appointment is annexed to the notice.

Auditors & Auditors' Remarks

M/s. S. Jaykishan, Chartered Accountants, who retire at the ensuing Annual General Meeting, have expressed their unwillingness to continue as the Statutory Auditors of the Company. The Company therefore proposes to appoint M/s. R. Kothari & Co., Chartered Accountants, as the Statutory Auditors of the Company. M/s. R. Kothari & Co. have informed the Company that they are eligible to act as the Statutory Auditors of the Company and their appointment will be within the limit as prescribed under Section 224(1B) of the Companies Act, 1956, if appointed.

Directors' Report

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

Cost Audit

As per the requirement of the Central Government and pursuant to the provision of Section 233B of the Companies Act, 1956, the Company has re-appointed M/s. A.J.S. & Associates, Cost Auditors to audit the cost accounts of the Company for the year 2012-13 from 1st April, 2012 to 31st March, 2013 for which necessary approval from Central Government has been received. The Cost Audit Report in respect of the financial year 2012-13 will be filed within the due date. The Company has re-appointed M/s. A.J.S. & Associates as Cost Auditors for the financial year 2013-2014.

Insurance

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

Particulars of Employees

The Company had no employee during the year ended 31st March, 2013 who was in receipt of remuneration in excess of the limit specified under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Amendment Rules, 2011.

Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo

The information relating to conservation of energy, technology absorption and foreign exchange earning and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is given as annexure to this report.

Acknowledgement

The Directors of your Company express their sincere thanks to the Company's Shareholders, Business Partners, Suppliers and Bankers for their continued support and co-operation. The Board wishes to record their deep sense of appreciation for the committed services of all the employees of the Company.

For and on behalf of the Board

Kolkata, 30th August, 2013

Suresh Kumar Patni
Chairman cum Managing Director

Annexure to the Directors' Report

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

A) Conservation of Energy

a. Energy conservation measures taken:

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

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

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

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

The above measures have helped in reduction of power consumption at the plant and reducing the Company's carbon foot print.

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

B) Technology Absorption

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

C) Foreign Exchange Earning and Outgo

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

The export revenue during the year was ₹ 216.96 Crores. The export team regularly visit the international market, customer and end users. The export team participate in all major trade fairs and events to improve the Company's visibility amongst the global market.

b. Total Foreign Exchange used and earned:

	(₹ in Lacs)	
Particulars	31.03.2013	31.03.2012
Foreign Exchange earned	20,432.67	10,472.00
Foreign Exchange used	9,645.64	6,352.00

FORM A

(Disclosure of particulars with respect to Conservation of Energy)

	2012-2013	2011-2012
A. Power & Fuel Consumption		
1. Electricity:		
a) Purchased		
Unit (in Lacs-KWH)	1,417.14	1,482.28

Annexure to the Directors' Report

	2012-2013	2011-2012
Amount (₹ in Lacs)	5,208.67	5,100.46
Cost/unit (₹/KWH)	3.68	3.44
b) Own Generation		
Unit (in Lacs-KWH)	677.55	73.31
Amount (₹ in Lacs)	2,791.95	252.24
Cost/unit (₹/KWH)	4.12	3.44
2. Coal #		
Quantity (in M. T.)	1,07,288.03	32,125.00
Amount (₹ in Lacs)	6,117.50	3,100.86
Average Rate/MT	5,701.94	9,652.56
B. Consumption per unit of production		
1. Electricity (Unit/MT)	3,977.96	3,868.00
2. Coal & Coke (Kg/MT)	754.71	833.00

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

FORM B

(Disclosure of particulars with respect to Technology Absorption)

A. Research & Development (R&D)

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

B. Technology absorption, adaptation and innovation

Efforts made:

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

Benefits:

The Company is successful in improving the quality of its products and reducing consumption of inputs.

Particulars of imported Technology during last 5 years Nil

For and on behalf of the Board

Suresh Kumar Patni

Chairman cum Managing Director

Kolkata, 30th August, 2013

Management Discussion and Analysis

Economic Overview

The world economy witnessed a major slowdown in 2012 due to the uncertainties of fiscal imbalance in many economies coupled with reduced trade and investments. The report of the International Monetary Fund (IMF) shows that the global GDP expanded at 3.2% in 2012, with average growth rates of 1.2% and 5.1% in advanced and developing economies, respectively.

Indian economy growth rate declined from 6.2% in 2011-2012 to 5% in 2012-2013, the slowest growth of the economy in a decade which was mainly due to decline in service and industrial sectors. The subdued performance of service sector was mainly due to slowdown in global economy and the decline in industrial output was due to slow down in mining, manufacturing and capital goods sector.

The reforms measures announced by the Government of India in the form of reducing fuel subsidies, implementation of big-ticket infrastructure projects, direct cash transfers of subsidies, recent changes in FDI and several regulatory reforms including the new Companies Bill, Land Acquisition Bill and the Direct Tax Code augurs well for a pick-up in growth in 2013-14.

Industry Structure and Developments

The Indian ferro alloys industry, which has completed five decades of its existence and a part of the core sector, is engaged in supplying crucial intermediaries to iron and steel industry. Ferro alloys are critical additives in the production of iron & steel and the fortune of ferro alloys industry is directly linked with the growth of iron & steel industry. India accounts for around 7-8% of the world's ferro alloys production. India emerged as a preferred supplier on account of abundant availability of key resources comprising chrome ore and manganese ore, trained and cost-effective manpower and favorable location.

The demand driver of ferro alloys consists of Crude Steel Production, Alloy and Special Steel Production and Stainless Steel Production. The product mix of ferro alloys consists of bulk ferro alloys which includes HC ferro manganese, silico manganese, ferro silicon, HC ferro chrome, charge chrome, etc. and Noble Ferro Alloys consisting of ferromolybdenum, ferro-anadium, ferrotungsten, ferro-silicon magnesium, ferro-boron and ferro-titanium.

Opportunities and Threats

The growth of ferro alloys industry is directly linked with the growth of iron and steel industry, which in turn depends on its user industry i.e. infrastructure, housing, automobile and consumer durable industries. India, at a per capita steel consumption of 60 kgs, is much below the global average of 215 kgs, thereby reflecting massive under-penetration and immense opportunities for growth, which will in turn, drive ferro alloys demand as these are key input resources for iron and steel manufacture. Moreover, with significant investments envisaged in India's infrastructure sector in the creation of capital assets including roads, bridges, airports, seaports, flyovers and railway tracks, opportunity of utilising special steel by power and automobiles sector, demand for steel and hence, ferro alloys will grow.

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

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

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

Management Discussion and Analysis

Risks and Concerns

The cost-effective availability and quality of key raw material resources is a global challenge. The Company is maintaining a healthy position for key raw materials having arrangements with domestic and international ore suppliers. The Company has access to coking and thermal coal mines owned by the group Company.

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

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

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

Segment-Wise Reporting

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

Internal Controls and Systems

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

Industrial Relations and Human Resources

Human resource is the Company's principal asset. The Company provides continual training to its staff to help them upgrade their skills and seeks to balance individual aspirations with Company goals. The Company is an equal opportunities employer. Industrial relation at the factory continued to remain cordial. As on the date of this Report the Company has 256 employees on its payroll.

Corporate Governance Report

I. Philosophy

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

II. Board of Directors

As on 31st March, 2013 the Board consisted of 6 (Six) Directors out of which 2 (Two) were Executive Directors and 4 (Four) were Non-Executive Directors of which 3 (Three) were Independent. The Chairman of the Company is an Executive-Promoter-Director. The composition of the Board during the year was in conformity with Clause 49 of the Listing Agreement executed with the Stock Exchanges.

None of the Directors on the Board are members of more than ten Committees and Chairman of more than five Committees across all the Public Companies in which they are the Directors. The necessary disclosures regarding other Directorships and committee memberships have been made by all the Directors.

Post 31st March, 2013, the following changes took place in the Board of the Company:

Mr. Prem Narayan Khandelwal has resigned from the post of Directorship and Mr. Santosh Kumar Khandelwal has been appointed as an Additional Director w.e.f. 29th June, 2013.

The composition of the Board post such change remains the same.

During the year 12 (Twelve) Board Meetings were held on 21st May, 2012; 30th May, 2012; 2nd June, 2012; 2nd July, 2012; 14th August, 2012; 24th August, 2012; 29th September, 2012; 8th October, 2012; 14th November, 2012; 13th February, 2013; 11th March, 2013 and 25th March, 2013.

The details of the composition of the Board as on 31st March, 2013, attendance at the Board Meeting during the year and at the last Annual General Meeting, number of Directorship, Membership/Chairmanship in other Public Companies are as follows:-

Sl. No.	Name of the Director	Category	No. of Board Meetings Attended	Attendance at last AGM	No. of Directorships in other Public Limited Companies incorporated in India	No. of Committee positions held in other Public Limited Companies \$	
						As Member	As Chairman
1	Mr. Suresh Kumar Patni**	Promoter/ Executive	11	No	12	2	-
2	Mr. Ankit Patni	Promoter/ Non-Executive	9	Yes	10	1	-
3	Mr. Prem Narayan Khandelwal %	Independent/ Non-Executive	9	No	1	-	-
4	Mr. Ashok Kumar Jain	Independent/ Non-Executive	10	Yes	-	-	-
5	Mr. Satish Kumar Singh ##	Executive	4	Yes	-	-	-
6	Mr. Jay Shanker Shukla #	Independent/ Non-Executive	5	N.A.	2	1	2
7	Mr. Vijay Kumar Jain*	Independent/ Non-Executive	6	Yes	-	-	-
8	Mr. Santosh Kumar Khandelwal^	Independent/ Non-Executive	N.A.	N.A.	Nil	Nil	Nil

Corporate Governance Report

- § Includes the Membership/Chairmanship of only Audit Committee and Shareholders/Investors' Grievance Committee
- ## Mr. Satish Kumar Singh has been appointed as an Executive Director of the Company for a period of 3 (three) years w.e.f. 24th August, 2012.
- # Mr. Jay Shanker Shukla has been appointed as an Additional Director (Independent/Non-Executive) w.e.f. 29th September, 2012 to hold office upto the date of the next Annual General Meeting.
- * Mr. Vijay Kumar Jain has resigned from the Directorship of the Company w.e.f. 8th October, 2012.
- % Mr. Prem Narayan Khandelwal has resigned from the Directorship of the Company w.e.f. 29th June, 2013.
- ^ Mr. Santosh Kumar Khandelwal has been appointed as an Additional Director (Independent/Non-Executive) of the Company w.e.f. 29th June, 2013.
- ** Mr. Suresh Kumar Patni has been re-appointed as Managing Director of the Company, for a further period of 5 years w.e.f. 1st July, 2013, subject to the approval of members in the ensuing Annual General Meeting.

Mr. Ankit Patni is son of Mr. Suresh Kumar Patni. None of the other Directors are in any way related to any other Director.

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

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

III Code of Conduct

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

Declaration

In accordance with the Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel of the Company have affirmed compliances with the Code of Conduct of the Company for the year ended 31st March, 2013.

For **Impex Ferro Tech Limited**

Suresh Kumar Patni

Chairman cum Managing Director

Kolkata, 30th August, 2013

Corporate Governance Report

IV Audit Committee

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

The terms of reference of the Audit Committee includes the powers as laid down in Clause 49(II)(C) and the role as stipulated in Clause 49(II)(D) of the Listing Agreement and review of information as laid down in Clause 49(II)(E).

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

Name of the Member	Designation	Category	No. of Meetings attended
Mr. Jay Shanker Shukla #	Chairman	Independent / Non-Executive	2
Mr. Vijay Kumar Jain #	Chairman	Independent / Non-Executive	2
Mr. Ankit Patni	Member	Promoter / Non-Executive	3
Mr. Ashok Kumar Jain	Member	Independent / Non-Executive	4

w.e.f. 8th October, 2012, Mr. Jay Shanker Shukla has been appointed as a member and Mr. Vijay Kumar Jain ceases to be member of the Committee. Mr. Jay Shanker Shukla has been appointed as the Chairman of the Committee in place of Mr. Vijay Kumar Jain.

The Managing Director and Head of Department (Finance & Accounts) are permanent invitees to the Committee. The Company Secretary acts as a Secretary of the Audit Committee. The representative of internal auditors also attends the meeting. The Audit Committee invites, as and when considers appropriate, the representatives from the Statutory Auditors and Cost Auditors to be present at the meeting of the Committee.

The Audit Committee comprises of three Directors all of whom are financially literate. All the members of the Committee are Non-Executive of which two are Independent. Mr. Vijay Kumar Jain, Independent Director having expertise in finance, chaired the meeting of the Audit Committee till 8th October, 2012 as the Chairman of the Audit Committee and after that Mr. Jay Shanker Shukla, Independent Director having expertise in finance, appointed as Chairman of the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 26th September, 2012.

During the year 4 (four) meetings of the Audit Committee were held on 21st May, 2012, 14th August, 2012, 14th November, 2012, and 13th February, 2013.

The Annual Accounts for the year ended 31st March, 2013 were duly reviewed by the Audit Committee at its meeting held on 30th May, 2013 prior to adoption by the Board.

V. Remuneration Committee

The Committee comprises of 3 (three) Non-Executive Independent Directors. The Committee met once during the year , i.e. on 24th August, 2012. The present composition of the Committee and attendance of the members are given hereunder :

Name of the Member	Designation	Category	No. of Meeting attended
Mr. Jay Shanker Shukla #	Chairman	Independent/Non-Executive	N.A.
Mr. Vijay Kumar Jain #	Chairman	Independent /Non-Executive	1
Mr. Prem Narayan Khandelwal \$	Member	Independent/Non-Executive	1
Mr. Santosh Kumar Khandelwal \$	Member	Independent/Non-Executive	N.A.
Mr. Ashok Kumar Jain	Member	Independent /Non-Executive	1

w.e.f. 8th October, 2012, Mr. Jay Shanker Shukla has been appointed as a member and Mr. Vijay Kumar Jain ceases to be member of the Committee. Mr. Jay Shanker Shukla has been appointed as the Chairman of the Committee in place of Mr. Vijay Kumar Jain.

\$ w.e.f. 29th June, 2013, Mr. Santosh Kumar Khandelwal has been appointed as a member and Mr. Prem Narayan Khandelwal ceases to be member of the Committee.

Corporate Governance Report

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

- a) To determine on behalf of the Board and Shareholders, the Company's policy on specific remuneration packages for Executive Directors.
- b) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended by the Committee.

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

VI. Remuneration Policy

a) For Executive Directors:

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

b) For Non-Executive Directors :

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

Remuneration of Executive Directors:

The Company has paid remuneration only by way of salary to its Executive Director and the same is within the limit specified under Schedule XIII of the Companies Act, 1956 and duly approved by the Board and Shareholders of the Company. The remuneration paid to Executive Director during the year ended 31st March, 2013 is as follows :

Name of the Director	Salary (₹)	Period of Contract		Notice Period
		From	To	
Mr. Suresh Kumar Patni*	12,00,000/-	01.07.2008	30.06.2013	2 Months
Mr. Satish Kumar Singh**	3,62,903/-	24.08.2012	23.08.2015	2 Months

* The Board of Directors, on the recommendation of the remuneration committee in their meeting held on 29th June, 2013, has re-appointed Mr. Suresh Kumar Patni as Managing Director of the Company for a period of 5 years w.e.f. 1st July, 2013, subject to the approval of members in the ensuing Annual General Meeting.

** Appointed as an Executive Director w.e.f. 24th August, 2012.

Remuneration of Non-Executive Directors:

The remuneration of Non-Executive Directors consists only of sitting fees @ ₹ 1,500/- for attending each meeting of the Board of Directors or a Committee thereof. The details of fees paid during the year and the equity shares held by them as on 31st March, 2013 are as follows:

Name of the Director	Sitting Fees paid for Board and Committee Meetings (₹)	No. of Shares held as on 31.03.2013
Mr. Ankit Patni	18,000/-	1,75,600
Mr. Vijay Kumar Jain #	13,500/-	Nil
Mr. Jay Shanker Shukla*	12,000/-	Nil

Corporate Governance Report

Mr. Prem Narayan Khandelwal	15,000/-	Nil
Mr. Ashok Kumar Jain	24,000/-	Nil

resigned from the Directorship w.e.f. 8th October, 2012.

* appointed as an Additional Director w.e.f. 29th September, 2012.

VII. Investor Grievance cum Share Transfer Committee

The Investor Grievance cum Share Transfer Committee was constituted to specifically look into the redressal of investors' complaints like transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividends, etc.

The Investor Grievance cum Share Transfer Committee consists of three Directors, out of which two are Non-Executive Directors and one is an Executive Director. The Chairman of the Committee is an Independent Director.

The broad terms of reference includes the following:

- Redressal of shareholder and investors' complaints including but not limited to transfer of shares and issue of duplicate share certificates, non-receipt of balance sheet and non-receipt of declared dividends, etc.
- Monitoring transfers, transmissions, dematerialisation, rematerialisation, splitting and consolidation of shares issued by the Company.

During the year under review, the Committee has met once on 30th March, 2013.

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

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

w.e.f. 8th October, 2012, Mr. Jay Shanker Shukla has been appointed as a member and Mr. Vijay Kumar Jain ceases to be member of the Committee.

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

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

The details of the complaints during the year 2012-2013, excluding correspondences which are not in the nature of complaints are given below:

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

Corporate Governance Report

VIII. General Body Meetings

The last three Annual General Meetings were held as under:

Date	Financial Year	Venue	Time	Special Resolution Passed
September 30, 2010	2009-2010	Purbashree, Bharatiyam Cultural Multiplex, EZCC, IB-201, Sector-III, Saltlake, Kolkata-700 106	10.30 AM	None
September 16, 2011	2010-2011	'Rotary Sadan', 94/2, Chowringee Road, Kolkata-700 020	10.30 AM	None
September 26, 2012	2011-2012	'Rotary Sadan', 94/2, Chowringee Road, Kolkata-700 020	10.00 AM	None

No special resolution was passed in the last 3 (Three) AGM's. No resolution through Postal Ballot was passed in the last year. No special resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

IX. Disclosures

- a. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. The Directors periodically disclosed their interest in different Companies which are noted by the Board. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. The pricing of all the transactions with the related parties were on an arm's length basis. The related party transactions are given in the Notes No. 34 to the Annual Accounts of the Company. There was no other material pecuniary transaction with any Non-Executive Director of the Company that requires a separate disclosure.
- b. The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standard.
- c. The Company has complied with various rules and regulations prescribed by regulatory authorities on capital market and no penalties or strictures have been imposed by them on the Company in the last three years.
- d. The Board has received disclosures from the Key Managerial Personnel relating to material financial and commercial transaction in which they and/or their relatives have personal interest.
- e. The Company has laid down procedures to inform the Board members about the risk assessment and risk management mechanism which is periodically reviewed and reported to the Board by the Senior Executives.
- f. Though the Company does not presently have a Whistle Blower Policy, the Company promotes ethical behavior in its all business activities. All employees are free to approach the Audit Committee to raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest.
- g. The requisite certification from the Managing Director and Head (Finance & Accounts) of the Company heading the finance function for the financial year 2012-2013 required to be given under Clause 49(V) has been placed before the Board in the meeting held on 30th May, 2013.
- h. The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The non-mandatory requirements, to the extent followed by the Company have been stated in this report.
- i. The Company does not have any Subsidiary.
- j. Details of Directors seeking Appointment/Re-appointment at the ensuing Annual General Meeting as required under Clause 49 of the Listing Agreement is annexed to the Notice convening the Annual General Meeting.
- k. A Management Discussion and Analysis Report is given separately and forms a part of this Report.

Corporate Governance Report

X. Means of Communication

The Quarterly/Half yearly/Annual results are regularly submitted to the Stock Exchanges and published in newspapers in accordance with the Listing Agreement. The Company also posts on its website all its official news releases, important announcements and presentations made before the press meets, analysts and institutional investors from time to time for the benefit of its investors and public at large. The Company's website contains a separate dedicated section "Investor's Corner" where shareholders' information are available.

Newspapers wherein results are published	The Financial Express and Dainik Statement (vernacular language)
Display in Website	www.impexferrotech.com (under "Investor's Corner" Link)

XI. General Information for Member

Date , time and venue of the Annual General Meeting	Monday, 30th September, 2013 at 10.00 A.M. at 'Rotary Sadan', 94/2, Chowringhee Road, Kolkata-700 020		
Date of Book Closure	Wednesday, 25th September, 2013 to Monday, 30th September, 2013 (both days inclusive).		
Financial Calendar	Indicative calendar of events for the financial year 2013-2014 is as under:		
	Financial Year – 1st April to 31st March		
	Financial Reporting for the Quarters		
	First Quarter	Disclosed on 13th August, 2013	
	Second Quarter and Half Yearly	Within 45 days from the end of the quarter	
	Third Quarter and Nine Months	Within 45 days from the end of the quarter	
	Fourth Quarter and Annual (Audited)	Within 60 days from the end of the quarter/ financial year.	
Annual General Meeting	On or before 30th September, 2014		
Listing at Stock Exchanges and Stock Code	a) BSE Limited. (BSE) Stock Code - 532614 b) National Stock Exchange of India Limited (NSE) Stock Code - IMPEXFERRO		
International Securities Identification Number (ISIN)	INE691G01015		

The Company has paid the Annual Listing Fees for the year 2013-2014 to both the Stock Exchanges where the shares of the Company are listed as well as Custodial Fees to the depositories.

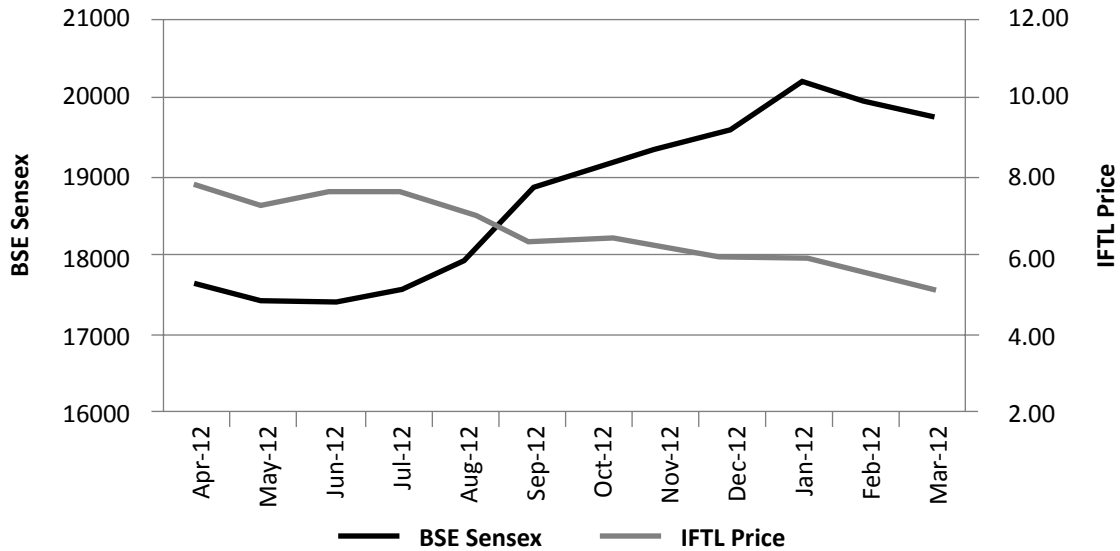
Market Price Data

The Stock Market data on BSE & NSE for the last 12 (twelve) months are provided herein:

Month	National Stock Exchange of India Limited		BSE Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April-12	7.75	6.45	7.75	6.40
May-12	7.25	5.45	7.25	5.40
June-12	7.35	5.95	7.64	5.85
July-12	7.55	6.20	7.59	6.18
Aug-12	6.85	5.40	7.04	5.72
Sep-12	6.20	5.30	6.30	5.11
Oct-12	6.20	5.60	6.45	5.59
Nov-12	5.90	5.00	6.25	5.00
Dec-12	5.85	4.95	5.90	4.95
Jan-13	6.00	4.80	6.00	5.06
Feb-13	5.45	4.40	5.54	4.65
Mar-13	5.40	3.00	5.17	3.12

Corporate Governance Report

Performance of the Company in comparison with BSE Sensex



Shareholding Pattern as on 31st March, 2013

Category	No. of Shares	% of holding
Promoters & Promoter Group	4,44,39,846	65.87
Bodies Corporate	1,41,75,170	21.01
Individuals	87,72,359	13.00
NRIs	82,450	0.12
Trusts	100	0.00
Clearing Members	1,679	0.00
Total:	6,74,71,604	100.00

Distribution of Shareholding as on 31st March, 2013

Range	No. of Shareholders	% of Shareholders	No. of Shares of the face value of ₹10/- each	% of Share held
1-500	5,173	70.0569	11,27,840	1.6716
501-1000	1,016	13.7595	8,80,803	1.3054
1001-2000	557	7.5433	8,89,467	1.3183
2001-3000	187	2.5325	4,94,319	0.7326
3001-4000	90	1.2189	3,26,244	0.4835
4001-5000	97	1.3137	4,67,354	0.6927
5001-10000	126	1.7064	9,46,170	1.4023
10001-above	138	1.8689	6,23,39,407	92.3936
Total	7,384	100.00	6,74,71,604	100.00

Share Transfer System

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

Corporate Governance Report

Dematerialization of Shares and Liquidity

As on 31st March, 2013, 98.88% of the total shares of the Company have been dematerialized as under:

Category	No. of Shares	No. of Shareholders	% of total Shareholding
NSDL	6,18,42,654	4,920	91.6573
CDSL	48,72,849	2,394	7.2221
Physical	7,56,101	70	1.1206

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

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

Address for Correspondence

Registered Office

35, Chittaranjan Avenue, 4th Floor
Kolkata - 700 012
Phone : +91-33-2211 0225/0226, 4064 0021/0022
Fax : +91-33-4064 0020
Email : info@impexferrotech.com

Corporate Office

SKP House
132A, S.P. Mukherjee Road
Kolkata - 700 026
Phone : +91-33-4016 8000/8100
Fax : +91-33-4016 8189/8107
Email : info@impexferrotech.com

Compliance Officer

Ritesh Kumar Singh
Company Secretary & Compliance Officer
Impex Ferro Tech Limited
SKP House
132A, S. P. Mukherjee Road
Kolkata - 700 026
Phone : +91-33-4016 8000/8100
Fax : +91-33-4016 8189/8107
Email : cs@impexferrotech.com

Plant Location

Kadavita Dendua Road
P.O. Kalyaneshwari, P.S. Kulti
Dist. - Burdwan, West Bengal - 713 369
Phone : +91-341-2522248/49
Fax : +91-341-2522961

Registrar and Share Transfer Agent

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001
Ph : +91-33-2248 2248, 2243 5029/5809
Fax : +91-33-2248 4787
Email : mdpl@cal.vsnl.net.in

Corporate Governance Report

XII Status of non-mandatory requirements

1. The Board:

None of the Independent Directors of the Company has tenures exceeding a period of 9 (nine) years on the Board.

2. Remuneration Committee:

The Company has a Remuneration Committee comprising of 3 (Three) Independent/Non-Executive Directors. The detailed note on this Committee is provided in this report.

3. Audit Qualifications:

There are no qualifications in the financial statements of the Company for the year 2012-13.

4. Other Items:

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

For and on behalf of the Board

Kolkata, 30th August, 2013

Suresh Kumar Patni
Chairman cum Managing Director

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

To
The members of
Impex Ferro Tech Limited

We have examined the compliance of conditions of Corporate Governance by Impex Ferro Tech Limited, for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

For **A J & Associates**
Company Secretaries

Abhijeet Jain
Proprietor
C.P. No. 3426

Kolkata, 30th August, 2013

Independent Auditors' Report

To
The Members of
Impex Ferro Tech Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of Impex Ferro Tech Limited which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

Independent Auditors' Report

2. As required by Section 227(3) of the Act, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - e. On the basis of written representations received from the Directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **S. Jaykishan**
Chartered Accountants
FRN : 309005E

Vivek Newatia
Partner
Membership No. 062636

Kolkata, 30th May, 2013

Annexure to the Independent Auditors' Report

(Annexure referred to in our report of even date to the members of Impex Ferro Tech Limited on the Financial Statements for the year ended 31st March, 2013)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) We are informed that fixed assets of significant value have been physically verified by the management at reasonable intervals, in a phased programme and no material discrepancies were noticed in respect of the assets verified.
 - (c) The Company has not disposed off any substantial/major part of fixed assets during the year.
- ii) (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year.
 - (b) In our opinion, the procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) The Company has maintained proper records of inventories and no material discrepancies have been noticed on physical verification as compared to book records.
- iii) (a) The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) Since the Company has not granted any loans as aforesaid, sub-clauses (b), (c) & (d) of this clause are not applicable.
 - (e) The Company has taken interest-free Unsecured Loans from three Companies covered in the register maintained u/s. 301 of the Companies Act, 1956. The maximum amount involved during the year is ₹ 1,435 Lacs and the year-end balance of such loans aggregate to ₹ 1,280 Lacs.
 - (f) In our opinion, the terms and conditions of such loans taken by the Company are prima facie not prejudicial to the interest of the Company.
 - (g) In respect of the above loans there are no stipulations as to repayment thereof.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v) (a) To the best of our knowledge and belief and according to the information and explanation given to us, we are of the opinion that the particulars of the contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
 - (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of five lacs rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit during the year from the public within the meaning of the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Order made by the Central Government for maintenance of cost records u/s 209(1)(d) of Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- ix) (a) According to the books and records as produced to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Excise Duty, Custom Duty and any other statutory dues. According to the information and explanations given to us there are, no undisputed outstanding statutory dues as at the end of the year exceeding six months from the date they became payable.
 - (b) According to the records of the Company and the information and explanations given to us & upon our enquiries in this

Annexure to the Independent Auditors' Report

regard, disputed statutory dues unpaid as at the last day of the financial year, are as follows:

Nature of Dues	Year	₹ in Lacs	Forum where Dispute is Pending
Excise Duty	2005-06	12.36	Commissioner of Central Excise (Appeals)(III)
	2005-06 and 2006-07	8.26	CESTAT, Calcutta Bench
	2006-07	0.50	Commissioner of Central Excise (Appeals)(IV)
	2007-08	15.55	CESTAT, Calcutta Bench
Total		36.67	₹ 18.62 Lacs paid under Protest
VAT	2005-06	304.13	WBCT, Appellate and Revisional Board
	2006-07	479.91	WBCT, Appellate and Revisional Board
	2008-09	748.45	WBCT, Appellate and Revisional Board
	2009-10	1,487.27	Sr. Joint Commissioner of Commercial Taxes
Total		3,019.76	₹ 88.62 Lacs paid under Protest
Entry Tax	2012-13	146.99	Hon'ble High Court of Calcutta
Total		146.99	₹ Nil paid under Protest

- x) The Company neither has accumulated losses at the end of the financial year nor has it incurred cash losses in the financial year under report or in the immediately preceding financial year.
- xi) The Company has not defaulted in repayment of dues to any bank or financial institution, except for delay of upto sixty days in respect of repayment of term loan of ₹ 205.94 Lacs and payment of interest of ₹ 55.27 Lacs, paid subsequent to the Balance Sheet date.
- xii) As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) Clause (xiii) of the Order is not applicable to the Company, as the Company is not a chit fund Company or Nidhi / Mutual Benefit Fund / Society.
- xiv) Clause (xiv) of the Order is not applicable, as the Company has not dealt or traded in shares, securities, debentures or other investments during the year.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi) The Company has not obtained any term loans during the year.
- xvii) In our opinion and according to the information and explanations given to us, the funds raised on short-term basis have not been used for long-term investment.
- xviii) The Company has not made any fresh Preferential allotment of shares during the year to Companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- xix) No debentures have been issued by the Company and hence, the question of creating security or charge in respect thereof does not arise.
- xx) The Company has not made any allotment of shares during the year to Companies and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **S. Jaykishan**
Chartered Accountants
FRN : 309005E

Vivek Newatia
Partner
Membership No. 062636

Kolkata, 30th May, 2013

Balance Sheet as at 31st March, 2013

(₹ in Lacs)

S.N.	PARTICULARS	NOTE NO.	31.03.2013	31.03.2012
I	EQUITY AND LIABILITIES			
	(1) Shareholders' Funds			
	(a) Share Capital	2	6,747.16	6,747.16
	(b) Reserves and Surplus	3	9,006.13	8,609.90
			15,753.29	15,357.06
	(2) Non-Current Liabilities			
	(a) Long-Term Borrowings	4	11,634.05	12,767.15
	(b) Deferred Tax Liability (Net)	5	1,097.87	878.05
			12,731.92	13,645.20
	(3) Current Liabilities			
	(a) Short-Term Borrowings	6	8,518.94	6,412.93
	(b) Trade Payables	7	18,099.93	16,086.02
	(c) Other Current Liabilities	8	4,968.93	4,864.60
	(d) Short-Term Provisions	9	132.30	124.97
			31,720.10	27,488.52
	Total		60,205.31	56,490.78
II	ASSETS			
	(1) Non-Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	10	20,356.29	20,466.50
	(ii) Intangible Assets	10	15.85	12.23
	(iii) Capital Work-In-Progress	11	54.20	436.29
			20,426.34	20,915.02
	(b) Long-Term Loans and Advances	12	103.49	111.89
			20,529.83	21,026.91
	(2) Current Assets			
	(a) Inventories	13	15,750.53	16,806.93
	(b) Trade Receivables	14	14,647.52	12,938.55
	(c) Cash and Bank Balances	15	3,232.16	2,187.75
	(d) Short-Term Loans and Advances	16	5,056.06	2,167.22
	(e) Other Current Assets	17	989.21	1,363.42
			39,675.48	35,463.87
	Total		60,205.31	56,490.78
	Significant Accounting Policies	1		

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

CA Vivek Newatia

Partner

Membership No: 062636

Kolkata, 30th May, 2013

For and on behalf of the Board

S. K. Patni

Managing Director

Ankit Patni

Director

Ritesh Kumar Singh

Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2013

(₹ in Lacs)

S.N.	PARTICULARS	NOTE NO.	31.03.2013	31.03.2012
I	INCOME			
	Revenue from Operations (Gross)	18	64,686.88	53,184.26
	Less: Excise Duty		511.30	544.87
	Revenue from Operations (Net)		64,175.58	52,639.39
II	Other Income	19	244.45	556.51
III	Total Revenue (I + II)		64,420.03	53,195.90
IV	EXPENSES			
	Cost of Materials Consumed	20	22,508.81	33,491.28
	Purchases of Stock-In-Trade	21	27,644.49	9,613.94
	Changes in Inventories of Finished Goods and Work in Progress	22	(1,679.05)	(431.22)
	Employee Benefits Expense	23	267.25	216.47
	Finance Costs	24	3,577.60	2,429.48
	Depreciation and Amortisation Expense	10	1,142.35	454.43
	Other Expenses	25	10,340.88	6,817.84
	Total Expenses (IV)		63,802.33	52,592.22
	PROFIT BEFORE TAX (III-IV)		617.70	603.68
	Tax Expenses			
	Current Tax		132.30	124.97
	Less : MAT Credit entitlement		(123.59)	(49.17)
	Net Current Tax		8.71	75.80
	Earlier Years Tax		13.48	44.36
	Deferred Tax		199.28	124.97
	PROFIT FOR THE YEAR		396.23	358.55
	Earnings Per Equity Share (Nominal value of share - ₹ 10/-)			
	Basic & Diluted	35	0.59	0.69
	Significant Accounting Policies	1		

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

CA Vivek Newatia

Partner

Membership No: 062636

Kolkata, 30th May, 2013

For and on behalf of the Board

S. K. Patni

Managing Director

Ankit Patni

Director

Ritesh Kumar Singh

Company Secretary

Cash Flow Statement for the year ended 31st March, 2013

(₹ in Lacs)

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extra-Ordinary Items	617.70	603.68
Adjustments for :		
Depreciation	1,142.35	454.43
Finance costs	3,577.60	2,429.48
Interest Received	(213.86)	(165.46)
Interest Subsidy Received	-	(342.00)
Sundry Balances Written Back	(30.54)	(0.75)
Loss on Sale of Fixed Assets	0.89	-
	4,476.44	2,375.70
Operating Profit before Working Capital Changes	5,094.14	2,979.38
Adjustments for :		
(Increase)/Decrease in Inventories	1,056.41	(1,430.89)
(Increase)/Decrease in Trade Receivables	(1,708.97)	(268.08)
(Increase)/Decrease in Loans and Advances	(2,734.61)	(28.60)
(Increase)/Decrease in Other Assets	32.22	(746.57)
Increase/(Decrease) in Trade Payables	2,044.45	635.23
Increase/(Decrease) in Other Liabilities	427.09	367.67
	(883.41)	(1,471.24)
Cash generated from operations	4,210.73	1,508.14
Direct Tax Paid	(150.56)	(370.10)
Net Cash from Operating Activities	4,060.17	1,138.04
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including Capital Work-in-Progress and Advances)	(885.18)	(2,088.19)
Sale of Fixed Assets	0.91	-
Interest Income	213.86	165.46
Maturity Proceeds of Fixed Deposits	2,105.40	964.60
Purchase of Fixed Deposits with Banks	(3,157.14)	(1,079.30)
Net Cash used in Investing Activities	(1,722.15)	(2,037.43)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares	-	3,500.00
Increase/(Decrease) in Short Term Borrowings	2,106.00	48.38
Proceeds from Long Term Borrowings	162.00	1,098.26
Repayment of Long Term Borrowings	(1,329.32)	(1,355.85)
Share Issue Expenses	-	(9.40)
Finance Costs	(3,284.04)	(2,375.59)
Net Cash from Financing Activities	(2,345.36)	905.80
Net Increase/(Decrease) in Cash & Cash Equivalents	(7.34)	6.40
Cash & Cash Equivalents at the beginning of the year (Refer Note No.15 to the Accounts)	23.30	16.90
Cash & Cash Equivalents at the end of the year (Refer Note No.15 to the Accounts)	15.96	23.30

Cash Flow Statement *(Contd.)*

Notes:

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

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

CA Vivek Newatia

Partner

Membership No: 062636

Kolkata, 30th May, 2013

For and on behalf of the Board

S. K. Patni

Managing Director

Ankit Patni

Director

Ritesh Kumar Singh

Company Secretary

Notes to and forming part of the Financial Statements as at 31st March, 2013

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of Financial Statements

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

1.2 Revenue Recognition

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

1.3 Fixed Assets

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

1.4 Inventories

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

Notes to and forming part of the Financial Statements as at 31st March, 2013

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

1.5 Foreign Currency Transactions

(a) **Initial Recognition :**

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

(b) **Conversion :**

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

(c) **Exchange Differences :**

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

(d) **Forward Exchange Contracts :**

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

1.6 Government Grants

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

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

1.7 Employee Benefits

(a) **Defined Contribution Plan:**

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

(b) **Defined Benefit Plan:**

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

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

1.8 Borrowing Costs

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

Notes to and forming part of the Financial Statements as at 31st March, 2013

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

1.9 Expenditure on New Projects & Substantial Expansion

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

1.10 Taxes on Income

Tax expense comprises of current tax and deferred tax.

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

Deferred Tax Liabilities and Assets are recognised at substantively enacted rates on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is recognised only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

1.11 Earnings Per Share (EPS)

(a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

1.12 Prior Period Items

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

1.13 Provisions / Contingencies

(a) Provision involving substantial degree of estimation in measurement is recognised when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

(b) Contingent Liabilities are shown by way of notes to the accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

(c) A Contingent Asset is not recognised in the accounts.

1.14 Preliminary & Share Issue Expenses

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

Notes to and forming part of the Financial Statements as at 31st March, 2013

(₹ in Lacs)

	31.03.2013	31.03.2012
NOTE 2 SHARE CAPITAL		
Authorised:		
6,80,00,000 (P.Y. 6,80,00,000) Equity Shares of ₹ 10/- each	6,800.00	6,800.00
Issued, Subscribed and Paid-up:		
6,74,71,604 (P.Y. 6,74,71,604) Equity Shares of ₹ 10/- each fully paid up.	6,747.16	6,747.16

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

Equity Shares	31.03.2013		31.03.2012	
	Nos.	Amt (₹ in Lacs)	Nos.	Amt (₹ in Lacs)
At the Beginning of the Period	6,74,71,604	6,747.16	4,99,71,604	4,997.16
Issued During the Period	-	-	1,75,00,000	1,750.00
At the End of the Period	6,74,71,604	6,747.16	6,74,71,604	6,747.16

(b) Terms/Rights attached to Equity Shares

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

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

Name of Shareholder	31.03.2013		31.03.2012	
	No. of Shares	% holding	No. of Shares	% holding
Suanvi Trading & Investment Co. Pvt. Ltd.	1,14,83,046	17.02	1,14,83,046	17.02
Vasupujya Enterprises Pvt. Ltd.	1,06,00,000	15.71	1,06,00,000	15.71
Poddar Mech Tech Services Pvt. Ltd	1,06,33,750	15.76	1,06,33,750	15.76
Invesco Finance Pvt. Ltd.	1,08,71,250	16.11	1,08,71,250	16.11

(₹ in Lacs)

	31.03.2013	31.03.2012
NOTE 3 RESERVES AND SURPLUS		
Capital Reserve- As per last account		
- State Capital Subsidy	278.62	278.62
- Forfeiture of Share Warrants	133.80	133.80
	412.42	412.42
Securities Premium Account		
At the beginning of the accounting period	3,210.14	1,498.30
Additions during the year	-	1,750.00
	3,210.14	3,248.30
Share Issue / Preliminary Expenses written off	-	(38.16)
At the end of the accounting period	3,210.14	3,210.14
Surplus (Balance in the Statement of Profit & Loss)		
Balance as per last Financial Statement	4,987.34	4,628.79
Profit for the year	396.23	358.55
Closing Balance	5,383.56	4,987.34
Total	9,006.13	8,609.90

Notes to and forming part of the Financial Statements as at 31st March, 2013

(₹ in Lacs)

	Non-current portion		Current Maturities	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
NOTE 4 LONG-TERM BORROWINGS				
Term Loans				
Rupee Loans from Banks (Secured)	2,398.43	3,693.32	1,573.55	1,605.10
Other Loans and Advances				
From Bodies Corporate (Unsecured)	9,235.62	9,073.62	-	-
Loans against Vehicles (Secured)	-	0.21	0.21	2.89
	11,634.05	12,767.15	1,573.77	1,607.99
The above amount includes				
Secured Borrowings	2,398.43	3,693.53	1,573.77	1,607.99
Unsecured Borrowings	9,235.62	9,073.62	-	-
Amount disclosed under the head - "Other Current Liabilities" (Refer Note 8)	-	-	(1,573.77)	(1,607.99)
	11,634.05	12,767.15	-	-

(A) Details of Security

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

(B) Terms of Repayment

a) Term Loans

Name of the Lender	Loan Outstanding as on 31st March, 2013 (₹ in Lacs)	Period of Maturity with respect to Balance Sheet date	No. of Installments outstanding as on 31st March, 2013	Installments Amount (₹ in Lacs)
State Bank of India - I	2,251.24 (P.Y. - 2,787.24)	4 yrs (P.Y. - 5 yrs)	17 (P.Y. - 21)	134.00 (Quarterly)
State Bank of India - II	Nil (P.Y. - 29.43)	N.A. (P.Y. - 6 m)	N.A. (P.Y. - 3)	13.50 (Quarterly)
Punjab National Bank - I	990.45 (P.Y. - 1,353.61)	2 yrs 4 m (P.Y. - 3 yrs 4 m)	30 (P.Y. - 41)	33.02 (Monthly)
Punjab National Bank - II	55.48 (P.Y. - 87.55)	1 yr 5 m (P.Y. - 2 yrs 5 m)	19 (P.Y. - 30)	2.92 (Monthly)
Bank of Baroda - I	624.05 (P.Y. - 964.44)	1yr 9 m (P.Y. - 2yrs 9 m)	22 (P.Y. - 34)	28.37 (Monthly)
Bank of Baroda - II	50.76 (P.Y. - 76.15)	1yr 9 m (P.Y. - 2 yrs 9 m)	8 (P.Y. - 12)	6.35 (Quarterly)

* Term Loans carry an average interest rate of 16.81% (P.Y. - 17%).

Notes to and forming part of the Financial Statements as at 31st March, 2013

NOTE 4 LONG-TERM BORROWINGS (Contd.)

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

	Due on	Amount (₹ in Lacs)
Principal	28.02.2013	35.94
	31.03.2013	170.00
Interest	31.01.2013	0.88
	28.02.2013	10.80
	31.03.2013	43.59

- b) Unsecured Loan from Bodies Corporate amounting to ₹ 6,722.86 Lacs (P.Y. - ₹ 5,958.81 Lacs) are interest free. Balance carry an average interest rate of 13.11% (P.Y. - 12%). The loans are repayable at the option of the Company and are stated by the management to be in the nature of Long term borrowings.
- c) Loans against Vehicles are repayable by way of Equated Monthly Instalments subsequent to taking of such loan. The original period of such loans is 3 years .

NOTE 5 DEFERRED TAX LIABILITY (NET)

	31.03.2013	31.03.2012
Deferred Tax Liability		
Difference in WDV as per Companies Act and Income Tax Act	1,137.91	878.05
Deferred Tax Asset		
Related to Unabsorbed Depreciation	(40.04)	-
Deferred Tax Liability (Net)	1,097.87	878.05

Deferred Tax Asset on account of unabsorbed depreciation has been recognised as there exists virtual certainty of realisation on reversal of deferred tax liability in future years on account of depreciation.

NOTE 6 SHORT-TERM BORROWINGS

	31.03.2013	31.03.2012
Working Capital Loans from Banks (Secured)		
Rupee Loans	8,518.94	6,248.77
Other Loans and Advances (Unsecured)		
From WBIDC (against interest subsidy receivable)	-	164.16
	8,518.94	6,412.93

Details of Security :

- (A) Working capital loans are secured by hypothecation of entire current assets including Stocks of Raw Materials, Stock-in-Process, Finished Goods, Stores and Spares, Receivables, both present & future ranking pari-passu jointly in favour of State Bank of India, Punjab National Bank, Bank of Baroda, United Bank of India and State Bank of Travancore and also secured by second charge on all the block assets and personally guaranteed by the Promoter/Directors.
- (B) Bridge Loan from WBIDC was sanctioned against interest subsidy receivable by the Company under West Bengal Incentive Scheme, 2000. As per the stipulated repayment terms, the said Bridge Loan was overdue for repayment since September, 2011. The repayment of the said bridge loan was made with the receipt of admitted subsidy amount in the current year.

Notes to and forming part of the Financial Statements as at 31st March, 2013

NOTE 7 TRADE PAYABLES

(₹ in Lacs)

	31.03.2013	31.03.2012
Trade Payables (including acceptances)	18,099.93	16,086.02
	18,099.93	16,086.02

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

b) Trade Payables include ₹ Nil (P.Y. – ₹ 2,019.13 Lacs) against pledge of stock of raw materials.

NOTE 8 OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debts (Refer Note No. 4)	1,573.77	1,607.99
Interest accrued and due on Borrowings	68.45	113.04
Interest accrued and not due	-	3.85
Advance from Customers	914.47	775.00
Other Payables		
For Statutory Dues	48.23	33.46
For Capital Goods	229.65	469.75
For Accrued Expenses	2,134.36	1,861.51
	4,968.93	4,864.60

NOTE 9 SHORT-TERM PROVISIONS

For Taxation	132.30	124.97
	132.30	124.97

Notes to and forming part of the Financial Statements as at 31st March, 2013

NOTE 10 FIXED ASSETS

(₹ in Lacs)

Particulars	Tangible Assets								Intangible Assets
	Freehold Land	Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Others	Total	ERP Software
Gross Block									
As at 1st April, 2011	135.19	1,331.72	4,918.51	26.75	31.31	15.64	10.69	6,469.81	32.50
Additions	38.72	2,025.35	11,455.20	3.22	-	6.16	3.80	13,532.45	1.73
Disposals	-	-	-	-	-	(12.44)	-	(12.44)	(15.00)
Other Adjustments									
- Borrowing Costs	9.45	492.85	2,611.97	-	-	-	-	3,114.28	-
As at 31st March, 2012	183.36	3,849.92	18,985.68	29.97	31.31	9.36	14.49	23,104.09	19.23
Additions	-	31.11	990.17	6.59	-	1.80	0.24	1,029.90	7.67
Disposals	-	-	-	-	3.69	-	-	3.69	-
As at 31st March, 2013	183.36	3,881.03	19,975.85	36.56	27.62	11.16	14.73	24,130.29	26.90
Depreciation & Amortisation									
As at 1st April, 2011	-	384.38	1,772.89	11.94	12.94	13.05	3.90	2,199.10	18.50
Charge for the year	-	65.20	379.58	1.78	2.97	0.76	0.64	450.93	3.50
Deductions / Adjustments	-	-	-	-	-	(12.44)	-	(12.44)	(15.00)
As at 31st March, 2012	-	449.58	2,152.47	13.72	15.91	1.37	4.54	2,637.59	7.00
Charge for the year	-	128.30	1,002.59	2.07	2.97	1.66	0.69	1,138.30	4.05
Deductions / Adjustments	-	-	-	-	(1.88)	-	-	(1.88)	-
As at 31st March, 2013	-	577.88	3,155.07	15.78	17.00	3.03	5.23	3,774.00	11.05
Net Block									
As at 31st March, 2012	183.36	3,400.34	16,833.21	16.25	15.40	7.99	9.95	20,466.50	12.23
As at 31st March, 2013	183.36	3,303.15	16,820.78	20.78	10.61	8.13	9.49	20,356.29	15.85

Notes to and forming part of the Financial Statements as at 31st March, 2013

(₹ in Lacs)

	31.03.2013	31.03.2012
NOTE 11 CAPITAL WORK-IN-PROGRESS		
At the beginning of the year	436.29	13,489.20
Add : Incurred during the year	179.91	3,568.57
Less : Capitalised during the year	562.00	16,621.48
At the end of the year	54.20	436.29

Capital work-in-progress includes Pre Operative Expenses relating to project under implementation, pending allocation to Fixed Assets.

Opening Balance	8.25	2,349.57
Add : Expenditure incurred during the period		
Cost of Materials Consumed	7.41	99.10
Stores & Spares	0.33	106.36
Vehicle Hire Charges	-	11.03
Generator Hire Charges	1.54	-
Legal, Professional & Consultancy Charges	-	8.25
Pollution Fee & Other Charges	-	9.07
Finance Costs - Interest Expense	-	913.74
Total	9.28	1,147.55
Amount allocated to Fixed Assets	-	(3,488.87)
Closing Balance	17.53	8.25

NOTE 12 LONG TERM LOANS AND ADVANCES

(Unsecured, Considered good)		
Capital Advances (Refer Note No. 26 (B))	82.49	92.90
Security Deposits	20.99	18.99
	103.49	111.89

NOTE 13 INVENTORIES

(As taken, valued and certified by the management)		
Raw Materials [includes in transit ₹ 415.23 Lacs (₹ 151.89 Lacs)]*	12,005.62	14,770.36
Work-in-Progress	2,929.72	1,692.90
Finished Goods	746.26	304.03
Stores & Spares	55.76	31.00
Packing Material	13.17	8.64
	15,750.53	16,806.93

* Includes ₹ Nil (P.Y. – ₹ 2,019.13 Lacs) pledged with PEC Ltd.

NOTE 14 TRADE RECEIVABLES

(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months from the date they are due for payment	752.85	492.18
Other Debts	13,894.67	12,446.37
	14,647.52	12,938.55

Notes to and forming part of the Financial Statements as at 31st March, 2013

(₹ in Lacs)

	31.03.2013	31.03.2012
NOTE 15 CASH & BANK BALANCES		
i) Cash & Cash Equivalents		
(A) Cash in Hand (as Certified)	9.97	7.55
(B) Balance with Banks		
In Current Accounts	5.99	15.75
	15.96	23.30
ii) Other Bank Balances		
- Term Deposits with Banks	3,216.20	2,164.45
(includes ₹ 1,901.27 Lacs (P.Y. ₹ 1,757.35 Lacs) having maturity greater than 12 months)		
	3,216.20	2,164.45
Total	3,232.16	2,187.75

- a) Balances in respect of certain inoperative bank accounts amounting to ₹ 2.31 Lacs (P.Y. ₹ 2.10 Lacs) are subject to confirmation.
- b) Term Deposits with Banks include:
- Interest accrued but not due amounting to ₹ 355.54 Lacs (P.Y. ₹ 144.33 Lacs)
 - Overdue deposits amounting to ₹ Nil (P.Y. ₹ 47.18 Lacs)
- c) Term Deposits amounting to ₹ 3,216.20 Lacs (P.Y. ₹ 2,117.27 Lacs) have been pledged as margin money against letter of credit facilities.

NOTE 16 SHORT TERM LOANS & ADVANCES

(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
To related parties	161.86	64.78
To others	2,717.26	445.38
Balance with Central Excise & CENVAT Receivable	1,901.39	1,400.40
VAT Credit Receivable / Refundable	28.65	165.99
Income Tax Payments	53.61	41.50
MAT Credit Entitlement	193.30	49.17
	5,056.06	2,167.22

- a) VAT Credit Receivable / Refundable includes ₹ 8.24 Lacs (P.Y. – ₹ 8.24 Lacs) paid to Bureau of Investigation in course of enquiries relating to Sales Tax matters.
- b) Income Tax Payments include ₹ 21.42 Lacs (P.Y. – ₹ 21.42 Lacs) seized pursuant to search and seizure operation conducted by the Income Tax authorities on 5th January, 2004.
- c) The Company has made current tax provision for Minimum Alternate Tax (MAT) u/s 115JB of the Income Tax Act, 1961. As per the provisions of Section 115JAA, MAT Credit receivable for the amount in excess over tax liability as per normal computation has been recognised as an asset. The said asset is created by way of a credit to the Statement of Profit & Loss and shown as MAT Credit Entitlement.

NOTE 17 OTHER CURRENT ASSETS

(Unsecured, considered Good)		
Insurance Claim Receivable	298.19	420.32
Incentives Receivable	691.02	943.10
	989.21	1,363.42

Notes to and forming part of the Financial Statements as at 31st March, 2013

(₹ in Lacs)

	31.03.2013	31.03.2012
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NOTE 18 REVENUE FROM OPERATIONS (GROSS)

Sale of Products		
Sale of Manufactured Goods - Ferro Alloys	26,343.45	19,560.10
Sale of Raw Materials		
Manganese Ore	4,855.51	21,050.38
Coal & Coke	75.00	2,040.79
Others	976.12	38.66
Sale of Traded Goods		
Iron and Steel Products	31,018.81	9,804.99
Other Operating Revenues		
Export Incentives	1,389.36	689.34
Commision Income	28.64	-
	64,686.88	53,184.26

NOTE 19 OTHER INCOME

Interest Income		
- On Fixed Deposits	212.47	160.47
- Others	1.39	4.99
Interest Subsidy	-	342.00
Foreign Exchange Fluctuation Gain	-	48.17
Liabilities Written Back	30.54	0.75
Miscellaneous Income	0.05	0.13
	244.45	556.51

NOTE 20 COST OF MATERIALS CONSUMED

(Including cost of raw material sold)		
Raw materials at the beginning of the year	14,303.51	13,788.37
Add : Purchases	19,593.35	34,006.43
	33,896.86	47,794.80
Less : Raw materials at the end of the year	11,388.04	14,303.51
	22,508.81	33,491.28
Details of Raw Materials Consumed		
Manganese Ore	16,700.07	28,141.30
Coal and Coke	4,570.61	4,816.29
Dolomite	84.18	60.44
Others	1,153.96	473.25
	22,508.81	33,491.28

NOTE 21 PURCHASES OF STOCK-IN-TRADE

Iron and Steel Products	27,644.49	9,613.94
	27,644.49	9,613.94

Notes to and forming part of the Financial Statements as at 31st March, 2013

(₹ in Lacs)

	31.03.2013	31.03.2012
NOTE 22 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS		
Ferro Alloys		
Opening Stock		
Finished Goods	304.03	568.13
Work-in-Progress	1,692.90	997.58
	1,996.93	1,565.71
Less: Closing Stock		
Finished Goods	746.26	304.03
Work-in-Progress	2,929.72	1,692.90
	3,675.98	1,996.93
	(1,679.05)	(431.22)
NOTE 23 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages & Bonus	248.86	198.19
Contribution to Provident & Other Funds	16.42	16.12
Staff Welfare Expenses	1.97	2.16
	267.25	216.47
NOTE 24 FINANCE COSTS		
Interest Expense	2,718.20	1,907.41
Other Borrowing Costs	859.40	522.07
	3,577.60	2,429.48
NOTE 25 OTHER EXPENSES		
Consumption of Stores and Spare Parts	88.71	59.01
Packing Materials	87.73	78.39
Power [Refer Note (a) below & Note 26 A (d)]	8,000.62	5,292.72
Rent	9.57	5.24
Rates & Taxes [Refer Note (b) below]	5.08	84.45
Repairs & Maintenance		
- Building	71.41	28.90
- Plant and Machinery	152.27	119.93
- Others	5.65	5.03
Insurance	47.73	18.29
Material Handling Expenses	90.21	78.14
Vehicle Hire & Maintenance Charges	258.12	116.43
Directors' Sitting Fees	0.83	1.28
Auditors' Remuneration [Refer Note (c) below]	5.33	2.74
Travelling & Conveyance	97.35	76.02
Commission	6.31	7.78
Legal & Professional Charges	47.39	23.44
Security Charges	96.39	76.07
Miscellaneous Expenses	41.67	39.25
Rebates and Discounts	2.24	15.82
Freight & Forwarding	1,161.49	653.88
Testing Charges	38.92	23.17
Foreign Exchange Fluctuation Loss	7.29	-
Loss on sale of DEPB	16.66	9.61
Penalty	1.93	2.23
	10,340.88	6,817.84

Notes to and forming part of the Financial Statements as at 31st March, 2013

NOTE 25 OTHER EXPENSES (Contd.)

(₹ in Lacs)

	31.03.2013	31.03.2012
a) Power includes following expenses incurred on the operation of captive power plant :-		
Cost of Materials Consumed - Coal, Coke and Dolochar		
Inventory at the beginning of the year	463.54	-
Add: Purchases during the year	2,579.39	604.33
Less: Inventory at the end of the year	617.58	463.54
	2,425.35	140.79
Consumption of Stores and Spares	20.03	10.97
Repairs & Maintenance		
- Building	25.24	-
- Plant and Machinery	87.09	-
- Others	170.58	40.50
Material Handling Expenses	6.80	-
Vehicle Hire & Maintenance Charges	48.52	-
Legal & Professional Charges	0.35	-
Security Charges	6.99	-
Miscellaneous Expenses	0.99	-
	2,791.95	192.26
b) Rates and Taxes includes ₹ Nil (P.Y. ₹ 80.12 Lacs) on account of Excise Duty and Sales Tax on adjudication/ assessment for earlier years.		
c) Auditor's Remuneration		
i) As auditor [includes tax audit fees of ₹ 0.40 Lacs (P.Y. ₹ 0.40 Lacs)]	4.00	2.20
ii) For other services	1.33	0.54
	5.33	2.74

NOTE 26 CONTINGENT LIABILITIES & COMMITMENTS

- A) Contingent Liabilities not provided for in the books of accounts in respect of: –
- Bills discounted with Banks outstanding as on 31st March, 2013 - ₹ 4,725.11 Lacs (P.Y. ₹ 2,374.03 Lacs).
 - Excise Demand of ₹ 36.67 Lacs (P.Y. ₹ 28.87 Lacs) for the Financial Year 2005-06, 2006-07 & 2007-08 disputed in appeal. The Company has paid a sum of ₹ 18.62 Lacs (P.Y. ₹ 5 Lacs) under protest.
 - Sales Tax Demand disputed in appeal for the year 2005-06, 2006-07, 2008-09 & 2009-10 aggregates to ₹ 3,019.76 Lacs (P.Y. ₹ 2,400.29 Lacs). The Company has paid a sum of ₹ 88.62 Lacs (P.Y. ₹ 88.62 Lacs) under protest.
 - Several Parties including the Company have disputed the basis of levy of Fuel Surcharge in the electricity bills of Damodar Valley Corporation (DVC). Pending finalisation of the outcome of the matter, an amount of ₹ 2,430.32 Lacs (P.Y. ₹ 2,681.56 Lacs) (after considering waiver of electricity duty admitted by DVC) has not been provided for by the Company.
 - Claims not acknowledged as debts for commitment charges debited by the Bank – ₹ Nil (P.Y. ₹ 135.27 Lacs).
 - The Company has challenged the constitutional validity of Entry Tax levied by the Government of West Bengal w.e.f. 1st April, 2012. In view of the stay granted by the Hon'ble High Court of Calcutta, the Company has not provided for the same in the books of accounts amounting to ₹ 146.99 Lacs (P.Y. ₹ Nil).
- B) Estimated amount of contracts remaining to be executed on Capital Account and not provided for – ₹ 44.27 Lacs (P.Y. ₹ 150.58 Lacs). Advances paid there against – ₹ 82.49 Lacs (P.Y. ₹ 92.90 Lacs).

NOTE 27 FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings:		
F.O.B. Value of Exports	20,432.67	10,472.02
CIF Value of Imports:		
Raw Materials	9,643.26	6,344.93
Expenditure in Foreign Currency:		
Sales Commission	2.38	2.74
Interest on Buyer's Credit	-	3.85

Notes to and forming part of the Financial Statements as at 31st March, 2013

NOTE 28 BREAK UP INTO IMPORTED & INDIGENEOUS

	31.03.2013		31.03.2012	
	%	(₹ in Lacs)	%	(₹ in Lacs)
a) Cost of Materials Consumed :				
Indigenous	36.11%	10,792.22	72.78%	24,477.90
Imported	63.89%	14,141.94	27.22%	9,154.18
	100.00%	24,934.16	100.00%	33,632.08
b) Stores, Spares & Consumables :				
Indigenous	100%	108.74	100%	69.98
Imported	-	-	-	-
	100.00%	108.74	100.00%	69.98

NOTE 29 AMOUNTS RECEIVABLE / PAYABLE IN FOREIGN CURRENCY

Forward contracts/ hedging instruments outstanding as at the Balance Sheet date are Nil.

Particulars of unhedged foreign currency exposures as at 31st March, 2013 are as follows :

Particulars	Currency	31.03.2013	31.03.2012
Amount payable in foreign currency	USD Lacs	-	84.78
Amount receivable in foreign currency	USD Lacs	12.59	6.25

NOTE 30

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

NOTE 31

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

NOTE 32 EMPLOYEE BENEFITS

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

Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

Particulars	(₹ in Lacs)	
	31.03.2013	31.03.2012
Employer's Contribution to Provident and Other Funds	15.85	13.65

Defined Benefit Plan:

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as on 31st March, 2013, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Notes to and forming part of the Financial Statements as at 31st March, 2013

NOTE 32 EMPLOYEE BENEFITS (Contd.)

(₹ in Lacs)

Particulars	Gratuity (Funded)				
	31.03.2013	31.03.2012			
(i) Reconciliation of Opening and Closing Balances of the present value of Defined Benefit Obligation:					
Defined Benefit obligation at beginning of the year	20.50	17.51			
Current Service Cost	4.64	4.55			
Interest Cost	1.62	1.35			
Actuarial (Gain)/Loss	(3.37)	(1.67)			
Benefits paid	(0.61)	(1.24)			
Defined Benefit obligation at the year end	22.78	20.50			
(ii) Reconciliation of Opening and Closing Balances of fair value of Plan Assets:					
Fair value of plan assets at beginning of the year	25.09	21.01			
Expected return on plan assets	2.13	1.49			
Actuarial Gain/(Loss)	0.18	0.27			
Employers' contribution	5.54	3.56			
Benefits paid	(0.61)	(1.24)			
Fair value of plan assets at the year end	32.34	25.09			
Actual return on plan assets	2.31	1.76			
(iii) Reconciliation of fair value of assets and obligation:					
Fair value of plan assets	32.34	25.09			
Present value of obligation	22.78	20.50			
Amount recognised as (liability)/asset in Balance Sheet	9.56	4.59			
(iv) Expenses recognised during the year in the Statement of Profit & Loss:					
Current Service Cost	4.64	4.55			
Interest Cost	1.62	1.35			
Expected return on plan assets	(2.13)	(1.49)			
Actuarial (Gain)/Loss	(3.55)	(1.94)			
Net Cost (recognised in "Contribution to Provident & Other Funds" under Note 23)	0.57	2.47			
(v) Break-up of Plan Assets as a percentage of total plan assets:					
Insurer Managed Funds	100%	100%			
(vi) Actuarial Assumptions:					
Mortality Table (IAL)	LICI 1994-96	LICI 1994-96			
Discount rate (per annum)	8%	8%			
Expected return on plan assets (per annum)	8.50%	8%			
Rate of escalation in salary (per annum)	10%F5Y & 6%TA	10%F5Y & 6%TA			
(vii) Other Disclosures	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Defined Benefit Obligation	22.78	20.50	17.51	17.93	15.95
Plan Assets	32.34	25.09	21.01	26.31	24.58
Surplus/(Deficit)	9.56	4.59	3.50	8.39	8.64
Experience Adjustment on Plan Liabilities	(3.37)	(1.67)	(3.50)	1.23	(0.89)

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

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

Notes to and forming part of the Financial Statements as at 31st March, 2013

NOTE 32 EMPLOYEE BENEFITS (Contd.)

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

The Company expects to contribute ₹ 5.00 Lacs (P.Y. ₹ 4.55 Lacs) to the Gratuity Fund managed by the SBI Life Insurance Company Limited during the financial year 2013-14.

The above information is certified by an Actuary.

NOTE 33 SEGMENT REPORTING

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

Particulars	(₹ in Lacs)	
	31.03.2013	31.03.2012
Segment Revenue		
Ferro Alloys	33,156.77	42,834.39
Iron and Steel	31,018.81	9,804.99
Power	2,483.63	252.24
	66,659.22	52,891.62
Less: Inter Segment Revenue	(2,483.63)	(252.24)
Total	64,175.59	52,639.38

Particulars	(₹ in Lacs)	
	31.03.2013	31.03.2012
Segment Results (Profit before Finance Cost & Tax)		
Ferro Alloys	1,949.44	2,939.26
Iron and Steel	3,374.32	191.04
Power	(1,128.45)	(97.15)
Total	4,195.31	3,033.15
Finance Costs	3,577.60	2,429.47
Profit before tax	617.70	603.68
Less: Tax Expenses	221.48	245.13
Profit after tax	396.23	358.55

Other Information

	Assets	Liabilities	Capital Expenditure	Depreciation	Non-cash Expenses (other than Depreciation)
For the Financial Year 2012-13					
Ferro Alloys	29,357.81	9,100.75	476.26	322.21	-
Iron and Steel	14,023.77	11,406.56	-	-	-
Power	16,576.83	979.08	179.22	820.14	-
Unallocated	246.91	1,238.88	-	-	-
Total	60,205.32	22,725.27	655.48	1,142.35	-
For the Financial Year 2011-12					
Ferro Alloys	33,958.99	16,762.16	463.26	297.30	-
Iron and Steel	5,883.90	1,993.84	-	-	-
Power	16,557.24	469.75	3,132.28	157.14	-
Unallocated	90.67	1,119.91	-	-	-
Total	56,490.80	20,345.66	3,595.54	454.44	-

Notes to and forming part of the Financial Statements as at 31st March, 2013

NOTE 33 SEGMENT REPORTING (Contd.)

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

(₹ in Lacs)

			Segment Revenue(Based on Location of Customers)	Segment Assets(Based on Location of Assets)	Capital Expenditure
Within India	Year ended	31.03.2013	42,479.99	59,489.07	655.48
	Year ended	31.03.2012	38,855.99	56,171.09	3,595.54
Outside India	Year ended	31.03.2013	21,695.60	716.25	-
	Year ended	31.03.2012	13,783.39	319.71	-
Total	Year ended	31.03.2013	64,175.59	60,205.32	655.48
	Year ended	31.03.2012	52,639.38	56,490.80	3,595.54

NOTE 34 RELATED PARTY DISCLOSURE

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

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

(a) Key Managerial Personnel (KMP) Mr. Suresh Kumar Patni, Managing Director
Mr. Satish Kumar Singh, Executive Director (w.e.f. 24.08.2012)

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

Ankit Metal & Power Limited
Arthodock Vinimay Private Limited
Dhodwala Enterprises Limited
Gold Mohar Steel Limited
Hira Concast Limited
Impex Cements Limited
Impex Industries Limited
Impex Metal & Ferro Alloys Limited
Impex Steel Limited
Invesco Finance Private Limited
Maa Sherawali Ispat Private Limited
Mahabali Ispat Private Limited
Patni Metal & Ferro Alloys Limited
Poddar Mech Tech Services Private Limited
Rohit Ferro-Tech Limited
Suanvi Trading & Investment Co. Private Limited
Shreyansh Leafin Private Limited
SKP Overseas Pte Ltd.
Vasupujya Enterprises Private Limited
VSN Agro Products Limited
Whitestone Suppliers Private Limited

Notes to and forming part of the Financial Statements as at 31st March, 2013

NOTE 34 RELATED PARTY DISCLOSURE (Contd.)

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

	(₹ in Lacs)	
Particulars	31.03.2013	31.03.2012
Managerial Remuneration		
Suresh Kumar Patni	12.00	12.00
Satish Kumar Singh	3.63	-
Purchase of Goods		
Ankit Metal & Power Limited	1,292.64	1,055.22
Impex Metal & Ferro Alloys Limited	4,034.96	2,462.31
Mahabali Ispat Private Limited	3.91	1.55
Rohit Ferro-Tech Limited	6,015.11	1,892.21
Purchases of Capital Goods		
Ankit Metal & Power Limited	12.97	6.03
Sales of Finished Goods		
Ankit Metal & Power Limited	1,284.73	408.91
Hira Concast Limited	281.17	301.90
Impex Metal & Ferro Alloys Limited	849.38	6,658.76
Impex Steel Limited	444.49	180.96
Maa Sherawali Ispat Private Limited	215.49	-
Rohit Ferro-Tech Limited	3,754.11	3,099.98
Commission on Sales		
Rohit Ferro-Tech Limited	-	0.05
Impex Metal & Ferro Alloys Limited	-	1.14
Rent		
Impex Metal & Ferro Alloys Limited	-	0.50
Purchase of DEPB Licence		
Rohit Ferro-Tech Limited	-	23.15
Impex Metal & Ferro Alloys Limited	134.29	81.75
Sale of DEPB Licence		
Rohit Ferro-Tech Limited	39.58	-
Impex Metal & Ferro Alloys Limited	12.41	24.27
Loans Taken*		
Arthodock Vinimay Private Limited	-	35.00
Shreyansh Leafin Private Limited	790.00	-
Suanvi Trading & Investment Co. Private Limited	155.00	-
Vasupujya Enterprises Private Limited	-	305.00
Whitestone Suppliers Private Limited	490.00	165.00
(*Excludes subsequent transfers to Share Application Money)		
Loans Repaid		
Arthodock Vinimay Private Limited	-	35.00
Dhodwala Enterprises Limited	-	426.94
Gold Mohar Steel Limited	-	632.66
Impex Cements Limited	-	205.47
Patni Metal & Ferro Alloys Limited	-	328.49
Suanvi Trading & Investment Co. Private Limited	155.00	-
Vasupujya Enterprises Private Limited	-	1,981.17
VSN Agro Products Limited	-	189.05
Whitestone Suppliers Private Limited	-	665.00

Notes to and forming part of the Financial Statements as at 31st March, 2013

NOTE 34 RELATED PARTY DISCLOSURE (Contd.)		(₹ in Lacs)	
Particulars	31.03.2013	31.03.2012	
Share Application Money received and Shares allotted*			
Invesco Finance Private Limited	-	805.00	
Poddar Mech Tech Services Private Limited	-	1,000.00	
Suanvi Trading & Investment Co. Private Limited	-	540.00	
Vasupujya Enterprises Private Limited	-	455.00	
(* Includes conversion of Loans)			
Advances Given			
Mahabali Ispat Private Limited	-	1,343.91	
SKP Overseas Pte Ltd.	143.78	-	
Shreyansh Leafin Private Limited	-	10.00	
Vasupujya Enterprises Private Limited	100.00	-	
Advances Given, Refunded Back			
Mahabali Ispat Private Limited	875.37	450.45	
Shreyansh Leafin Private Limited	-	10.00	
Vasupujya Enterprises Private Limited	100.00	-	
Outstanding Balances as at 31.03.2013			
Trade Receivable			
Ankit Metal & Power Limited	-	100.65	
Hira Concast Limited	-	4.44	
Maa Sherawali Ispat Private Limited	37.73	-	
Rohit Ferro-Tech Limited	-	9.81	
SKP Overseas Pte Ltd.	15.09	-	
Trade Payable			
Ankit Metal & Power Limited	193.92	537.01	
Impex Metal & Ferro Alloys Limited	8.52	410.65	
Rohit Ferro-Tech Limited	39.34	0.05	
Loans Taken			
Shreyansh Leafin Private Limited	790.00	-	
Whitestone Suppliers Private Limited	490.00	-	
Advances Given			
Mahabali Ispat Private Limited	18.09	893.46	
Rohit Ferro-Tech Limited	-	42.17	
SKP Overseas Pte Ltd.	143.78	-	
Advances Taken			
Ankit Metal & Power Limited	-	12.77	
Impex Metal & Ferro Alloys Limited	-	502.79	

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

Notes to and forming part of the Financial Statements as at 31st March, 2013

NOTE 35 EARNINGS PER SHARE

Particulars	31.03.2013	31.03.2012
Weighted average number of Equity Shares outstanding during the year	6,74,71,604	5,18,84,172
Number of Shares Considered as weighted average shares and potential shares outstanding for calculation of Diluted Earnings Per Share	6,74,71,604	5,18,84,172
Profit after Tax attributable to Equity Shareholders (₹ in Lacs)	396.23	358.55
Nominal Value of Ordinary Shares (₹)	10	10
Earnings Per Share (Basic) (₹)	0.59	0.69
Earnings Per Share (Diluted) (₹)	0.59	0.69

NOTE 36

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

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

CA Vivek Newatia

Partner

Membership No: 062636

Kolkata, 30th May, 2013

For and on behalf of the Board

S. K. Patni

Managing Director

Ankit Patni

Director

Ritesh Kumar Singh

Company Secretary

IMPEX FERRO TECH LIMITED

Registered Office: 35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012
Corporate Office: SKP House, 132A, S. P. Mukherjee Road, Kolkata – 700 026

FORM OF PROXY

I/We of
..... being a Member(s) of the
above named Company, hereby appoint
.....of.....or failing him
.....of
.....as my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be
held at “Rotary Sadan”, 94/2, Chowringhee Road, Kolkata - 700 020 on Monday, the 30th September, 2013 at 10.00 A.M. and at
any adjournment thereof.

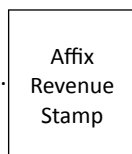
Signed this.....day of.....2013

Signature.....

Folio No.....

DP ID No.....

Client ID No.....



Note: This Form of Proxy must be deposited at the Corporate Office of the Company, SKP House, 132A, S.P.Mukherjee Road, Kolkata – 700 026, not less than 48 hours before the time of holding the meeting.

IMPEX FERRO TECH LIMITED

Registered Office: 35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012
Corporate Office: SKP House, 132A, S. P. Mukherjee Road, Kolkata – 700 026

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I/We hereby record my/our presence at the 18th Annual General Meeting of the above named Company held at “Rotary Sadan”,
94/2, Chowringhee Road, Kolkata - 700 020 on Monday, the 30th September, 2013 at 10.00 A.M.

Full Name of Member/Proxy
attending the meeting.....

Full Name of First Holder
(if Joint Holder/Proxy attending).....

Folio No.....

DP ID No.....

Client ID No.....

Signature of the Member/Proxy
(To be signed at the time of handing over this slip)

Members who come to attend the meeting are requested to bring their copies of the Annual Report with them.

Corporate Information

Board of Directors

Mr. Suresh Kumar Patni	Chairman cum Managing Director
Mr. Ankit Patni	Non-Executive Director
Mr. Satish Kumar Singh	Executive Director
Mr. Ashok Kumar Jain	Independent/Non-Executive Director
Mr. Jay Shanker Shukla (Appointed w.e.f. 29th September, 2012)	Independent/Non-Executive Director
Mr. Vijay Kumar Jain (Resigned w.e.f. 8th October, 2012)	Independent/Non-Executive Director
Mr. Prem Narayan Khandelwal (Resigned w.e.f. 29th June, 2013)	Independent/Non-Executive Director
Mr. Santosh Kumar Khandelwal (Appointed w.e.f. 29th June, 2013)	Independent/Non-Executive Director

Company Secretary

Mr. Ritesh Kumar Singh

Auditors

M/s. S. Jaykishan
Chartered Accountants
12, Ho-Chi Minh Sarani
Kolkata - 700 071

Bankers

State Bank of India
Bank of Baroda
Punjab National Bank
United Bank of India
State Bank of Travancore

Registered office

35, Chittaranjan Avenue, Kolkata - 700 012
Phone: +91 33 2211 0225/0226, 4064 0021/0022

Corporate office

SKP House, 132A, S. P. Mukherjee Road,
Kolkata - 700 026
Phone: +91 33 4016 8000/8100
Fax: +91 33 4016 8189
E-mail: info@impexferrotech.com
Website: www.impexferrotech.com

Plant Information

Kadavita Dendua Road,
P.O. Kalyaneshwari, P.S - Kulti
Dist - Burdwan,
West Bengal - 713 369

DISCLAIMER

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

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

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





Book Post



If undelivered, please return to :
Impex Ferro Tech Limited
SKP House, 132 A, S.P. Mukherjee Road
Kolkata - 700 026

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges (pursuant to SEBI Circular No. CIR/CFD/DIL/7/2012 dt. 13.8.2012)

1	Name of the Company:	Impex Ferro Tech Limited
2	Annual financial statements for the year ended	31 st March, 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.
5	Signatories	Signatures
	(i) Mr. Suresh Kumar Patni - Managing Director	
	(ii) Mr. Vivek Jain – DGM Accounts	
	(iii) Statutory Auditors – M/s. S. Jaykishan	 
	(iv) Mr. Jay Shanker Shukla Chairman- Audit Committee	