



IFGL Refractories Ltd

ANNUAL REPORT 2012 - 2013

DEDICATED TO CLEAN METAL



Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospect 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 ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance.

We can not guarantee that these forward-looking statements will be realized, although we believe we have been prudent in 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.

**Between
the covers**

Notice	02
Directors’ Report	09
Report on Corporate Governance	12
Independent Auditors’ Report	26
Balance Sheet	30
Statement of Profit and Loss	31
Cash Flow Statement	32
Notes to the Financial Statements	34
Consolidated Accounts	62
Section 212 Statement	92



Corporate Information

Board of Directors

D K Banerji
K Dalmia
S Khasnobis
Y Konno (upto 20th February 2013)
Prof S Munshi
D G Rajan
Prof A N Sadhu
K S B Sanyal
S Tateishi

Chairman

S K Bajoria

Managing Director

P Bajoria

Company Secretary

R Agarwal

Auditors

Deloitte Haskins & Sells
Grant Thornton UK LLP
Crowe Horwath LLP
Rupa & Co.

Principal Bankers

State Bank of India
The Hongkong & Shanghai
Banking Corporation Ltd
Fifth Third Bank
Export Import Bank of India

Head & Corporate Office

McLeod House, 3, Netaji Subhas Road
Kolkata 700 001
Phone : +91 33 40106101
Fax : +91 33 22430886/22480482
E-mail : ifgl@bajoria.in
Website : www.ifglref.com

Registered Office & Works

Sector 'B', Kalunga Industrial Estate
PO : Kalunga 770 031
Dist : Sundergarh, Odisha
Phone : +91 661 2660195
Fax : +91 661 2660173
E-mail : ifglworks@bajoria.in

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 24th Annual General Meeting of the Shareholders of IFGL Refractories Limited will be held on Friday, 23rd August 2013 at 11 AM at the Registered Office situated at Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh, Odisha to transact following :

Ordinary Business

1. To receive, consider and adopt Statement of Profit and Loss for financial year ended on 31st March 2013 and Balance Sheet as on that date and Notes forming part thereof and the Reports of Directors and Auditors thereon.
2. To declare Dividend on Preference and Equity Shares for financial year ended on 31st March 2013.
3. To appoint a Director in place of Mr Sadayoshi Tateishi, who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Mr D G Rajan, who retires by rotation and being eligible, offer himself for re-appointment.
5. To appoint a Director in place of Mr K S B Sanyal, who retires by rotation and being eligible, offer himself for re-appointment.
6. To appoint Deloitte Haskins & Sells (Regn No. 302009E), Chartered Accountants, who have signified their willingness and that their appointment will be within the prescribed limit, as Statutory Auditors and to authorise the Board to fix their remuneration including terms of payment.

Special Business

7. To consider and if thought fit, with or without modification(s), to pass the following resolution as a Special Resolution :
"Resolved that, in partial modification of Special Resolution passed by the Shareholders in their Annual General Meeting held on Saturday, 31st July 2010, in accordance with Section 310 of the Companies Act, 1956 and other applicable provisions of the Act, remuneration and perquisites including monetary value thereof of Mr S K Bajoria, being the Chairman of the Company, effective 1st April 2013 be modified, varied and/or altered to the extent that effective that date, he shall also be entitled to a Company leased rent free furnished accommodation and reimbursement of electricity at actuals and that aggregate of income tax evaluated monetary value thereof and remuneration and perquisites previously approved by the Shareholders shall be within the limit of 5% of eligible Net Profit specified at Section 309 read with Section I of Part II of Schedule XIII of the Act and that in the event of loss or inadequate profit in any financial year during the term of his office from 1st April 2013, aggregate of his entitlement of remuneration and perquisites shall be as previously approved by the Shareholders and modified as above and the same will be the 'minimum remuneration' subject to such approvals including that of the Central Government as may be required, notwithstanding that the said remuneration exceeds the limit of 5% of eligible Net Profit specified at Section 309 read with Section I of Part II of Schedule XIII of the Act."
8. To consider and if thought fit, with or without modification(s), to pass the following resolution as a Special Resolution :
"Resolved that, in partial modification of Special Resolution passed by the Shareholders in their Annual General Meeting held on Saturday, 31st July 2010, in accordance with Section 310 of the Companies Act, 1956 and other applicable provisions of the Act thereof, payment of remuneration and perquisites including monetary value thereof of Mr P Bajoria, being the Managing Director of the Company, effective 1st April 2013 be modified, varied and/or altered in as much as that in the event of loss or inadequate profit in any financial year during the term of his office from 1st April 2013, aggregate of his entitlement of remuneration and perquisites shall be as previously approved by the Shareholders and the same will be the 'minimum remuneration' subject to such approvals including that of the Central Government as may be required, notwithstanding that the said remuneration exceeds the limit of 5% of eligible Net Profit specified at Section 309 read with Section I of Part II of Schedule XIII of the Act."

By Order of the Board
For IFGL Refractories Limited

R Agarwal
Company Secretary

Kolkata
11th May 2013

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

NOTES

1. **A member entitled to attend and vote at the meeting is also entitled to appoint a Proxy to attend and vote instead of himself/herself and the Proxy need not be a member. Proxies in order to be effective, must be lodged with the Company not less than 48 (forty eight) hours before the commencement of the ensuing Annual General Meeting (AGM).**
2. An Explanatory Statement as per provisions of Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 7 and 8 is attached herewith.
3. Corporate Members are requested to send to the Company's Head and Corporate Office, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
4. Statement having details as per Clause 1(C) of Section II of Part II of Schedule XIII of the Act and brief profile of the Directors seeking re-appointment at the ensuing AGM in compliance of Clause 49(IV)(G)(i) of the Listing Agreement with Stock Exchanges are annexed hereto.
5. The Register of Members and Share Transfer Register will remain closed from Tuesday, 20th August 2013 to Friday, 23rd August 2013, both days inclusive, in connection with ensuing AGM and dividends proposed to be declared thereat.
6. If dividends, as recommended by the Board of Directors, are declared at ensuing AGM, payment, subject to provisions of Section 206A of the Companies Act, 1956, will be made on or after Wednesday, 28th August 2013, to those Shareholders whose names shall appear on the Company's Register of Members :
 - i) as Beneficial Owners as at end of business hours on Monday, 19th August 2013 as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in Dematerialized form.
 - ii) as Members in Register of Members of the Company after giving effect to valid Share Transfers lodged with the Company, on or before Monday, 19th August 2013.
7. In order to avoid risk of loss/interception of Dividend Warrants in postal transit and/or fraudulent encashment of Dividend Warrants, Shareholders are advised to avail of NECS facility whereby Dividend will be directly credited electronically to their respective Bank Accounts. This will ensure speedier credit of Dividend. You may download 'NECS Mandate Form' from Company's website www.ifglref.com and forward said Form duly filled and signed to the Company or its Registrars and Share Transfer Agent or Depository Participants, as the case may be, to avail benefit from this Service.
8. Shareholders who have not yet encashed their Dividend Warrant(s) for financial years ended 31st March 2006, 31st March 2007, 31st March 2008, 31st March 2010, 31st March 2011 and 31st March 2012 issued by the Company are requested to make their claims to the Company accordingly, without any delay. No claims received for Unclaimed Dividend relating to financial year 2005-2006 will be entertained by the Company on and after Saturday, 28th September 2013 since thereafter same will be transferred to Investor Education and Protection Fund (IEPF).
9. Equity Shares of the Company are available for dematerialization both with the NSDL and CDSL.
Members holding shares in physical form are requested to notify/send following to the Registrars and Share Transfer Agent of the Company to facilitate better service :
 - i) Any change in their address/mandate/bank details.
 - ii) Share Certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such Shareholdings into one account.
 Members holding shares in Demat form are requested to give all instructions directly to their Depository Participants.
10. Members are requested to quote the Folio No. or Client ID and DP ID Nos. in all communications with the Company.
11. Members can avail of the nomination facility, under Section 109A of the Companies Act, 1956, by submitting Form No. 2B of the Companies (Central Govt.'s) General Rules and Forms, 1956 with the Company. Blank forms may be

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

downloaded from Company's website i.e. www.ifglref.com

12. Members are requested to register their e-mail addresses with the Company for receiving various documents including Annual Report in electronic mode, as a measure of support to the Green Initiative in Corporate Governance of the Ministry of Corporate Affairs, Government of India. The Form for such registration can be downloaded from the Company's website www.ifglref.com and sent to the Company or its Registrar and Share Transfer Agent. Annual Report is also available on the Company's website www.ifglref.com from where it can be downloaded by Shareholders.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agent.
14. In compliance of Clause 5A of the Listing Agreement 4,488 Equity Shares of the Company issued in physical form pursuant to public/rights issue have been dematerialized and credited to an Unclaimed Suspense Account. Voting rights on such shares remain frozen and corporate benefits like dividend accruing on such shares are being credited also to an Unclaimed Suspense Account. Allottees, who may not have received Equity Shares applied pursuant to public/rights issue, may send details to the Company for necessary examination.
15. Presently Equity Shares of the Company are listed both on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
16. Reduction and consolidation of Equity Share Capital of the Company was carried out in the year 1996. Members still holding old Share Certificates are requested to surrender the same and obtain fresh Certificates in lieu thereof.
17. Persons who have become members of the Company consequent upon amalgamation of Indo Flogates Limited, are once again requested to surrender Certificates relating to their holding in said Company for despatch of new Certificates relating to their shareholding in the Company.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 7 and 8.

Item No. 7

Mr S K Bajoria was re-appointed as Whole Time Director of your Company on and from 1st April 2010 for a period of five years and remuneration payable to him in accordance with provisions of Section 309 and other relevant Sections of the Companies Act, 1956 (the Act) read with Section I of Part II of Schedule XIII forming part thereof was approved by passing a Special Resolution at your Annual General Meeting held on Saturday, 31st July 2010. His remuneration including perquisites then approved within limit of 5% of eligible Net Profit, did not include accommodation and reimbursements of electricity charges at actuals, whereas a Company leased rent free furnished accommodation befitting his stature has been provided to him on and from 1st April 2013 and effective said date electricity charges are also reimbursed to him at actuals. Your Directors based on recommendation of the Remuneration Committee in their meeting held on 11th May 2013 and subject to your approval in ensuing Annual General Meeting, have unanimously approved the same and to that extent altered, modified and varied his remuneration in accordance with provisions of Section 310 and other applicable provisions of the Act subject to condition that aggregate of income evaluated monetary value thereof and remuneration and perquisites previously approved will continue to be within said limit of 5% of eligible Net Profit. Your Directors also based on recommendation of the Remuneration Committee has decided to alter, modify and vary his remuneration effective 1st April 2013 to the extent that in the event of loss or inadequate profit in any financial year during term of his office effective that date, his entitlement of said modified remuneration and perquisites per month will be the 'minimum remuneration' subject to such approvals as may be required including yours in the ensuing Annual General Meeting and that of the Central Government, notwithstanding said remuneration exceeds the limit of 5% of eligible Net Profit. For giving effect to aforesaid changes, a Supplemental Agreement to Agreement dated 30th August 2010 entered into by your Company with Mr Bajoria, has been drawn up for execution and a copy thereof is available for inspection by all concerned both at the Registered Office and Head and Corporate Office of your Company during working hours. Your Directors are of the view that aforesaid amendments to the remuneration of the Chairman are commensurate to practices followed by Companies having operations in many countries and size similar to that of your Company. Your Directors therefore recommend passing of proposed resolution.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

None of the Directors, other than Mr S K Bajoria himself, is either directly or indirectly, concerned or interested in passing of proposed resolution.

The explanation together with the proposed resolution is and should be treated as an abstract under Section 302 of the Act.

Item No. 8

Mr P Bajoria was re-appointed as Whole Time Director of your Company on and from 1st April 2010 for a period of five years and remuneration payable to him in accordance with provisions of Section 309 and other relevant Sections of the Companies Act, 1956 (the Act) and read with Section I of Part II of Schedule XIII forming part thereof was approved by passing a Special Resolution at your Annual General Meeting held on Saturday, 31st July 2010. His remuneration including monetary value of perquisites then approved is required to be within limit of 5% of eligible Net Profit. Your Directors based on recommendation of the Remuneration Committee has decided to alter, modify and vary his remuneration effective 1st April 2013 to the extent that in the event of loss or inadequate profit in any financial year during term of his office effective that date, his entitlement of said remuneration and perquisites per month will be the 'minimum remuneration' subject to such approvals as may be required including yours in the ensuing Annual General Meeting and that of the Central Government, notwithstanding said remuneration exceeds the limit of 5% of eligible Net Profit. For giving effect to aforesaid changes, a Supplemental Agreement to Agreement dated 30th August 2010 entered into by your Company with Mr Bajoria, has been drawn up for execution and a copy thereof is available for inspection by all concerned both at the Registered Office and Head and Corporate Office of your Company during working hours. Your Directors are of the view that aforesaid amendment to the remuneration of the Managing Director is commensurate to practices followed by Companies having operations in many countries and also size similar to that of your Company. Your Directors therefore recommend passing of proposed resolution.

None of the Directors, other than Mr P Bajoria himself, is either directly or indirectly, concerned or interested in passing of proposed resolution.

The explanation together with the proposed resolution is and should be treated as an abstract under Section 302 of the Act.

Statement having details as per Clause 1(C) of Section II of Part II of Schedule XIII of the Act :

1. General Information

Nature of Industry	The Company is primarily engaged in manufacture of Specialized Refractories and Operating Systems therefor for use by producers of Iron and Steel.			
Date or expected date of commencement of commercial production	Strictly not applicable. The Company however first commenced commercial production way back in February 1993.			
In case of new Companies, expected date of commencement of activities as per project approved by the Financial Institutions appearing in the Prospectus	Not Applicable.			
Financial Performance for financial year 2012-2013 based on given indicators		Total Revenue (₹ in lacs)	Profit before Tax (₹ in lacs)	Profit for the year (₹ in lacs)
	Stand-alone	30,842.46	2,537.96	1,706.34
	Consolidated	67,565.94	4,131.77	2,821.17
Export Performance and Net Foreign Exchange Collaborations	Exports : ₹ 15,666.36 lacs (including indirect) for financial year 2012-2013.			
Foreign investments or collaborators, if any	Krosaki Harima Corporation (KHC), Japan hold 5,006,956 Equity Shares of the Company. KHC, being subsidiary of Nippon Steel Corporation, Japan, is also Company's technical collaborator.			

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

2. Information about the Appointees

Particulars	Mr S K Bajoria	Mr P Bajoria
Background details, Job Profile and his suitability	<ul style="list-style-type: none"> Industrialist. Way back in early eighties, promoted Indo Flogates Limited with technical and financial collaboration of Flogates Limited, UK. Associated with the Company right from its inception. Has intricate knowledge and wide experience of handling business of manufacturing of Specialized Refractories. Promoter of the diversified S K Bajoria Group. 	<ul style="list-style-type: none"> Associated with the Company right from its inception. Has wide knowledge and intricate experience of Refractory business. Was Director and Chief Executive of erstwhile Indo Flogates Limited. Under his leadership the Company has grown phenomenally in terms of products and operations. The Company has manufacturing facilities now in seven countries.
Past Remuneration	For financial year 2012-2013, remuneration paid aggregated to ₹ 143.52 lacs only.	For financial year 2012-2013, remuneration paid aggregated to ₹ 143.52 lacs only.
Recognition or awards	<ul style="list-style-type: none"> Was the President of Indian Chamber of Commerce, Kolkata. Was Board member of (a) Industrial Promotion Investment Corporation of Orissa Limited and (b) West Bengal Industrial Development Corporation. Was Honorary Vice-Consul of Denmark in Kolkata. Has been decorated by Knighthoods from the Governments of Denmark and Italy. 	A well known person in India and abroad amongst manufacturers of Specialized Refractories and Operating System therefor and producers of Iron and Steel etc.

Remuneration Proposed	Mr S K Bajoria		Mr P Bajoria	
	2013-2014	2014-2015	2013-2014	2014-2015
Basic Salary (per month)	₹ 775,000	₹ 825,000	₹ 850,000	₹ 950,000
House Rent Allowance (per month)	Nil	Nil	₹ 170,000	₹ 190,000
Company leased rent free Furnished Accomodation	At actuals	At actuals	Nil	Nil
Reimbursement of Electricity, Gas, Water and Furnishings	At actuals	At actuals	At actuals	At actuals
Reimbursement of Medical Expenses for self and family	At actuals	At actuals	At actuals	At actuals
Leave Travel Concession for self and family once in a year	At actuals	At actuals	At actuals	At actuals
Fees of clubs (excluding Admission and Life Membership Fees)	At actuals	At actuals	At actuals	At actuals
Personal Accident Insurance	As per Company's Scheme	As per Company's Scheme	As per Company's Scheme	As per Company's Scheme
Provident Fund, Superannuation and Gratuity Benefits	As per Company's Scheme	As per Company's Scheme	As per Company's Scheme	As per Company's Scheme
Commission	@1% per annum of eligible Net Profit	@1% per annum of eligible Net Profit	@1% per annum of eligible Net Profit	@1% per annum of eligible Net Profit

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Particulars	Mr S K Bajoria	Mr P Bajoria
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The Company is engaged in highly specialized products and hence strictly not comparable with other Indian Companies. Remuneration including perquisites payable are commensurate to stature and profile of the appointee, his role and responsibilities and modest and comparable with that paid by other Companies at large.	The Company is engaged in highly specialized products and hence strictly not comparable with other Indian Companies. Remuneration including perquisites payable are commensurate to stature and profile of the appointee, his role and responsibilities and modest and comparable with that paid by other Companies at large.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Nil except those stated hereinabove. Not related to any Director of the Company.	Nil except those stated hereinabove. Not related to any Director of the Company.

3. Other Information

1. *Reasons of loss or inadequate profits :*

The Company has uninterruptedly been operating satisfactorily in as much as profit eligible for managerial remuneration has by and large been sufficient to effect payment thereof within the limits specified at Section 309 read with Section 198 and Schedule XIII without previous approval of the Central Government. The Company is however engaged in manufacturing activities and thus susceptible to several micro and macro factors beyond its control and as a result thereof may incur loss or have inadequate profits for payment of managerial remuneration more fully mentioned herein above as 'minimum remuneration'.

2. *Steps taken or proposed to be taken for improvement :*

It is a continuous endeavor of the Company to improve upon its performance.

3. *Expected increase in productivity and profits in measurable terms :*

The Company expects to have significantly improved financial/operational performance for financial years 2013-2014 and 2014-2015 and thus sufficient profits for payment of managerial remuneration. The Company is however susceptible to several micro and macro factors beyond its control and hence to that extent performance achieved may vary.

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

Mr Sadayoshi Tateishi

Mr Sadayoshi Tateishi, a Graduate from Kyushu University (Japan), is a Senior Executive of Krosaki Harima Corporation, Japan and has working experience of more than 30 years. Other than the Company, he is not a Director of any other Indian Company and do not hold, either directly and indirectly, any Equity Shares thereof.

Mr D G Rajan

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

Besides being Director of several Private and Public Limited Companies, he hold office both of Director and Chairman/Member of Board Committees of following Indian Companies and also your Company.

- Lotte India Corporation Limited
- Balaji Telefilms Limited
- Balaji Motion Pictures Limited

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

He is also Director of Bolt Media Limited.

Mr Rajan has been a Director of the Company uninterruptly since 14th August 2000 and hold including indirectly, 8,894 Equity Shares thereof.

Mr K S B Sanyal

Mr K S B Sanyal is MA (English), Companion of the British Institute of Management and Fellow of the Institute of Petroleum, London. He has been the National Special Advisor to UNDP in India. He was the Sheriff of Kolkata in the year 1986 and 1987, Chairman and Managing Director of Andrew Yule & Co. Limited, President of the Bengal Chamber of Commerce and Industry, Chairman of the Committee on Environment of the ASSOCHAM. Presently he is Director of several Companies including Woodlands Multispeciality Hospital Limited. He is also both Director and Chairman/Member of Board Committees of Philips Carbon Black Limited, Cimmco Limited and IFGL Exports Limited in addition to your Company.

Mr Sanyal has been a Director of the Company uninterruptly since 27th November 1991 and do not hold any Equity Shares thereof.

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

DECLARATION

As required under Clause 49(I)(D) of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Board Members and Senior Management Personnel i.e. employees in the grades of General Manager and above, of the Company have complied with the Code of Conduct of the Company for financial year ended 31st March 2013.

Kolkata
11th May 2013

P Bajoria
Managing Director

Certificate of Compliance from Auditors as Stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India

TO THE MEMBERS OF IFGL REFRACTORIES LIMITED

We have examined the compliance of conditions of Corporate Governance by IFGL Refractories Limited for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm Registration No. 302009E

A Bhattacharya
Partner

Kolkata
11th May 2013

Membership No. 054110

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

Dear Shareholders

Your Directors are happy to present the 24th Annual Report together with Statement of Profit and Loss for financial year ended on 31st March 2013 and Balance Sheet as on that date.

Financial Performance of your Company for financial year ended on 31st March 2013 on Stand-alone and Consolidated basis have been as follows :

	(₹ in Millions)	
	Stand-alone	Consolidated
Total Revenue	3,084	6,756
Total Expenses	2,719	6,130
EBIDTA	365	626
Finance Cost	41	79
Depreciation and Amortisation Expense	71	134
Profit before Tax	253	413
Provision for Current Tax/Deferred Tax	83	160
Profit after Tax	170	253

Total Revenue, both on Stand-alone and Consolidated basis, are higher by ₹ 312 Millions (11%) and ₹ 685 Millions (11%) compared to that of previous year ended on 31st March 2012. Profit before Tax is however lower by 3% and 29% respectively. Earning per Share, on Stand-alone and Consolidated basis are ₹ 4.69 and ₹ 7.91 respectively.

Dividend

Your Directors are pleased to recommend payment of Dividend as follows for the year 2012-2013 subject to necessary approvals, including your approval at the ensuing Annual General Meeting :

- a) 5% on Preference Shares of ₹ 100/- each i.e. ₹ 5/- per Preference Share.
- b) 15% on Equity Shares of ₹ 10/- each i.e. ₹ 1.50 per Equity Share.

Subsidiary Companies

During the year under review, operating Subsidiaries in Germany, UK and USA performed satisfactorily. Because of changes in market dynamics and more particularly the prevailing conditions in Europe, operations of Chinese Subsidiaries were somewhat affected. Performance of Brazilian Subsidiary continued to deteriorate and as a result, the operations were shut down from January 2013. Revenue from the operations of the Indian Subsidiary, IFGL Exports Limited having facilities for manufacture of Continuous Casting Refractories at new area of Kandla Special Economic Zone, Gujarat (India), which commenced commercial production on and from 1st May 2012, aggregated to ₹ 90.22 Millions comprising of ₹ 60.26 Millions from exports (including indirect). However, operations are still being stabilized and optimum capacity utilization could not be reached and thus ended financial year 2012-2013 with loss of ₹ 57.21 Millions, which includes ₹ 24.58 Millions and ₹ 16.23 Millions towards finance costs and depreciation and amortization expenses respectively. Your Directors are hopeful that operations of said Subsidiary would improve substantially during current financial year 2013-2014.

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

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

During substantial part of the year under review, Steel Industry, both in India and abroad, more particularly in Europe remained sluggish because of several adverse macro economic factors. Despite the not too encouraging market scenario and other areas of concern like increase in cost of major inputs, employees, power and fuel, your Company has continued to perform consistently. Exports (including indirect) effected for the year 2012-2013 aggregated to ₹ 1,566 Millions. Your Directors are of the view that these economies have bottomed out and there are more positives emanating than negatives. Thus going forward, demand of major commodities including Iron and Steel should improve, resulting in greater requirement of Refractories.

Bio Ceramic business is still at the nascent stage although performance has improved during the year compared to that of the preceding year. This business being highly specialized is being pursued gradually.

Corporate Governance/Internal Control System and their adequacy

A detailed Report on Corporate Governance compliance duly certified by the Company's Statutory Auditors form part of this Report as **Annexure 'A'**. Your Company practices best Corporate Governance Policies and Procedures, both statutory and otherwise with an objective to maximise value of its stakeholders. Terms of reference of Audit Committee is following Clause 49 of the Listing Agreement. Policies and systems for Internal Control, Risk Management and Transfer Pricing have also been adopted and are reviewed and updated from time to time as and when necessary.

Accounts of Subsidiary Companies

The Ministry of Corporate Affairs (MCA) has granted general exemption under Section 212(8) of the Act for attachment of Statement of the Subsidiaries to its accounts, subject to fulfilment of conditions specified vide General Circular No. 2/2011 dated 8th February 2011, amended to date. In accordance therewith, a statement having financial information of Subsidiary Companies form part of this Annual Report. Shareholders of the Company, and those of Subsidiary Companies who are desirous of having complete statement of accounts and related detailed information of Subsidiary Companies, may send their request - either to the Company's Registered Office or to Head and Corporate Office. The same are being kept for inspection at Head Offices of your Company and Subsidiary Companies and also available on your Company's website i.e. www.ifglref.com

Directors' Responsibility Statement

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

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

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

CSR, Human Resources and Industrial Relations

Your Company has taken up several programmes for improving health, safety, environment and community neighbouring its manufacturing operations in Kalunga Industrial Estate near Rourkela in the State of Odisha, India. During the year,

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

besides operating charitable Homeo and Allopathy Clinics, financial support to an Upper Primary School and Public Toilet Complex, several free Medical Camps on ailments like diabetes, generally found to be affecting public at large were organised. Your Directors have decided to allocate about 1% of the yearly Profit before Tax for pursuing these activities.

In an Annexure forming part of this Report, particulars of employees of your Company drawing remuneration of ₹ 60 lacs or more per annum and ₹ 5 lacs or more per month, if employed for part of the year, are given as per provisions of Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975 as amended. However this Annual Report is being sent to Company's Shareholders and others entitled thereto excluding the Annexure in view of provisions of Section 219(1)(b)(iv) of the Act. Any Shareholder interested in obtaining this Annexure may write to the Company Secretary.

During financial year 2012-2013, Industrial Relations remained most cordial. Your Company continued to provide conducive working environment to its team members and empowered them by trainings on latest techniques and practices. Compensation packages and benefits provided compared favourably with those offered in the Refractory Industry.

Consolidated Financial Statements

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

Directors

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

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

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

Information in accordance with provision of Section 217(1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in **Annexure 'B'**.

Auditors' Report

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

Auditors

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

Acknowledgement

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

Kolkata
11th May 2013

On behalf of the Board of Directors

S K Bajoria
Chairman

P Bajoria
Managing Director

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

1. Your Company's philosophy for Corporate Governance is to apply best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

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

2. Board of Directors

Composition of Board of Directors as at 31st March 2013

Category	No. of Directors	%
Executive Directors	2	20.00
Non-Executive Directors	2	20.00
Non-Executive Independent Directors	6	60.00
	10	100.00

Mr S K Bajoria is designated as the Chairman of the Company.

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

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

None of the above Directors are related inter-se.

- (a) Also Promoter.
- (b) A Senior Executive of Krosaki Harima Corporation, Japan, being technical collaborator of your Company.
- (c) Also Independent.
- (d) Only 2 (two) Committees viz Audit Committee and Shareholders/Investors Grievance Committee are considered.

None of the Directors of the Company's Board hold the office of Director in more than the permissible number of Companies under Section 275 of the Companies Act, 1956. Also, the Committee Chairmanships/Memberships are within the limits laid down in Clause 49 of the Listing Agreement. All Non-Executive Directors are liable to retire by rotation. The appointment of the Executive Directors, including tenure and terms of Remuneration are also approved by the Members.

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

Non-Executive Directors (other than Mr K Dalmia) do not have any pecuniary relationship and/or transaction with your Company other than payment of Sitting Fees (as indicated in paragraph 3B below) and/or reimbursement of out-of-pocket expenses for attending meetings of the Board and/or Committee(s) thereof. The Company pays sitting fees as follows per meeting per Director for attending meeting of the Board/Committees.

Board Meeting	₹ 20,000/-
Audit Committee Meeting	₹ 10,000/-
Remuneration Committee Meeting	₹ 5,000/-
Investment Committee Meeting	₹ 5,000/-
Shareholders/Investors Grievance Committee Meeting	₹ 5,000/-

For Mr K Dalmia's pecuniary relationship, please refer to paragraph 5 below.

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

During the Financial Year (FY) ended on 31st March 2013, the Board met 4 (four) times. The details of Board Meetings held during the financial year 2012-2013 are as under :

Date of Board Meeting	No. of Directors present
19th May 2012	8
11th August 2012	7
10th November 2012	7
9th February 2013	9

The intervening period between two Board Meetings was well within the maximum gap of four months prescribed under Clause 49 of the Listing Agreement.

Name of Directors	Number of Board Meetings		Attended last AGM held on 24th August 2012
	Held	Attended	
P Bajoria	4	4	No
S K Bajoria	4	4	No
D K Banerji	4	3	No
K Dalmia	4	–	No
S Khasnobis	4	3	No
Y Konno (e)	4	–	No
Prof S Munshi	4	4	No
D G Rajan	4	4	No
Prof A N Sadhu	4	3	No
K S B Sanyal	4	4	No
S Tateishi	4	2	No

(e) Ceased to be Director with effect from 20th February 2013.

Information placed before the Board

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

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

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

3. Committees of the Board

Your Company has four Board level Committees :

- Audit Committee
- Remuneration Committee
- Shareholders/Investors Grievance Committee and
- Investment Committee

The terms of reference of the Board Committees are determined by the Board from time to time. Minutes of Board Committee Meetings are placed in subsequent Board Meetings for the information of the Board. The role and composition of these Committees including details of Meetings held during FY and the attendance thereof are provided herein below :

A. Audit Committee

Your Company has an Audit Committee (the Committee) comprising of following three Non-Executive Independent Directors. All of them are financially literate and have accounting or related Financial Management expertise.

Name of Directors	Position	No. of Meetings	
		Held	Attended
K S B Sanyal	Chairman	4	4
D G Rajan	Member	4	4
Prof A N Sadhu	Member	4	3

During the FY ended on 31st March 2013, meeting of the Committee were held on 19th May 2012, 11th August 2012, 10th November 2012 and 9th February 2013. The gap between two meetings never exceeded four months.

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

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

Terms of reference of the Committee include the powers and role including review of information, as specified in Clauses 49II(C), 49II(D) and 49II(E) of the Listing Agreement, of the Company as well as that of its Subsidiary Companies.

B. Remuneration Committee

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

The Committee comprises of following Non-Executive Independent Directors.

Name of Directors	Position	No. of Meetings	
		Held	Attended
Prof A N Sadhu	Chairman	4	3
D G Rajan	Member	4	4
K S B Sanyal	Member	4	4

During the FY ended on 31st March 2013, meeting of the Committee were held on 19th May 2012, 11th August 2012, 10th November 2012 and 9th February 2013.

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

Details of remuneration paid/payable to the Executive Directors and Non-Executive Directors for FY 2012-2013 are as follows : (₹ in lacs)

Name of Directors	Salary and other benefits				Sitting Fees	
	Salary (including House Rent Allowance)	Commission	Contribution to Provident and other Funds	Other Perquisites	Board Meetings	Committee Meetings
P Bajoria (f)	98.05	-	42.18	3.29	-	-
S K Bajoria (f)	87.00	17.13	38.33	1.06	-	-
D K Banerji	-	-	-	-	0.60	-
K Dalmia	-	-	-	-	-	-
S Khasnobis	-	-	-	-	0.60	0.15
Y Konno	-	-	-	-	-	-
Prof S Munshi	-	-	-	-	0.80	-
D G Rajan	-	-	-	-	0.80	0.60
Prof A N Sadhu*	-	-	-	-	-	-
K S B Sanyal	-	-	-	-	0.80	1.25
S Tateishi	-	-	-	-	0.40	-

*Waived entitlement to Sitting Fees.

- (f) i) Service Contract - 5 years (from 1st April 2010 to 31st March 2015)
 ii) Notice period - 3 months Notice from either side
 iii) Severance Fees - 3 months salary in lieu of Notice
 iv) Commission - 1% of the 'Net Profit' eligible subject to total remuneration not exceeding 5% thereof for the FY.

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

C. Shareholders/Investors Grievance Committee

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

Name of Directors	Position	No. of Meetings	
		Held	Attended
K S B Sanyal	Chairman	13	13
S K Bajoria	Member	13	7
P Bajoria	Member	13	11

During the FY ended on 31st March 2013, 13 (Thirteen) meetings of the Committee were held and gap between two meetings never exceeded 30 (thirty) days.

Role of the Committee include redressal of Shareholders' complaints relating to transfer/transmission of shares, exchange of Share Certificates, non-receipt of Balance Sheet, non-receipt of declared Dividends etc.

Pursuant to Clause 49(IV)(G)(iv) of the Listing Agreement, the Board of the Company has delegated the power of Share Transfer to the Company Secretary, Mr R Agarwal subject to ratification at the immediately succeeding meeting of the Committee.

Status of complaints of Shareholders/Investors is as under :

Number of complaints pending as on 1st April 2012	0
Number of complaints received during the FY	13
Number of complaints redressed during the FY	13
Number of complaints pending as on 31st March 2013	0

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

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

D. Investment Committee

An Investment Committee (the Committee) comprises of following Directors.

Name of Directors	Position	No. of Meetings	
		Held	Attended
S K Bajoria	Chairman	4	4
P Bajoria	Member	4	4
S Khasnobis	Member	4	3

During the FY ended on 31st March 2013, meeting of the Committee were held on 19th May 2012, 11th August 2012, 10th November 2012 and 9th February 2013.

Role of the Committee is to inter alia examine and recommend various opportunities for deployment of cash flow surpluses available with the Company.

4. General Body Meetings

Location and time, where last three AGMs were held

AGM	FY	Date	Time	Place
21st	2009-2010	Saturday, 31st July 2010	11 AM	Sector 'B', Kalunga Industrial Estate P.O. Kalunga 770 031, Dist. Sundergarh, Odisha
22nd	2010-2011	Friday, 26th August 2011	11 AM	-do-
23rd	2011-2012	Friday, 24th August 2012	11 AM	-do-

Special Resolutions passed at the last 3 (three) AGMs

FY	Items
2009-2010	(i) Appointment of Mr S K Bajoria as Whole Time Director of the Company with effect from Thursday, 1st April 2010. (ii) Appointment of Mr P Bajoria as Whole Time Director of the Company with effect from Thursday, 1st April 2010.
2010-2011	(i) Ratification/approval and waiver of excess remuneration paid to Mr S K Bajoria for FY 2010-2011. (ii) Ratification/approval and waiver of excess remuneration paid to Mr P Bajoria for FY 2010-2011. (iii) Holding of an office or place of profit by Mr Mihir Prakash Bajoria son of the Chairman, Mr S K Bajoria with Company's UK Subsidiary, Monocon International Refractories Limited.
2011-2012	None

Postal Ballot

During the FY 2012-2013, Mr S M Gupta of M/s S M Gupta & Co., Company Secretaries was appointed as Scrutinizer for conducting the Postal Ballot Process.

Special Resolution u/s 372A of the Act was passed through Postal Ballot on Friday, 24th August 2012 for making investments in/giving loans to/providing securities, guarantees etc in connection with loans taken by IFGL Exports Limited.

A. Number of the Postal Ballot forms received	164
(i) Valid	136
(ii) Invalid	28

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

	No. of votes	%
B. Number of votes cast for Resolution		
(i) Votes cast in favour of Resolution	19,809,545	99.96
(ii) Votes cast against Resolution	7,267	0.04
Total Number of votes cast for Resolution	19,816,812	100.00

5. Disclosures :

- A Statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. All transactions with the related parties were on an arms length basis.
- The Company did not have any materially significant related party transactions, which may have potential conflict with interest of the Company.
- While preparing Financial Statements for the FY under review, no accounting treatment which was different from that prescribed in the Accounting Standard was followed.
- For list of disclosures of related party relationship and transactions as per Accounting Standard 18, "Related Party Disclosures", Note 33 to the Annual Audited Accounts of the Company for the FY ended 31st March 2013 may be referred to.
- The Company, during the FY under review, continued to supply Refractories (of unique/special nature) to a company (where Mr K Dalmia, a Director of the Company happens to hold Directorship) as per the latter's requirements from time to time at prices and terms which were negotiated and mutually agreed. Necessary permission in this regard from the Regional Director, Eastern Region, Ministry of Corporate Affairs at Kolkata under Section 297 of the Companies Act, 1956, has been obtained for FY ended 31st March 2013.
- Resume and other information of the Directors retiring by rotation proposed to be re-appointed at the ensuing Annual General Meeting are given in the Notice relating thereto to the Shareholders as required under Clause 49(IV)(G)(i) of the Listing Agreement.
- A Management Discussion and Analysis Report has been included as a part of the Directors' Report to the Shareholders for FY ended 31st March 2013.
- In accordance with the requirement of Corporate Governance the Board of Directors of the Company has formulated a Code of Conduct for Directors and Senior Management Personnel of the Company and the compliance thereof has been affirmed by all concerned. The required declaration to this effect signed by the Managing Director is appended as a separate Annexure to this Report. This Code of Conduct has also been posted on Company's website.
- No strictures were imposed on the Company by any regulatory authority on any matter related to capital markets during the last three years.
- IFGL Exports Limited (IEL) is a non material Indian Subsidiary of the Company. Following principles of good Corporate Governance, Mr K S B Sanyal, being one of the Independent Directors of the Company, is also a Director on the Board of said IEL.
- Minutes of Subsidiaries, are placed before the Board of the Company and attention of the Directors is drawn to the significant transactions and arrangement entered into by said Subsidiary Companies.
- The Company has laid down procedures to inform the Board Members about the risk assessment and minimisation procedures. These procedures are periodically reviewed to ensure that Executive Management control risks through means of a properly defined framework.
- In accordance with the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992, as amended in February 2002, the Board of Directors of the Company has formulated the Code of Conduct for prevention of Insider Trading in Equity Shares of the Company by its Directors and Employees.
- The Board of Directors of the Company have received a Certificate from the Managing Director and Chief Financial Officer of the Company in compliance of Clause 49(V) of the Listing Agreement.
- The Company has adopted Whistle Blower Policy by virtue of which employees, both permanent and temporary, who observe any unethical and improper practices or alleged wrongful conduct, actual or suspected fraud or violation of the Code of Conduct or ethics policy shall make a disclosure either to the Managing Director or Compliance Officer or the Audit Committee as soon as possible after becoming aware of the same. It is affirmed that in compliance of above policy no employee has been denied access to the Audit Committee.

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

- All mandatory requirements have been complied with except that Chairman of the Audit Committee could not attend last Annual General Meeting of the members of the Company. Compliance of non mandatory requirements are dealt with at the end of the Report.
- The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges.
- No Director of the Company is related to any other Director of the Company.
- Particulars of Equity Shares of Rs 10/- each of the Company held by Non-Executive Directors (both own or held by/for other person on a beneficial basis) are as follows :

Name of Directors	Number of Shares held
Prof A N Sadhu	850
D G Rajan	8,894
K S B Sanyal	Nil
K Dalmia	Nil
S Tateishi	Nil
S Khasnobis	Nil
D K Banerji	Nil
Prof S Munshi	Nil

6. Means of Communication

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

- The quarterly results of the Company are announced within 45 days of the completion of the quarter and audited annual results are announced within 60 days of end of last quarter and Stock Exchanges are immediately intimated after the same is taken on record by the Board. Further coverage is given for the benefit of the Shareholders and Investors by publication of the financial results in the Business Standard and Pragativadi, an Odia newspaper widely circulating in the State of Odisha. The Company however does not send half yearly reports to the individual Shareholders.
- Audited/Unaudited financial results and other pertinent information are also available on the Company's website i.e. www.ifglref.com, website of National Stock Exchange of India Limited i.e. www.nseindia.com and website of Bombay Stock Exchange Limited i.e. www.bseindia.com
- Information relating to Shareholding pattern, entire Annual Report of the Company and its Subsidiaries and Corporate Announcements/Press Releases made by the Company are also uploaded on the Company's website i.e. www.ifglref.com

7. General Shareholder Information

Date	Friday, 23rd August 2013
Time	11 AM
Venue	Company's Registered Office at Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh, Odisha.
Financial Calendar 2013-2014 (tentative and subject to change)	<ul style="list-style-type: none"> Financial Year - April to March First Quarter Results - by second week of August 2013 Second Quarter Results - by second week of November 2013 Third Quarter Results - by second week of February 2014 Audited Results for the year ending 31st March 2014 - by last week of May 2014
Book Closure Dates	Tuesday, 20th August 2013 to Friday, 23rd August 2013
Dividend Payment Date	On and after Wednesday, 28th August 2013

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

Listing on Stock Exchanges

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

The Listing Fees for the FY 2013-2014 has been paid to the Stock Exchanges.

The International Security Identification Number (ISIN) allotted to the Company's Share under the Depository System is INE023B01012. The annual custody fee for the FY 2013-2014 has been paid to NSDL and CDSL, the Depositories.

In accordance with Clause 5A of the Listing Agreement, an Unclaimed Suspense Demat Account has been opened with HDFC Bank Limited and all Equity Shares in physical form lying unclaimed pursuant to Public/Rights issues of the Company as well as by erstwhile Indo Flogates Limited have been dematerialized and credited to said Demat Account. Whenever any request for said unclaimed Shares is received, Equity Shares either in electronic or physical forms is issued to the claimant concerned after debiting said Demat Account.

	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and the outstanding Shares in the Suspense Account lying at the beginning of the FY	52	4,488
Number of Shareholders who approached issuer for transfer of Shares from Suspense Account during the FY	—	—
Number of Shareholders to whom Shares were transferred from Suspense Account during the FY	—	—
Aggregate number of Shareholders and the outstanding Shares in the Suspense Account lying at the end of the FY	52	4,488

Market Price Data

Months	Bombay Stock Exchange Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
April 2012	48.80	39.40	48.60	37.25
May 2012	50.00	40.00	50.40	40.10
June 2012	52.15	41.20	52.20	39.00
July 2012	47.90	41.25	47.85	41.20
August 2012	52.45	41.40	52.50	41.30
September 2012	54.00	44.75	54.00	44.70
October 2012	53.45	46.10	53.80	45.40
November 2012	50.50	39.00	49.00	40.00
December 2012	44.00	37.80	43.00	38.00
January 2013	43.20	34.20	42.95	34.15
February 2013	42.00	31.00	42.35	31.50
March 2013	36.90	28.05	37.25	29.00

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

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

Registrar and Share Transfer Agent for Physical and Demat Segments

Maheshwari Datamatics Private Limited
 6, Mangoe Lane (Surendra Mohan Ghosh Sarani)
 2nd Floor, Kolkata 700 001
 Phone : +91 33 22482248, Fax No : +91 33 22484787
 E-mail : mdpl@cal.vsnl.net.in

Compliance Officer

Mr Rajesh Agarwal, Company Secretary
 3, Netaji Subhas Road, Kolkata 700 001
 Phone : +91 33 40106114, Fax : +91 33 22430886
 E-mail : ragarwal@bajoria.in

All communications on matters relating to Share Transfers, Dividend etc may be sent directly to Registrar and Share Transfer Agent and Complaints, if any, on these matters may also be sent to investorcomplaints@bajoria.in or to the Compliance Officer.

Share Transfer System

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

Secretarial Audit

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

Distribution of Equity Shareholding as on 31st March 2013

Category	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Promoter's Holding*				
- Indian Promoters	5	0.02	19,669,248	56.83
- Foreign Promoter	1	0.01	5,006,956	14.47
Financial Institutions/Banks/Mutual Funds/UTI	14	0.07	767,122	2.22
Foreign Institutional Investors	1	0.01	1,300	0.00
NRIs/Clearing Member/Trust	127	0.65	195,253	0.56
Private Body Corporate	304	1.55	2,548,672	7.36
Individuals	19,133	97.69	6,421,921	18.56
Total	19,585	100.00	34,610,472	100.00

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

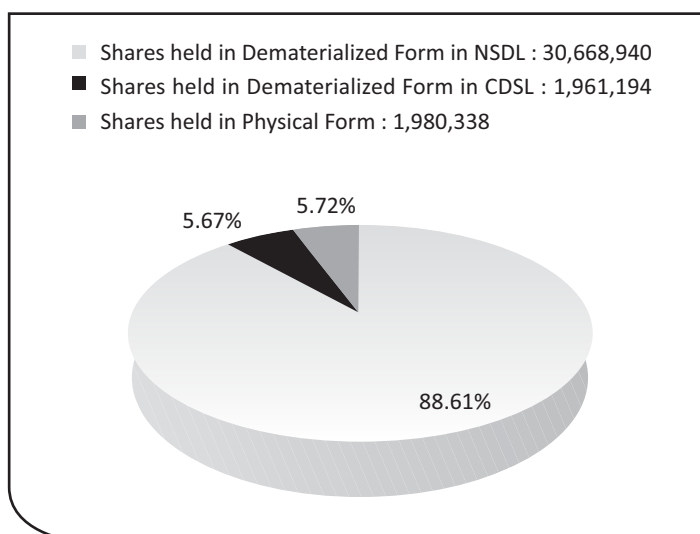
ANNEXURE 'A' TO DIRECTORS' REPORT - REPORT ON CORPORATE GOVERNANCE (Contd.)

Number of Shares	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Upto 500	17,843	91.11	2,516,003	7.27
501 to 1000	827	4.22	694,784	2.01
1001 to 2000	431	2.20	673,871	1.95
2001 to 3000	166	0.85	429,914	1.24
3001 to 4000	79	0.40	282,464	0.82
4001 to 5000	63	0.32	300,864	0.87
5001 to 10000	93	0.48	672,896	1.94
10001 and above	83	0.42	29,039,676	83.90
Total	19,585	100.00	34,610,472	100.00

Dematerialization of Shares and Liquidity

The Shareholders may have their holding of Equity Shares of the Company Dematerialized either with the NSDL or CDSL if Equity Shares are desired to be held in electronic mode.

Shares held in Physical and Dematerialized Form as on 31st March 2013 :



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

Not Applicable

Addresses for correspondence

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

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

Corporate Identity Number

The Corporate Identity Number (CIN) of the Company is L27202OR1989PLC002971.

8. Unclaimed Dividend

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

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

FY	Date of Declaration of Dividend	Proposed Date for transfer to IEPF*
2005-2006	29.08.2006	28.10.2013
2006-2007	24.08.2007	23.10.2014
2007-2008	22.08.2008	21.10.2015
2009-2010	31.07.2010	29.09.2017
2010-2011	26.08.2011	25.10.2018
2011-2012	24.08.2012	23.10.2019

*Indicative dates. Actual dates may vary.

Persons who have not yet encashed their above outstanding Dividends may immediately send their claims to the Company. For FY 2005-2006, it will not be possible to entertain claims received by the Company on and after Saturday, 28th September 2013.

9. Status of Adoption of the Non Mandatory Requirements :

Non Executive Chairman's Office

The Chairman of the Company is the Executive Chairman and hence this provision is not applicable.

Tenure of Independent Directors

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

Remuneration Committee

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

Audit Qualification

The Company does not have any qualification pertaining to the Financial Statements of the FY under review.

Other Items

The Company has **Whistle Blower Policy** in place details whereof has already been given in Paragraph 5 above. Other Non Mandatory requirements such as **Shareholder Rights; Training of Board Members and Mechanism for evaluating performance of Non-Executive Board Members** will be implemented by your Company's Board as and when required and/or deemed necessary.

10. Auditors' Certificate on Corporate Governance

As required under clause 49 of the Listing agreement, Statutory Auditors Certificate that the Company has complied with the conditions of Corporate Governance is attached.

ANNEXURE 'B' TO DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for financial year ended on 31st March 2013

A. Conservation of Energy

- a) Energy Conservation measures taken :

Energy is of significant cost in manufacturing activities of the Company and hence being monitored closely for efficient use and conservation thereof and several steps having been taken with regard thereto.

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

This is being done on a continuous basis, including by installation of new energy efficient equipments/appliances.

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

Efforts are being made on regular basis to reduce energy consumption and consequently achieve reduction in consumption per unit of production.

- d) Total energy consumption and energy consumption per unit of production.

As per Form A enclosed

B. Technology Absorption

- e) Efforts made in technology absorption.

As per Form B enclosed.

C. Foreign Exchange Earnings and Outgo

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

Thrust and focus on overseas markets continued during financial year 2012-2013. FOB value of exports effected has been ₹ 926.03 Millions compared to ₹ 820.36 Millions for immediately preceding financial year 2011-2012.

- g) Total Foreign Exchange used and earned (₹ in Millions)

1. Foreign Exchange Outgo	
(i) CIF Value of Imports of Raw Materials, Stores and Spares, Trading Items and Capital goods	730.53
(ii) Others	168.18
2. Foreign Exchange Earnings	
FOB Value of Exports	926.03

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

	For the year ended 31st March 2013	For the year ended 31st March 2012
A. Power & Fuel Consumption		
1. Electricity		
a) Purchased		
Units (KWH)	4,833,576	4,669,882
Total Amount (₹ in Millions)	29.21	26.29
Rate/Unit (₹)	6.04	5.63
b) Own Generation		
i) Through Diesel Generator		
Units (KWH)	639,796	801,404
Units per Ltr of Diesel Oil	2.95	3.08
Cost/Unit (₹)	15.39	13.97
ii) Through Steam Turbine/Generator		
Units (KWH)	Nil	Nil
Units per Ltr of Fuel Oil/Gas	Nil	Nil
Cost/Unit (₹)	Nil	Nil
2. Coal (Specify quality and where used)		
Quantity	Nil	Nil
Total Cost	Nil	Nil
Average rate	Nil	Nil
3. LDO		
Quantity (Kilo Ltr)	Nil	Nil
Total Cost (₹ in Millions)	Nil	Nil
Average Rate (₹/Ltr)	Nil	Nil
4. LPG		
Quantity (MT)	1,848.23	2,012.50
Total Cost (₹ in Millions)	119.92	111.05
Average Rate (₹/MT)	64,881.62	55,181.78
5. Others/Internal Generation		
Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil
B. Consumption per unit of production		
Products-Refractories		
Electricity (KWH/Pc)	9.33	9.24
LDO (Ltrs/Pc)	Nil	Nil
Coal	Nil	Nil
LPG (Kgs/Pc)	3.20	3.48
HSD (Ltrs/Pc)	0.42	0.50

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

Form - B

Disclosure of particulars with respect to Technology Absorption

Research & Development (R & D) :	
1. Specific areas in which R & D carried out	a) Improvement in product quality and performance. b) Development of indigenous sources of raw materials including quality upgradation and substitutes. c) Increase of production capacity and capability.
2. Benefits derived as a result of above R & D	a) Improvement in customer satisfaction. b) Increased cost competitiveness. c) Improvement in product quality, productivity and performance.
3. Future plan of action	Continued efforts in areas of cost reduction, improvement of productivity, quality and performance, import substitution etc.
4. Expenditure on R & D	No major expenditure has been incurred on R & D.
Technology Absorption, Adaptation and Innovation :	
1&2. Efforts, in brief, made towards technology absorption, adaptation and innovation and benefits derived as a result of above efforts e.g. product development, import substitution etc.	Technologies imported from time to time have been successfully absorbed. Changes were made, wherever necessary, in imported technologies with consent of the Collaborators to suit Indian conditions in your Company's own R&D.
3. Information regarding Imported Technology a) Technology Imported b) Year of Import c) Has technology been fully absorbed d) If not absorbed, areas where this has not taken place, reasons therefor and future plan of action	Know-how for design, manufacturing and application of Round Hole Pressed Filters, Siebkerne, Silicon Carbide Chill Plates and other refractory products mainly used in Foundries. Financial year 2009-2010. Yes. Not applicable.

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
IFGL REFRACTORIES LIMITED**

Report on the Financial Statements

We have audited the accompanying Financial Statements of IFGL Refractories Limited ("the Company"), 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 the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's 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 Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of Internal Control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' 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 the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers Internal Control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal Control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 aforesaid 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:

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

INDEPENDENT AUDITORS' REPORT *(Contd.)*

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- (e) On the basis of the written representations received from the Directors as on 31st March 2013 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 Section 274(1)(g) of the Act.

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

Kolkata
 11th May 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our Report of even date)

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses (vi), (x), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its Fixed Assets :
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
 - (b) Some of the Fixed Assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Fixed Assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) The Fixed Assets disposed off during the year, in our opinion, do not constitute a substantial part of the Fixed Assets of the Company and such disposal has, in our opinion, not affected the Going Concern status of the Company.
- (iii) In respect of its inventory :
 - (a) As explained to us, the inventories other than material lying with third parties (which have substantially been confirmed) were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured and unsecured, to/from Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

- (v) In our opinion and according to the information and explanations given to us, there is an adequate Internal Control System commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and Fixed Assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such Internal Control System.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us :
- (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vii) In our opinion, the Internal Audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of Statutory Dues :
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material Statutory Dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material Statutory Dues in arrears as at 31st March 2013 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March 2013 on account of disputes are given below :

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (net of related payments) (₹ in lacs)
Sales Tax Central Sales Tax Act, 1956	Sales Tax	Sales Tax Tribunal	1995-1996	1.14
	Sales Tax	Additional Commissioner of Sales Tax	1997-1998	0.47
	Sales Tax	Orissa High Court	1999-2000	2.17
	Sales Tax	Assistant Commissioner of Sales Tax	2003-2004	0.25
Orissa Sales Tax Act, 1947	Sales Tax	Orissa Sales Tax Tribunal	1996-1997 and 1997-1998	39.91
	Sales Tax	Orissa High Court	1999-2000	0.11
	Total			44.05

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (net of related payments) (₹ in lacs)
Income Tax The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Kolkata	Assessment Year 2005-2006	15.88
	Fringe Benefit Tax	Deputy Commissioner of Income Tax	Assessment Year 2007-2008	0.51
	Income Tax	Deputy Commissioner of Income Tax	Assessment Year 2008-2009	1.05
	Income Tax	Deputy Commissioner of Income Tax	Assessment Year 2010-2011	0.79
	Total			18.23
Excise Duty and Service Tax Service Tax Rules, 1994	Service Tax	Joint Commissioner of Central Excise, Customs & Service Tax	2006-2007	1.54
CENVAT Credit Rules, 2004 and Central Excise Act, 1944	Service Tax	Commissioner of Central Excise (Appeals)	2006-2007 and 2007-2008	3.37
	Total			4.91

- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any banks. The Company has neither any outstanding dues to any Financial Institutions or debenture holders at the beginning of the year nor has it obtained any loans from such parties during the year.
- (xi) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from Banks and Financial Institutions are not prima facie prejudicial to the interests of the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Term Loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xiii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- (xiv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Kolkata
11th May 2013

BALANCE SHEET As at 31st March 2013

(₹ in lacs)

	Note No.	As at 31st March 2013		As at 31st March 2012	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds :					
a) Share Capital	3	4,911.05		4,911.05	
b) Reserves and Surplus	4	8,783.08	13,694.13	<u>7,769.03</u>	12,680.08
2. Non-Current Liabilities :					
a) Long-Term Borrowings	5	552.81		784.40	
b) Deferred Tax Liabilities (Net)	6	316.55		327.95	
c) Long-Term Provisions	7	17.79	887.15	<u>16.01</u>	1,128.36
3. Current Liabilities :					
a) Short-Term Borrowings	8	4,677.31		4,582.99	
b) Trade Payables	9	3,701.35		3,095.86	
c) Other Current Liabilities	10	503.43		455.30	
d) Short-Term Provisions	11	751.58	9,633.67	<u>821.32</u>	<u>8,955.47</u>
Total			<u>24,214.95</u>		<u>22,763.91</u>
II. ASSETS					
1. Non-Current Assets :					
a) Fixed Assets :					
(i) Tangible Assets	12	4,047.76		4,330.05	
(ii) Intangible Assets	13	3.67		24.77	
(iii) Capital Work-in-Progress		120.26	4,171.69	—	4,354.82
b) Non-Current Investments	14		6,777.19		6,392.14
c) Long-Term Loans and Advances	15		62.31		60.37
d) Other Non-Current Assets	16		28.00		38.00
2. Current Assets :					
a) Inventories	17	3,870.54		3,978.21	
b) Trade Receivables	18	8,389.72		6,420.19	
c) Cash and Cash Equivalents	19	600.44		986.97	
d) Short-Term Loans and Advances	20	99.71		102.58	
e) Other Current Assets	21	215.35	13,175.76	<u>430.63</u>	<u>11,918.58</u>
Total			<u>24,214.95</u>		<u>22,763.91</u>

The accompanying Notes form an integral part of these Financial Statements.

In terms of our Report attached.

 For **DELOITTE HASKINS & SELLS**

Chartered Accountants

A Bhattacharya

Partner

Kolkata

11th May 2013

On behalf of the Board of Directors

R Agarwal
 Company Secretary

P Bajoria
 Managing Director

S K Bajoria
 Chairman

STATEMENT OF PROFIT AND LOSS For the year ended 31st March 2013

(₹ in lacs)

	Note No.	For the year ended 31st March 2013		For the year ended 31st March 2012	
I. Revenue from Operations (Gross)	22	32,305.04		28,740.50	
Less : Excise Duty		(1,692.02)		(1,260.20)	
Revenue from Operations (Net)			30,613.02		27,480.30
II. Other Income	23		229.44		240.58
III. Total Revenue (I + II)			30,842.46		27,720.88
IV. Expenses :					
Cost of Materials and Components Consumed	24	15,392.66		14,170.98	
Purchases of Stock-in-Trade	25	1,507.88		637.34	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	69.85		(435.08)	
Employee Benefits Expense	27	2,498.59		2,223.84	
Finance Costs	28	405.43		474.77	
Depreciation and Amortisation Expense	13.2	710.99		624.94	
Other Expenses	29	7,719.10		7,401.23	
Total Expenses			28,304.50		25,098.02
V. Profit before Tax (III-IV)			2,537.96		2,622.86
VI. Tax Expense :					
(1) Current Tax		843.00		900.00	
(2) Deferred Tax Credit		(11.38)	831.62	(19.90)	880.10
VII. Profit for the Year (V-VI)			1,706.34		1,742.76
VIII. Earnings per Share :					
(1) Basic	30		4.69		4.79
(2) Diluted	30		4.69		4.79

The accompanying Notes form an integral part of these Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

A Bhattacharya

Partner

Kolkata

11th May 2013

R Agarwal
Company Secretary

P Bajoria
Managing Director

S K Bajoria
Chairman

On behalf of the Board of Directors

CASH FLOW STATEMENT For the year ended 31st March 2013

(₹ in lacs)

	For the year ended 31st March 2013		For the year ended 31st March 2012	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax and extra-ordinary items		2,537.96		2,622.86
Adjustments for :				
Depreciation and Amortisation	710.99		624.94	
Finance Costs	327.11		405.77	
Liabilities no longer required written back	(11.88)		(103.66)	
Bad Debts/Advances written off	70.60		47.00	
Provision for Doubtful Debts	7.73		7.79	
Unrealised Foreign Exchange Gain (Net)	99.79		(41.85)	
Loss on Sale/Discard of Assets (Net)	(16.23)	1,188.11	10.45	950.44
Operating Profit before Working Capital changes		3,726.07		3,573.30
Adjustments for :				
Trade and other Receivables	(1,918.21)		275.58	
Inventories	107.67		(470.09)	
Trade and other Payables	747.29	(1,063.25)	150.89	(43.62)
Cash generated from Operations		2,662.82		3,529.68
Income Taxes Paid (Net)		(883.56)		(918.89)
Cash flows before extra-ordinary items		1,779.26		2,610.79
Net Cash Generated from Operating Activities (A)		1,779.26		2,610.79
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Capital Expenditure on Fixed Assets including Capital Advances	(600.02)		(326.65)	
Proceeds from sale of Fixed Assets	16.30		20.06	
Interest Received	60.79		52.23	
Purchase of Long-Term Investments-Subsidiaries	(385.05)	(907.98)	(630.55)	(884.91)
Net Cash used in Investing Activities (B)		(907.98)		(884.91)

CASH FLOW STATEMENT For the year ended 31st March 2013 *(Contd.)**(₹ in lacs)*

	For the year ended 31st March 2013		For the year ended 31st March 2012	
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Finance Costs	(424.15)		(474.77)	
Dividend Paid	(588.86)		(218.69)	
Tax on Dividend	(95.98)		(36.18)	
Repayment of Long-Term Borrowings	(250.00)		(530.00)	
Proceeds from Short-Term Borrowings	91.18	(1,267.81)	225.57	(1,034.07)
Net Cash (used in)/from Financing Activities (C)		(1,267.81)		(1,034.07)
Net Increase in Cash and Cash Equivalents (A+B+C)		(396.53)		691.81
Cash and Cash Equivalents (Opening Balance)	986.97		310.16	
Other Non-Current Assets (Opening Balance)	38.00		23.00	
Total (Opening Balances)		1,024.97		333.16
Cash and Cash Equivalents (Closing Balance)	600.44		986.97	
Other Non-Current Assets (Closing Balance)	28.00		38.00	
Total (Closing Balances)		628.44		1,024.97

Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Previous Year's figures have been re-grouped/re-classified wherever necessary to conform with the current year's classification.
- Cash and Cash Equivalents include ₹ 51.59 (31.03.2012 : ₹ 48.74) in respect of unpaid dividend accounts.

The Notes referred to above form an integral part of these Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

A Bhattacharya

Partner

Kolkata

11th May 2013

On behalf of the Board of Directors

R Agarwal
Company Secretary

P Bajoria
Managing Director

S K Bajoria
Chairman

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

1. GENERAL INFORMATION

IFGL Refractories Limited (the “Company”) is a Public Limited Company, incorporated under the Companies Act, 1956. Its shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Company is primarily engaged in the manufacturing, trading and selling of Refractory Items used in Steel plants. The Company and its Subsidiaries have manufacturing plants in Asia (India and China), in Europe (Germany and United Kingdom) and in North America (USA). The Company caters to both domestic and international market.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

2.1 Basis of Preparation

These Financial Statements are prepared under the Historical Cost Convention on an accrual basis of accounting to comply in all material aspects with all the applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (the ‘Act’) and the relevant provisions of the Act.

All Assets and Liabilities have been classified as current/non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule VI. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of Assets and Liabilities.

2.2 Use of Estimates

The preparation of Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities) and the reported Income and Expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 Fixed Assets (including intangible assets) are stated at cost less accumulated depreciation (including amortisation). The Company capitalises all costs (Net of CENVAT Credit) relating to acquisition and installation of Fixed Assets. An impairment loss is recognised wherever the carrying value of the Fixed Assets exceeds its recoverable amount i.e. net selling price or value in use, whichever is higher.

2.4 Depreciation and Amortisation on Fixed Assets (other than Leasehold Land, Computers and Vehicles) is calculated on Straight Line Method at applicable rates and the manner prescribed in Schedule XIV of the Companies Act, 1956. Leasehold Land is amortized over the period of lease. Computers are depreciated over a period of three years. Vehicles are depreciated over Straight Line Method at 20% as determined based on their useful lives. These rates are higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Intangible Assets (other than Goodwill arising on Amalgamation fully amortized in earlier years and Computer Software which are amortized over a period of two to five years) are amortized on Straight Line Method over a period of five years. Spares that can be used only with particular items of Plant and Machinery and such usage is expected to be irregular are depreciated over a period not exceeding the useful lives of Plant and Machinery with which such spares can be used.

2.5 Inventories are valued at lower of Cost and Net Realisable Value. Cost is determined on the Weighted Average basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads.

2.6 Revenue from sale of products are exclusive of Sales Tax and returns and are recognised when significant risk and rewards of ownership of the goods is transferred to the buyer and the revenue is measurable at the time of sale and it is reasonable to expect ultimate collection of the sale consideration. Revenue from services are recognised when services are rendered and related costs are incurred. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

2.7 Current Investments are stated at lower of Cost and Fair Value. Non-current investments are stated at cost less provision for diminution, other than temporary, if any, in value.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

- 2.8 Current Tax** is determined as the amount of tax payable in respect of taxable income for the year based on applicable tax rates and laws. Deferred Tax is recognised, subject to consideration of prudence in respect of Deferred Tax Asset, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets are periodically reviewed to reassess realisation thereof.
- 2.9 Transactions in Foreign Currencies** are recognised at the rates existing at the time of such transactions. Gain or losses resulting from the settlement of such transactions are recognised in the Statement of Profit and Loss. Year end balances of monetary Assets and Liabilities denominated in Foreign Currencies are translated at applicable year end rates and the resultant differences is recognised in the Statement of Profit and Loss. Non monetary items at the Balance Sheet date are stated at Historical Cost. In case of Forward Exchange Contracts which are entered into to hedge the Foreign Currency risk of a trade receivable/trade payable recognized in these Financial Statements, premium or discount on such contracts are amortised over the life of the contract and exchange differences arising thereon in the reporting period are recognized in the Statement of Profit and Loss. Forward Exchange Contracts which are arranged to hedge the Foreign Currency risk of a firm commitment or a highly probable forecast transaction is marked to market at the year end and the resulting losses, if any, are charged to the Statement of Profit and Loss. The net gain, if any, based on the above evaluation, is not accounted for.
- 2.10 Borrowing Cost** that are attributable to acquisition, construction or production of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalized as part of cost of such assets. All other borrowing costs are recognized as expenses in the period they are incurred.
- 2.11 Employee Benefits :**
- i) The undiscounted amount of Short-term Employee Benefits (i.e. benefits payable within one year) is recognized in the period in which employee services are rendered.
 - ii) Contributions towards Provident Fund are recognised as expense. Provident Fund contributions in respect of employees are made to Trust administered by the Company; the interest rate payable to the members of the Trust is not lower than the rate of interest declared annually by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, is to be made good by the Company.
 - iii) Contribution under Employees' Pension Scheme is made as per statutory requirements and charged as expenses for the year.
 - iv) Contribution to Superannuation (Defined Contribution Plan) is made as per the approved Scheme and charged as expenses for the year.
 - v) The Company also contributes to the Central Government administered Employees' State Insurance Scheme for its eligible employees which is a Defined Contribution Plan.
 - vi) Liability towards Gratuity, Superannuation (Defined Benefit Plan) covering eligible employees, is provided and funded on the basis of year end actuarial valuation.
 - vii) Accrued liability towards Compensated Absence, covering eligible employees, evaluated on the basis of year end actuarial valuation is recognised as a charge.
 - viii) Actuarial gains/losses arising under Defined Benefit Plans are recognised immediately in the Statement of Profit and Loss as income/expense for the year in which they occur.

2.12 Provisions and Contingencies

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

3. SHARE CAPITAL :

	As at 31st March 2013	As at 31st March 2012
Authorised		
40,000,000 (31.03.2012 : 40,000,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
2,000,000 (31.03.2012 : 2,000,000) 5% Redeemable Non Cumulative Preference Shares of ₹ 100/- each	2,000.00	2,000.00
Total	6,000.00	6,000.00
Issued, Subscribed and Fully Paid Up		
34,610,472 (31.03.2012 : 34,610,472) Equity Shares of ₹ 10/- each, fully paid up	3,461.05	3,461.05
1,450,000 (31.03.2012 : 1,450,000) 5% Redeemable Non Cumulative Preference Shares of ₹ 100/- each, fully paid up	1,450.00	1,450.00
Total	4,911.05	4,911.05

3.1 Reconciliation of Number of Shares

	Equity Shares		Preference Shares	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
Shares outstanding on 01.04.2012	34,610,472	3,461.05	1,450,000	1,450.00
Shares outstanding on 31.03.2013	34,610,472	3,461.05	1,450,000	1,450.00

3.2 Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a face value of ₹ 10/- each. Each holder of Equity Shares is entitled to one vote per Share. In the event of liquidation of the Company, the Equity Shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their Shareholding. The Company in the General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

3.3 Terms/Rights attached to Redeemable Non Cumulative Preference Shares (RNCPS)

The 5% Redeemable Non Cumulative Preference Shares are redeemable at par at the end of ten years from the date of allotment (i.e. 3rd September 2010) or any earlier date at the option of the Company except that the said Shares shall not be redeemed within the initial period of three years from the date of allotment. In the event of liquidation of the Company, the Preference Shareholders will have priority over Equity Shares in the payment of dividend and repayment of capital.

Every member holding Preference Share Capital shall have the right to vote in respect of all resolutions placed before the Company which directly affect the rights attached to Preference Shares.

3.4 Shares Held by the Holding Company and Subsidiaries of the Holding Company

Name of Shareholder	Relationship	Nature of Shares	As at 31st March 2013		As at 31st March 2012	
			No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bajoria Holdings Private Limited (BHPL)	Holding Company	Equity	18,320,973	52.93	18,320,973	52.93
Bajoria Holdings Private Limited			640,000	44.14	640,000	44.14
Bajoria Enterprises Limited	Subsidiaries of BHPL	Preference	230,000	15.86	230,000	15.86
Bajoria Financial Services Private Limited			420,000	28.97	420,000	28.97
Bajoria Service Providers Private Limited			160,000	11.03	160,000	11.03

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

3.5 Details of Shareholders holding more than 5% of the Aggregate Shares in the Company

Name of Shareholder	Relationship	Nature of Shares	As at 31st March 2013		As at 31st March 2012	
			No. of Shares held	% of Holding	No. of Shares held	% of Holding
Krosaki Harima Corporation, Japan	Foreign Promoter	Equity	5,006,956	14.47	1,581,410	4.57
Sojitz Corporation, Japan			-	-	3,425,546	9.90
Bajoria Holdings Private Limited	Holding Company	Equity	18,320,973	52.93	18,320,973	52.93
Bajoria Holdings Private Limited			640,000	44.14	640,000	44.14
Bajoria Enterprises Limited	Fellow Subsidiaries	Preference	230,000	15.86	230,000	15.86
Bajoria Financial Services Private Limited			420,000	28.97	420,000	28.97
Bajoria Service Providers Private Limited			160,000	11.03	160,000	11.03

4. RESERVES AND SURPLUS

	As at 31st March 2013		As at 31st March 2012	
Capital Reserve as at the beginning and end of the year		5.00		5.00
Capital Redemption Reserve				
Balance as at the beginning of the year	220.00		-	
Add : Transferred from the Statement of Profit and Loss	145.00	365.00	220.00	220.00
General Reserve				
Balance as at the beginning of the year	533.93		446.79	
Add : Transfer from the Statement of Profit and Loss	85.32	619.25	87.14	533.93
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year	7,010.10		6,262.12	
Add : Profit for the year	1,706.34		1,742.76	
Less : Transferred to Capital Redemption Reserve	(145.00)		(220.00)	
Less : Transferred to General Reserve	(85.32)		(87.14)	
Less : Proposed Dividend on Preference Shares for the year	(72.50)		(72.50)	
Less : Proposed Dividend on Equity Shares for the year	(519.21)		(519.16)	
Less : Tax on Proposed Dividend for the year	(100.58)	7,793.83	(95.98)	7,010.10
Total		8,783.08		7,769.03

5. LONG-TERM BORROWINGS :

	As at 31st March 2013	As at 31st March 2012
Secured		
Term Loans		
From Banks		
- From The Hongkong and Shanghai Banking Corporation Limited	500.00	750.00
Other Loans (Vehicle Loans)		
- From Axis Bank Limited	19.56	34.40
- From ICICI Bank Limited	33.25	-
Total	552.81	784.40

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

5.1 Nature of Security and Terms of Repayment of Secured Borrowings :

a) From The Hongkong and Shanghai Banking Corporation Limited

Secured by first charge over movable Fixed Assets of the Company with an asset cover of 1.5 times of the Term Loan facility and also secured by second pari passu charge over Current Assets with State Bank of India.

Repayable in 12 equated quarterly installments of ₹ 62.50 from April 2013 (including current maturities of Long Term Debt refer Note 10 "Other Current Liabilities"), at interest rate of 10.50% per annum.

b) Vehicle Loans from Axis Bank Limited and ICICI Bank Limited

Vehicle Loans are secured by hypothecation of respective vehicles.

Repayable over 1-3 Years at interest rate of 9.10%-10.99%.

6. DEFERRED TAX LIABILITIES (NET)

	As at 31st March 2013	As at 31st March 2012
Tax Impact of –		
Assets :		
Accrued expenses deductible when paid	(20.32)	(35.13)
Liabilities :		
Difference between Tax Depreciation and Book Depreciation	336.87	363.08
Net Liability	<u>316.55</u>	<u>327.95</u>

7. LONG-TERM PROVISIONS

	As at 31st March 2013	As at 31st March 2012
Provision for Employee Benefits		
Compensated Absence	17.79	16.01
Total	<u>17.79</u>	<u>16.01</u>

8. SHORT-TERM BORROWINGS :

	As at 31st March 2013	As at 31st March 2012
Secured		
Loans from Banks		
Working Capital Loans repayable on demand		
- From State Bank of India	3,093.48	3,064.34
- From The Hongkong and Shanghai Banking Corporation Limited	1,583.83	1,518.65
Total	<u>4,677.31</u>	<u>4,582.99</u>

8.1 The Loans from State Bank of India and The Hongkong and Shanghai Banking Corporation Limited are secured by hypothecation of stocks of raw materials, stock-in-process, finished goods, consumables, spares, stores, receivables and other current assets on pari passu basis and by a second charge over all Fixed Assets of the Company, situated at Sectors 'A' and 'B' of Kalunga Industrial Estate, near Rourkela, on pari passu basis.

9. TRADE PAYABLES :

	As at 31st March 2013	As at 31st March 2012
Creditors for Suppliers/Services (Refer Note 9.1 below)	3,701.35	3,095.86
Total	<u>3,701.35</u>	<u>3,095.86</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

9.1 Dues to the Micro, Small and Medium Enterprises

Information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The Disclosures relating to Micro and Small Enterprises as at 31st March 2013 are as under :

	As at 31st March 2013	As at 31st March 2012
1. The principal amount remaining unpaid to suppliers as at the end of accounting year	85.38	86.51
2. The interest due thereon remaining unpaid to suppliers as at the end of accounting year	—	—
3. The amount of interest paid in terms of Section 16, along with the amount of payment made to the suppliers beyond the appointment day during the year 2012-2013	—	—
4. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	—	—
5. The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	—	—

10. OTHER CURRENT LIABILITIES :

	As at 31st March 2013	As at 31st March 2012
Current maturities of Long-Term Debt	289.41	269.93
Unpaid Dividends (Refer Note 10.1 below)	51.59	48.74
Other Payables (Refer Note 10.2 below)	162.43	136.63
Total	<u>503.43</u>	<u>455.30</u>

10.1 There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

10.2 Other Payables

	As at 31st March 2013	As at 31st March 2012
Advance from Customers	15.20	19.51
Statutory Liabilities	73.38	70.44
Security Deposits received	30.43	33.59
Liability for Gratuity	43.42	13.09
Total	<u>162.43</u>	<u>136.63</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

11. SHORT-TERM PROVISIONS :

	As at 31st March 2013		As at 31st March 2012	
Provision for Employee Benefits				
- Compensated Absence		0.58		1.67
- Provident Fund (Refer Note 27.2)		–		16.68
Others :				
Provision for Taxation	4,544.68		3,701.69	
Less : Advance Income Tax/Fringe Benefits Tax and Tax Deducted at Source	4,547.32	(2.64)	3,663.77	37.92
Proposed Dividend (Refer Note 11.1 below)				
- On Equity Shares		519.16		519.16
- On Preference Shares		72.50		72.50
Tax on Proposed Dividend		100.58		95.98
Entry Tax (Refer Note 11.2 below)		61.40		77.41
Total		751.58		821.32

11.1 Proposed Dividend

	As at 31st March 2013		As at 31st March 2012	
On Equity Shares of ₹ 10/- Each				
Amount of Dividend Proposed		519.16		519.16
Dividend Per Equity Share (₹)		1.50		1.50
On Preference Shares of ₹ 100/- Each				
Amount of Dividend Proposed		72.50		72.50
Dividend Per Preference Share (₹)		5.00		5.00

11.2 Entry Tax

	As at 31st March 2013		As at 31st March 2012	
Opening Balance		77.41		–
Provision during the year		–		77.41
Provision Utilised/Paid during the year		(16.01)		–
Closing Balance		61.40		77.41

The above provision represents obligations that may materialise in respect of matters in appeal.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

12. TANGIBLE ASSETS :

OWN ASSETS	GROSS BLOCK- AT COST				DEPRECIATION				NET BLOCK	
	As at 1st April 2012	Additions during the year	Deductions during the year	Total as at 31st March 2013	Upto 1st April 2012	For the year	Deductions during the year	Total upto 31st March 2013	As at 31st March 2013	As at 31st March 2012
Land (Leasehold) (Refer Note 12.1 below)	34.76	-	-	34.76	3.92	0.44	-	4.36	30.40	30.84
Land (Freehold)	1.29	-	-	1.29	-	-	-	-	1.29	1.29
Buildings	1,278.91	7.04	-	1,285.95	459.99	42.38	-	502.37	783.58	818.92
Plant and Equipment	7,645.34	348.73	161.64	7,832.43	4,388.66	547.13	42.28	4,893.51	2,938.92	3,256.68
Furniture and Fixtures	98.13	0.55	-	98.68	85.94	2.10	-	88.04	10.64	12.19
Leasehold Improvements	-	48.91	-	48.91	-	1.50	-	1.50	47.41	-
Vehicles (Refer Note 12.2 below)	211.74	70.35	12.50	269.59	46.58	80.88	12.42	115.04	154.55	165.16
Office Equipment	51.02	43.18	-	94.20	22.01	3.93	-	25.94	68.26	29.01
Computers	61.24	8.53	0.43	69.34	45.28	11.42	0.07	56.63	12.71	15.96
Total	9,382.43	527.29	174.57	9,735.15	5,052.38	689.78	54.77	5,687.39	4,047.76	4,330.05
Previous Year Total	8,973.85	567.35	158.77	9,382.43	4,576.24	603.47	127.33	5,052.38	4,330.05	

12.1 Acquired under a lease of 99 years with a renewal option.

12.2 During the year, based on estimated usage pattern, the Company has revised the useful life of vehicles from 10.5 years to 5 years. As a result, depreciation for the year is higher by ₹ 57.05 lacs. Also refer Note 2.4.

13. INTANGIBLE ASSETS :

OWN ASSETS (ACQUIRED)	GROSS BLOCK- AT COST				AMORTISATION				NET BLOCK	
	As at 1st April 2012	Additions during the year	Deductions during the year	Total as at 31st March 2013	Upto 1st April 2012	For the year	Deductions during the year	Total upto 31st March 2013	As at 31st March 2013	As at 31st March 2012
Goodwill (arising on Amalgamation)	503.06	-	-	503.06	503.06	-	-	503.06	-	-
Computer Software	25.60	0.11	-	25.71	17.23	4.81	-	22.04	3.67	8.37
Intellectual Property Rights (Technical Know-how) (Refer Note 13.1 below)	232.29	-	-	232.29	215.89	16.40	-	232.29	-	16.40
Total	760.95	0.11	-	761.06	736.18	21.21	-	757.39	3.67	24.77
Previous Year Total	751.99	8.96	-	760.95	714.71	21.47	-	736.18	24.77	

13.1 Technical Know how represents technical drawings, designs etc. relating to manufacture of the Company's products and acquired pursuant to various agreements conferring the right to usage only.

13.2 Depreciation and Amortisation Expense

	For the year ended 31st March 2013	For the year ended 31st March 2012
Depreciation on Tangible Assets	689.78	603.47
Amortisation of Intangible Assets	21.21	21.47
Total	710.99	624.94

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

14. NON-CURRENT INVESTMENTS :

	As at 31st March 2013	As at 31st March 2012
Trade Investments-Long Term (Valued at Cost unless stated otherwise)		
Unquoted Equity Investments		
<i>Investment in Subsidiaries</i>		
- IFGL Worldwide Holdings Limited [6,350,000 (31.03.2012 : 6,350,000) Fully paid Equity Shares of GBP 1 each]	5,625.39	5,625.39
- IFGL Exports Limited [1,101,600 (31.03.2012 : 716,550) Fully paid Equity Shares of ₹ 10 each]	1,101.60	716.55
<i>Others</i>		
- Krosaki IFGL Refractories Private Limited [2,000 (31.03.2012 : 2,000) Fully paid Equity Shares of ₹ 10 each]	0.20	0.20
Other Investments (Valued at Cost unless stated otherwise)		
<i>Quoted</i>		
- Investments in Debentures or Bonds [50 (31.03.2012 : 50) 8.09% Tax Free Bonds of Power Finance Corporation Limited of Face Value ₹ 100,000 each]	50.00	50.00
Total	<u>6,777.19</u>	<u>6,392.14</u>
Aggregate Amount of Quoted Investments	50.00	50.00
Aggregate Amount of Unquoted Investments	6,727.19	6,342.14
Market Value of Quoted Investments	50.00	50.00

14.1 Shares of IFGL Exports Limited are pledged with Export Import Bank of India for loans granted by them to IFGL Exports Limited.

15. LONG-TERM LOANS AND ADVANCES

	As at 31st March 2013	As at 31st March 2012
Unsecured, Considered Good		
Capital Advances	1.55	11.27
Security Deposits	60.76	49.10
Total	<u>62.31</u>	<u>60.37</u>

16. OTHER NON-CURRENT ASSETS

	As at 31st March 2013	As at 31st March 2012
Long-Term Deposits with Banks with original maturity period of more than 12 months*	28.00	38.00
Total	<u>28.00</u>	<u>38.00</u>

*Kept under lien by Bank as margin money against non fund based facilities provided.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

17. INVENTORIES :

	As at 31st March 2013	As at 31st March 2012
Valued at lower of Cost and Net Realizable Value		
Raw Materials and Components [includes in transit ₹ 592.19 (31.03.2012 : ₹ 300.35)]	2,219.08	2,236.14
Work-in-Progress (Refer Note 17.1 below)	705.29	750.21
Finished Goods [includes in transit ₹ 30.48 (31.03.2012 : ₹ 85.10)] (Refer Note 17.2 below)	553.79	647.33
Stock of Traded Goods (Refer Note 17.3 below)	228.18	159.57
Stores and Spares	164.20	184.96
Total	3,870.54	3,978.21

17.1 Details of Work-in-Progress

	As at 31st March 2013	As at 31st March 2012
Shaped Refractories	490.69	503.89
Unshaped Refractories	214.60	246.32
Total	705.29	750.21

17.2 Details of Finished Goods

	As at 31st March 2013	As at 31st March 2012
Shaped Refractories	448.61	505.39
Unshaped Refractories	105.18	141.94
Total	553.79	647.33

17.3 Details of Stock of Traded Goods

	As at 31st March 2013	As at 31st March 2012
Operating Systems for Refractories	5.75	14.61
Others	222.43	144.96
Total	228.18	159.57

18. TRADE RECEIVABLES

	As at 31st March 2013		As at 31st March 2012	
Unsecured				
Outstanding for a period exceeding six months from the date they are due for payment				
- Considered Good	51.55		79.55	
- Considered Doubtful	20.58	72.13	66.51	146.06
Other Receivables				
- Considered Good		8,338.17		6,340.64
Less : Provision for Doubtful Receivables		(20.58)		(66.51)
Total		8,389.72		6,420.19

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

19. CASH AND CASH EQUIVALENTS

	As at 31st March 2013	As at 31st March 2012
Balances with Banks		
- In Current Accounts	11.11	427.07
- In Deposit Accounts (with original maturity of less than 3 months)	500.00	500.00
Cheques on Hand	15.03	-
Cash on Hand	10.53	9.16
Other Bank Balances		
- On Unclaimed Dividend Accounts	51.59	48.74
- Deposits with original maturity of more than 3 months but less than 12 months*	12.18	2.00
Total	<u>600.44</u>	<u>986.97</u>

*Above deposit are kept under lien by the Bank as margin money against non fund based facility provided.

20. SHORT-TERM LOANS AND ADVANCES :

	As at 31st March 2013		As at 31st March 2012	
Unsecured, Considered Good				
Loans and Advances to Related Party		6.08		4.15
Others Loans and Advances				
- Others (Refer Note 20.1 below)	50.01		62.81	
- Prepaid Expenses	43.62	93.63	35.62	98.43
Total		<u>99.71</u>		<u>102.58</u>

20.1 Loans and Advances - Others

	As at 31st March 2013	As at 31st March 2012
Advance to Suppliers	10.43	20.65
Insurance Claims Receivable	-	7.09
Advance for Expenses	39.58	35.07
Total	<u>50.01</u>	<u>62.81</u>

21. OTHER CURRENT ASSETS

	As at 31st March 2013	As at 31st March 2012
Interest Accrued on Fixed Deposits	17.53	16.79
Accrued Export Benefits	57.37	238.71
Balances with Excise Authorities etc.	140.45	175.13
Total	<u>215.35</u>	<u>430.63</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

22. REVENUE FROM OPERATIONS :

	For the year ended 31st March 2013	For the year ended 31st March 2012
Revenue from Sale of Products (Gross) :		
Finished Goods (Refer Note 22.1 below)	30,842.77	27,666.08
Traded Goods (Refer Note 22.2 below)	1,131.14	813.24
	31,973.91	28,479.32
Less : Excise Duty	(1,692.02)	(1,260.20)
Revenue from Sale of Products (Net) :	30,281.89	27,219.12
Service Income (Refer Note 22.3 below)	288.33	209.75
Other Operating Revenue (Scrap Sales)	42.80	51.43
Total	30,613.02	27,480.30

22.1 Details of Sales of Finished Goods

	For the year ended 31st March 2013	For the year ended 31st March 2012
Shaped Refractories	26,180.86	23,185.59
Unshaped Refractories	4,661.91	4,480.49
Total	30,842.77	27,666.08

22.2 Details of Sales of Traded Goods

	For the year ended 31st March 2013	For the year ended 31st March 2012
Shaped Refractories	840.27	573.23
Unshaped Refractories	290.87	240.01
Total	1,131.14	813.24

22.3 Details of Service Income

	For the year ended 31st March 2013	For the year ended 31st March 2012
Mechanism and Installation Services	288.33	209.75
Total	288.33	209.75

23. OTHER INCOME :

	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest Income (Refer Note 23.1)	78.32	69.00
Liabilities no longer required written back	11.88	103.66
Other Non Operating Income (Net of Expenses directly attributable to such Income) (Refer Note 23.2)	139.24	67.92
Total	229.44	240.58

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

23.1 Details of Interest Income

	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest on Bank Deposits	54.94	25.31
Interest on Customers' Overdue Bills	23.38	43.63
Interest Others	—	0.06
Total	<u>78.32</u>	<u>69.00</u>

No interest was capitalised during the year.

23.2 Other Non Operating Income

	For the year ended 31st March 2013	For the year ended 31st March 2012
Bad Debts Recovery	22.31	33.33
Insurance Claims	—	19.01
Commission	1.92	13.43
Sundry Receipts	115.01	2.15
Total	<u>139.24</u>	<u>67.92</u>

24. COST OF MATERIALS AND COMPONENTS CONSUMED :

	For the year ended 31st March 2013	For the year ended 31st March 2012
Raw Materials (Refer Notes 24.1 and 24.2 below)	15,392.66	14,170.98
Total	<u>15,392.66</u>	<u>14,170.98</u>

24.1 Details of Materials Consumed

	For the year ended 31st March 2013	For the year ended 31st March 2012
Raw Materials		
Alumina	3,825.78	3,540.12
Graphite	1,494.80	1,531.84
Zirconia	2,648.77	2,229.84
Resin	1,592.39	1,906.37
Others	5,830.92	4,962.81
Total	<u>15,392.66</u>	<u>14,170.98</u>

24.2 Cost of Imported and Indigenous Materials Consumed

	For the year ended 31st March 2013		For the year ended 31st March 2012	
	Value	%	Value	%
Raw Materials				
- Imported	8,007.81	52.02	7,613.17	53.72
- Indigenous	7,384.85	47.98	6,557.81	46.28
Total	<u>15,392.66</u>	<u>100.00</u>	<u>14,170.98</u>	<u>100.00</u>
Stores and Spares				
- Imported	50.90	8.79	61.75	10.40
- Indigenous	528.45	91.21	532.13	89.60
Total	<u>579.35</u>	<u>100.00</u>	<u>593.88</u>	<u>100.00</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

25. DETAILS OF PURCHASES OF TRADED GOODS

	For the year ended 31st March 2013	For the year ended 31st March 2012
Operating Systems for Refractories	108.91	28.20
Refractories (Unshaped)	268.72	225.18
Mechanism Spares	1,130.25	383.96
Total	1,507.88	637.34

26. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	For the year ended 31st March 2013		For the year ended 31st March 2012	
Opening Stock				
Finished Goods and Stock of Traded Goods	806.90		567.53	
Work-in-Progress	750.21	1,557.11	554.50	1,122.03
Less : Closing Stock				
Finished Goods and Stock of Traded Goods	781.97		806.90	
Work-in-Progress	705.29	1,487.26	750.21	1,557.11
Total		69.85		(435.08)

27. EMPLOYEE BENEFITS EXPENSE :

	For the year ended 31st March 2013	For the year ended 31st March 2012
Salaries, Wages and Bonus	2,222.43	1,996.29
Contribution to Funds (Refer Note 27.1 and 27.2 below)	216.35	188.48
Staff Welfare Expenses	59.81	39.07
Total	2,498.59	2,223.84

27.1 The Company has recognised in the Statement of Profit and Loss for the year ended 31st March 2013 an amount of ₹ 151.54 (31.03.2012 : ₹ 154.19) as expenses under Defined Contribution Plans.

27.2 Provident Fund (Funded)

Provident Fund contributions in respect of employees are made to Trust administered by the Company and it has the liability to Fund any shortfall on the yield of the Trust's investments over the administered interest rates on an annual basis. These administered interest rates are determined annually predominantly considering the social rather than economic factors. The contribution by the employer and employee together with the interest accumulated thereon are payable to the employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. Based on the final guidance for measurement of Provident Fund liabilities issued by the Actuarial Society of India, the Company's liability at the year end of ₹ Nil (31.03.2012 : ₹ 16.68) has been actuarially determined by an independent actuary and provided for.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

The details of Fund and Planned Assets position is given below :

	For the year ended 31st March 2013	For the year ended 31st March 2012
Present Value of benefit obligation at period end (Net of Planned Assets)	–	16.68
Cost of shortfall in Interest Rate Guarantee	–	16.68
Assumptions used in determining the Present Value Obligation of the Interest Rate Guarantee under the Deterministic Approach		
Discount Rate	8.00%	8.60%
Expected Guaranteed Interest Rate	8.70%	8.70%

27.3 Gratuity (Funded)

The Company provides for gratuity, a Defined Benefit Retirement Plan covering eligible employees. As per the Scheme, the Gratuity Trust Fund makes payments to vested employees on retirement, death, incapacitation or termination of employment. For employees joining after 1st April 2003, the amount is based on the respective employee's eligible salary (half month's salary) depending on the tenure of the service subject to a maximum amount as per the Payment of Gratuity Act, 1972. For employees joining before 1st April 2003, the amount is calculated similarly as per the Payment of Gratuity Act, 1972 or the Company's Scheme, whichever is higher. Vesting occurs on completion of five years of service. Liabilities with regard to the Gratuity plan are determined by actuarial valuation as set out in Note 2.11 (vi) above, based on which the Company make contribution to the Fund. The most recent actuarial valuation of the Fund was carried out as at 31st March 2013.

27.4 Superannuation (Funded)

In keeping with the Company's Superannuation Scheme (applicable to employees joined before 31st March 2004), employees are entitled to superannuation benefit on retirement/death/incapacitation/termination. Superannuation Scheme was amended from Defined Benefit Plan to Defined Contribution Plan effective 1st April 2004 and the benefits under the Defined Benefit Plan were frozen as on 31st March 2004. Necessary formalities/approvals have been complied with/obtained. Also refer Notes 2.11 (iv) and (vi) for accounting policy relating to Superannuation.

27.5 Compensated Absence (Unfunded)

The Company provides for accumulated leave benefit for eligible employees (i.e. workmen) at the time of retirement, death, incapacitation or termination of employment, subject to a maximum of one hundred and twenty days based on the last drawn salary. Liabilities are determined by actuarial valuation as set out in Note 2.11 (vii) above.

27.6 Following are the further particulars with respect to Defined Benefit Plans of the Company for the year ended 31st March 2013 :

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)	
	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012
a) Reconciliation of the Opening and Closing Balances of Present Value of Defined Benefit Obligation :						
Present Value of Obligation as at the beginning of the year	423.28	372.92	206.07	205.57	16.67	18.17
Service Cost	28.25	26.44	–	–	2.12	2.08
Interest Cost	36.15	29.51	17.57	16.28	1.29	1.43
Actuarial (Gains)/Losses	38.31	2.39	3.07	(11.69)	1.58	(4.52)
(Benefits Paid)	(5.87)	(7.98)	(3.46)	(4.09)	(3.29)	(0.49)
Present Value of Obligation as at the end of the year	520.12	423.28	223.25	206.07	18.37	16.67

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)	
	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012
b) Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets :						
Fair Value of Plan Assets at the beginning of the year	410.19	339.77	420.42	398.28	-	-
Expected Return on Plan Assets	35.18	30.08	34.33	32.49	-	-
Actuarial Gains/(Losses)	4.11	(4.83)	7.48	(6.26)	-	-
Contribution by the Company (Benefits Paid)	33.09	53.15	-	-	3.29	0.49
	(5.87)	(7.98)	(3.46)	(4.09)	(3.29)	(0.49)
Fair Value of Plan Assets at the end of the year	476.70	410.19	458.77	420.42	-	-
c) Reconciliation of the Present Value of Defined Benefit Obligation and Fair Value of the Plan Assets :						
Fair Value of Plan Assets at the end of the year	476.70	410.19	458.77	420.42	-	-
Present Value of Obligation at the end of the year	520.12	423.28	223.25	206.07	18.37	16.67
Assets/(Liabilities) recognised in the Balance Sheet	(43.42)	(13.09)	235.52 #	214.35 #	(18.37)	(17.68)

Actual amount of Asset in the Balance Sheet Nil (31.03.2012 : Nil)

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)	
	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012
d) Expense recognised in the Statement of Profit and Loss :						
Current Service Cost	28.25	26.44	-	-	2.12	2.08
Interest Cost	36.15	29.51	17.57	16.28	1.29	1.43
(Expected Return of Plan Assets)	(35.18)	(30.08)	(34.33)	(32.49)	-	-
Actuarial (Gain)/Loss	34.20	7.22	(4.41)	(5.43)	1.58	(4.52)
Total Expense as per the Actuarial Valuation	63.42	33.09	(21.17)	(21.64)	4.99	(1.01)
Actual Expenses Recognised	**63.42	**33.09	-	-	*3.98	-

* The Expenses for the above benefit are recognised under 'Salary Wages and Bonus' on Note 27.

**The Expenses for the above benefit are recognised under 'Contribution to Funds' on Note 27.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)	
	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012
	%	%	%	%	%	%
e) Category of Plan Assets :						
GOI Securities	6	7	5	13	NA	NA
Bonds	3	4	7	7	NA	NA
State Government/State Government Guaranteed Securities	–	–	2	3	NA	NA
Units of Insurers	89	87	80	76	NA	NA
Others (including Bank Balances)	2	2	6	1	NA	NA
	100	100	100	100	NA	NA
f) Principal Actuarial Assumptions						
Discount Rate (per annum) (%)	8.00	8.60	8.00	8.60	8.00	8.60
Rate of Increase in Salaries (%)	6.00	6.00	NA	NA	6.00	6.00
Expected Rate of Return on Plan Assets (%)	8.30	8.30	8.20	8.20	NA	NA
Remaining Working Life (in years)	18.01	18.74	12.80	13.63	15.44	14.81
Mortality Rate	LIC (1994-96) ultimate					
Method Used	Projected Accrued Benefit Method					
Actual Return on Plan Assets	39.29	25.25	41.81	26.23	NA	NA

g) Other Disclosures :
Gratuity Scheme :

Experience History	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011	For the year ended 31st March 2010	For the year ended 31st March 2009
Defined Benefit Obligation at end of the period	(520.12)	(423.28)	(372.92)	(308.48)	(197.31)
Plan Assets at end of the period	476.70	410.19	339.77	305.64	243.75
Funded Status	(43.42)	(13.09)	(33.15)	(2.84)	46.44
Experience Gain/(Loss) adjustments on Plan Liabilities	(18.73)	(20.39)	(33.41)	(52.19)	–
Experience Gain/(Loss) adjustments on Plan Assets	4.11	(4.83)	2.51	23.90	–
Actuarial Gain/(Loss) due to change on assumptions	(19.58)	18.00	–	(24.85)	–

Superannuation Scheme :

Experience History	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011	For the year ended 31st March 2010	For the year ended 31st March 2009
Defined Benefit Obligation at end of the period	(223.25)	(206.07)	(205.57)	(194.98)	(189.75)
Plan Assets at end of the period	458.77	420.42	398.28	372.33	334.27
Funded Status	235.52	214.35	192.71	177.35	144.52
Experience Gain/(Loss) adjustments on Plan Liabilities	2.64	5.46	4.50	0.67	–
Experience Gain/(Loss) adjustments on Plan Assets	7.48	(6.26)	(4.07)	19.94	–
Actuarial Gain/(Loss) due to change on assumptions	(5.71)	6.23	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

Compensated Absence Scheme :

Experience History	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011	For the year ended 31st March 2010	For the year ended 31st March 2009
Defined Benefit Obligation at end of the period	(18.37)	(16.67)	(18.17)	(13.66)	(10.62)
Plan Assets at end of the period	-	-	-	-	-
Funded Status	(18.37)	(16.67)	(18.17)	(13.66)	(10.62)
Experience Gain/(Loss) adjustments on Plan Liabilities	(0.72)	3.64	(2.18)	0.67	(6.96)
Experience Gain/(Loss) adjustments on Plan Assets	-	-	-	-	-
Actuarial Gain/(Loss) due to change on assumptions	(0.86)	0.88	-	(1.24)	8.89

The basis used to determine overall Expected Return on Assets and the major categories of Plan Assets are as follows :

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

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

28. FINANCE COSTS

	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest	397.95	468.00
Other Borrowing Cost	7.48	6.77
Total	405.43	474.77

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

29. OTHER EXPENSES :

	For the year ended 31st March 2013		For the year ended 31st March 2012	
Consumption of Stores and Spare Parts (Refer Note 24.2)		579.35		593.88
Power and Fuel		1,614.79		1,499.07
Rent		25.74		24.05
Rates and Taxes		50.73		31.17
Repairs :				
- Machinery	164.57		148.70	
- Buildings	9.30		8.79	
- Others	77.49		68.99	
		251.36		226.48
Insurance		94.79		82.81
Payment to Auditors (Refer Note 29.1 below)		21.64		16.82
Directors' Fees		6.00		6.10
Provision for Doubtful Trade Receivables/Advances		17.72		24.00
Sundry Debit Balances/Advances Written off		60.62		31.97
Travelling and Conveyance		487.03		411.44
Site Contractor Expenses		647.35		540.53
Processing Charges		382.16		354.48
Professional Charges		105.80		125.03
Postage, Telephone, Telex etc.		52.47		46.69
Royalty		127.63		134.34
Service Charges		152.94		143.43
Commission and Brokerage		589.81		575.15
Packing Expenses		879.50		815.07
Delivery and Forwarding Expenses		1,406.14		1,137.42
Net Loss/(Gain) on Sale/Discard of Fixed Assets		(16.23)		10.45
Net Loss/(Gain) on Foreign Exchange Rate Fluctuation and Translation (Refer Note 29.2 below)		(160.39)		298.43
Miscellaneous Expenses		342.15		272.42
Total		7,719.10		7,401.23

29.1 Amounts Paid/Payable to Auditors

	For the year ended 31st March 2013		For the year ended 31st March 2012	
As Auditors				
For Statutory Audit		9.00		7.50
For Tax Audit		2.50		2.50
For Limited Reviews		6.00		3.00
Other Certification Services		3.88		3.07
Reimbursement of Expenses		0.26		0.75

The above amount excludes Service Tax and Education Cess thereon.

29.2 Net gain of ₹ 160.39 (31.03.2012 : loss of ₹ 298.43) includes Provision for 'Mark to Market' losses on derivatives of ₹ NIL (31.03.2012 : ₹ 46.90).

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

30. EARNINGS PER SHARE (EPS) – The numerators and denominators used to calculate Basic and Diluted EPS

	For the year ended 31st March 2013	For the year ended 31st March 2012
Profit for the year	1,706.34	1,742.76
Less : Dividend on Preference Shares	72.50	72.50
Tax on Dividend on Preference Shares	12.33	11.76
Profit after Tax attributable to the Equity Shareholders (A)	1,621.51	1,658.50
Weighted Average number of Equity Shares (in numbers) (B)	34,610,472	34,610,472
Nominal Value of Equity Shares (in ₹)	10.00	10.00
Dilutive potential Equity Shares	–	–
Basic/Diluted EPS (A/B)	4.69	4.79

31. CONTINGENT LIABILITIES

	As at 31st March 2013	As at 31st March 2012
a) Claims against the Company not acknowledged as debts :		
i) Sales Tax matter under appeal disputed relating to issues of applicability and classification [related payments ₹ 5.49 (31.03.2012 : ₹ 5.49)]	49.54	49.54
ii) Income Tax matters under dispute relating to issues of applicability and determination	18.25	77.64
iii) Service Tax/Excise Duty matters under dispute relating to issues of applicability and classification	4.91	1.54
b) Guarantees		
Letter of Comfort/Corporate Guarantee given to Banks against Term Loan, Working Capital and Forward Exchange Contracts provided by them to :		
A) a Step down Subsidiary [limit Nil (31.03.2012 : ₹ 9,302.73)] Utilised at year end Nil (31.03.2012 : ₹ 4,643.22)- [Converted at year end rate]	–	4,640.22
B) a Subsidiary [limit ₹ 3,700 (31.03.2012 : ₹ 3,700)] Utilised at year end	2,894.01	2,348.70

The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and result of operations.

The Company does not expect any reimbursements in respect of the above Contingent Liabilities.

32. CAPITAL AND OTHER COMMITMENTS :**32.1 Capital Commitments**

	As at 31st March 2013	As at 31st March 2012
Estimated value of contracts on capital account remaining to be executed (net of advances) and not provided for	8.05	56.59
Total	<u>8.05</u>	<u>56.59</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

32.2 Derivatives Instruments :
Derivatives related Commitments

Hedged Position-Forward Contracts

	Purpose	As at 31st March 2013		As at 31st March 2012	
		No. of Contracts	Amount	No. of Contracts	Amount
Forward Contracts to sell \$ Nil (31.03.2012 : \$ 12.50)	Hedge of Highly Probable Foreign Currency Sales	-	-	5.00	647.33

Particulars of Unhedged Position		As at 31st March 2013		As at 31st March 2012	
A. Amounts receivable in Foreign Currency	FX Currency	FX Amount (in lacs)	Total INR equivalent	FX Amount (in lacs)	Total INR equivalent
Debtors Outstanding	\$	20.78	1,123.50	2.17	96.52
	€	56.01	3,850.52	49.58	3,343.42
	£	1.85	151.23	3.11	251.01
B. Amounts payable in Foreign Currency	FX Currency	FX Amount (in lacs)	Total INR equivalent	FX Amount (in lacs)	Total INR equivalent
Import of Goods and Services	\$	4.18	229.22	3.12	161.03
	€	3.36	237.38	0.09	5.89
	£	1.12	93.94	0.66	54.86
Loans Payable	\$	23.46	1,287.64	21.14	1,089.15
	€	37.43	2,644.97	30.36	2,096.60

33. RELATED PARTY DISCLOSURES

Related Party Disclosures in keeping with Accounting Standard-18 prescribed under 'the Act' :

List of Related Parties

Where Control exists	
Holding Company	Bajoria Holdings Private Limited
Subsidiary Companies (including Step down Subsidiaries)	IFGL Worldwide Holdings Limited IFGL Exports Limited (with effect from 30.03.2012) IFGL Monocon Holdings Limited Monocon International Refractories Limited Monocon Overseas Limited Mono Ceramics Inc. Monotec Refratarios Ltda Tianjin Monocon Refractories Company Limited Tianjin Monocon Aluminous Refractories Company Limited Goricon Metallurgical Services Limited IFGL GmbH Hofmann Ceramic GmbH Hofmann GmbH & Co. OHG Hofmann Ceramic CZ s.r.o. Hofmann Ceramic Limited Hofmann Ceramic LLC Hofmann Pyemetric LLC

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

	IFGL Inc. EI Ceramic LLC CUSC International Limited
Fellow Subsidiaries	Heritage Health TPA Private Limited Bajoria Financial Services Private Limited IFGL Bio Ceramics Limited Ganges Art Gallery Private Limited Bajoria Enterprises Limited Bajoria Service Providers Private Limited
Others : Key Management Personnel	S K Bajoria (Chairman) P Bajoria (Managing Director)
Relatives of Key Management Personnel	Mihir Bajoria (Son of Chairman) Akshay Bajoria (Son of Managing Director)
Enterprises in which Key Management personnel has significant influence	Heritage Insurance Brokers Private Limited Coris Heritage Asia Pacific Private Limited IFGL Exports Limited (Subsidiary with effect from 30.03.12)

Particulars of Transactions during the year and year end balances	As at 31st March 2013	As at 31st March 2012
(I) With Holding Company : Bajoria Holdings Private Limited		
Rent for Office Premises	8.67	7.59
Maintenance Charges	10.89	10.89
Expenses Reimbursement/Incurred	13.24	11.35
Expenses Recovered/Received	0.10	–
Purchase of Equity Shares of IFGL Exports Limited	–	260.00
	<u>32.90</u>	<u>289.83</u>
Year end Balances (Trade Payable)	0.78	0.55
(II) With Subsidiaries including Step down Subsidiaries		
Purchase of Raw Materials		
Mono Ceramics Inc.	0.55	–
Monocon International Refractories Limited	67.39	0.62
Tianjin Monocon Refractories Company Limited	974.51	977.51
Tianjin Monocon Aluminous Refractories Company Limited	–	6.71
EI Ceramics LLC	–	3.96
Hofmann Ceramic GmbH	20.30	0.95
	<u>1,062.75</u>	<u>989.75</u>
Purchase of Trading Goods		
IFGL Exports Limited	708.55	–
	<u>708.55</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

Particulars of Transactions during the year and year end balances	As at 31st March 2013	As at 31st March 2012
Purchase of Services		
Mono Ceramics Inc.	0.37	—
	<u>0.37</u>	<u>—</u>
Purchase of Capital Goods		
Hofmann Ceramic GmbH	—	56.76
Monocon International Refractories Limited	—	7.11
	<u>—</u>	<u>63.87</u>
Commission Paid		
Mono Ceramics Inc.	—	4.11
Monotec Refratarios Ltda	—	54.75
	<u>—</u>	<u>58.86</u>
Sale of Finished Goods		
Monocon International Refractories Limited	522.62	541.98
Mono Ceramics Inc.	86.40	108.05
Monotec Refratarios Ltda	—	1.69
Tianjin Monocon Aluminous Refractories Company Limited	—	0.39
Hofmann Ceramic GmbH	14.15	23.39
IFGL Exports Limited	53.85	—
	<u>677.02</u>	<u>675.50</u>
Commission Earned		
IFGL Exports Limited	23.74	—
	<u>23.74</u>	<u>—</u>
Royalty Paid		
Hofmann Ceramic GmbH	3.32	4.19
	<u>3.32</u>	<u>4.19</u>
Expenses Reimbursement/Incurred		
Mono Ceramics Inc.	—	0.92
IFGL Exports Limited	11.40	—
	<u>11.40</u>	<u>0.92</u>
Expenses Recovered/Received		
Monocon International Refractories Limited	10.48	12.92
Tianjin Monocon Refractories Company Limited	0.99	0.67
Tianjin Monocon Aluminous Refractories Company Limited	0.52	—
Mono Ceramics Inc.	—	0.01
IFGL Exports Limited	2.26	—
	<u>14.25</u>	<u>13.60</u>
Non-Current Investment (Purchased)		
IFGL Exports Limited	385.05	—
	<u>385.05</u>	<u>—</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

Particulars of Transactions during the year and year end balances	As at 31st March 2013	As at 31st March 2012
Interest Received on Loan Given		
IFGL Exports Limited	2.63	—
	<u>2.63</u>	<u>—</u>
Loan Given		
IFGL Exports Limited	200.00	—
	<u>200.00</u>	<u>—</u>
Loan amount received back		
IFGL Exports Limited	200.00	—
	<u>200.00</u>	<u>—</u>
Year end Balances		
Trade Payables		
Monocon International Refractories Limited	63.40	7.11
Tianjin Monocon Refractories Company Limited	191.42	213.11
Hofmann Ceramic GmbH	11.97	1.02
IFGL Exports Limited	365.28	17.11
	<u>632.07</u>	<u>238.35</u>
Commission Payable		
Mono Ceramics Inc.	1.89	1.89
Monotec Refratarios Ltda	6.27	6.27
	<u>8.16</u>	<u>8.16</u>
Trade Receivables		
Monocon International Refractories Limited	163.70	219.33
Mono Ceramics Inc.	23.29	36.37
Tianjin Monocon Refractories Company Limited	—	0.24
Hofmann Ceramic GmbH	—	1.20
IFGL Exports Limited	40.72	69.77
	<u>227.71</u>	<u>326.91</u>
Loans and Advances		
Monocon International Refractories Limited	5.29	2.26
Tianjin Monocon Refractories Company Limited	0.07	0.42
Tianjin Monocon Aluminous Refractories Company Limited	0.07	—
Mono Ceramics Inc.	—	0.08
IFGL Exports Limited	0.62	1.39
	<u>6.05</u>	<u>4.15</u>
Non-Current Investment		
IFGL Worldwide Holdings Limited	5,625.39	5,625.39
IFGL Exports Limited	1,101.60	716.55
	<u>6,726.99</u>	<u>6,341.94</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

Particulars of Transactions during the year and year end balances	As at 31st March 2013	As at 31st March 2012
Corporate Guarantee/Letter of Comfort		
Monocon International Refractories Limited	–	4,640.22
IFGL Exports Limited	2,894.01	2,348.70
	2,894.01	6,988.92
(III) With Fellow Subsidiaries		
Sale of Finished Goods		
IFGL Bio Ceramics Limited	33.36	15.75
	33.36	15.75
Expenses Reimbursement/Incurred		
Ganges Art Gallery Private Limited	–	2.33
	–	2.33
Expenses Recovered/Received		
Heritage Health TPA Private Limited	6.00	3.37
IFGL Bio Ceramics Limited	0.43	0.96
Ganges Art Gallery Private Limited	–	0.11
	6.43	4.44
Purchase of Equity Shares of IFGL Exports Limited		
Bajoria Financial Services Private Limited	–	220.00
	–	220.00
Year end Balances		
Trade Payables		
IFGL Bio Ceramics Limited	3.92	–
	3.92	–
Trade Receivables		
IFGL Bio Ceramics Limited	1.99	15.35
	1.99	15.35
(IV) With Key Management Personnel		
Director's Remuneration		
S K Bajoria (Chairman)	126.39	98.64
P Bajoria (Managing Director)	143.52	115.74
Purchase of Equity Shares of IFGL Exports Limited from S K Bajoria	–	100.55
	269.91	314.93
Director's Commission		
S K Bajoria (Chairman)	17.13	28.50
P Bajoria (Managing Director)	–	16.50
	17.13	45.00
(V) With Relative of Key Management Personnel		
Remuneration		
Akshay Bajoria	3.02	0.74
	3.02	0.74

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

Particulars of Transactions during the year and year end balances	As at 31st March 2013	As at 31st March 2012
(VI) With Enterprise in which a Key Management Personnel has significant influence		
Expenses Recovered/Received		
Heritage Insurance Brokers Private Limited	0.88	0.71
IFGL Exports Limited	—	1.94
	<u>0.88</u>	<u>2.65</u>
Purchase of Trading Goods		
IFGL Exports Limited	—	17.11
	—	<u>17.11</u>
Sale of Finished Goods		
IFGL Exports Limited	—	69.43
	—	<u>69.43</u>
Year end Balances		
Loans and Advances		
Heritage Insurance Brokers Private Limited	0.03	—
	<u>0.03</u>	<u>—</u>

34. OPERATING LEASE COMMITMENTS

The Company entered into non-cancelable operating lease agreements in connection with certain office spaces. Tenure of lease is for a period of 5 years. Terms of the lease include operating terms of renewal, re-imbursment of maintenance charges, increase in future maintenance charges etc. The future minimum lease commitments of the Company are as follows :

	As at 31st March 2013	As at 31st March 2012
Within 1 Year	8.67	7.59
More than 1 Year upto 5 Years	24.63	26.10
Total	<u>33.30</u>	<u>33.69</u>

Lease Rentals recognised in Note 29 of this Statement of Profit and Loss amounting to ₹ 8.67 (31.03.2012 : ₹ 7.59)

35. CIF VALUE OF IMPORTS

	For the year ended 31st March 2013	For the year ended 31st March 2012
Raw Materials	7,040.83	6,346.97
Stores and Spares	62.31	46.48
Trading Items	142.72	18.37
Capital Goods	59.41	77.28

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(₹ in lacs)
36. EXPENDITURE IN FOREIGN CURRENCY

	For the year ended 31st March 2013	For the year ended 31st March 2012
Salaries and Wages	533.72	466.22
Travelling	190.59	172.62
Commission	525.21	520.55
Royalty	127.54	134.31
Interest	14.12	11.21
Export Selling Expenses	218.23	111.87
Professional Fees	9.33	19.32
Others	63.01	50.88

37. EARNINGS IN FOREIGN EXCHANGE

	For the year ended 31st March 2013	For the year ended 31st March 2012
FOB value of Exports	9,260.27	8,203.57
Sale of Fixed Asset	127.54	-
Sundry Receipts	102.11	-

38. DIVIDEND REMITTED IN FOREIGN CURRENCY

	For the year ended 31st March 2013	For the year ended 31st March 2012
(a) Amount Remitted		
- for the year 2011-2012	51.38	-
- for the year 2010-2011	-	25.03
(b) Number of Non-Resident Shareholders	2	2
(c) Number of Shares held by them	5,006,956	5,006,956

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

39. SEGMENT REPORTING

In terms of Accounting Standard 17 'Segment Reporting' prescribed under 'the Act', segment information has been presented in the Consolidated Financial Statements of the Company included in the Annual Report. Given below is the information relating to Geographical Market of the Company :

	As at 31st March 2013	As at 31st March 2012
Revenue from Operations		
India	15,176.10	13,287.58
Outside India		
Direct Exports	9,843.57	8,630.21
Indirect Exports	5,822.79	5,803.09
Total	<u>30,842.46</u>	<u>27,720.88</u>
Carrying amount of Assets		
India	18,677.74	18,362.79
Outside India		
Branch Assets in Italy	19.09	41.44
Debtors-Direct Exports	3,336.52	2,173.22
Debtors-Indirect Exports	2,181.60	2,186.46
Total	<u>24,214.95</u>	<u>22,763.91</u>
Purchase of Tangible and Intangible Assets		
India	526.96	576.07
Outside India	0.44	0.24

40. PREVIOUS YEAR FIGURES

Previous year's figures have been re-grouped/re-classified wherever necessary to conform with the current year's classification.

Signatures to Note '1' to '40'

On behalf of the Board of Directors

R Agarwal
Company Secretary

P Bajoria
Managing Director

S K Bajoria
Chairman

INDEPENDENT AUDITORS' REPORT

**TO THE BOARD OF DIRECTORS OF
IFGL REFRACTORIES LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of IFGL Refractories Limited (the "Company") and its Subsidiaries (the Company and its Subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of Internal Control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated 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 Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated 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 presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal Control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Consolidated 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, and based on the consideration of the reports of the other auditors on the Financial Statements of the Subsidiaries referred to below in the Other Matter paragraph, the aforesaid Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

INDEPENDENT AUDITORS' REPORT *(Contd.)*

Other Matter

We did not audit the Financial Statements of 20 Subsidiaries whose Financial Statements reflect Total Assets (Net) of ₹ 30,532.13 lacs as at 31st March 2013, Total Revenues of ₹ 36,505.38 lacs and net cash outflows amounting to ₹ 428.37 lacs for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

Kolkata
11th May 2013

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

CONSOLIDATED BALANCE SHEET As at 31st March 2013
(₹ in lacs)

	Note No.	As at 31st March 2013		As at 31st March 2012	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds :					
a) Share Capital	4	4,911.05		4,911.05	
b) Reserves and Surplus	5	19,641.44	24,552.49	17,278.47	22,189.52
2. Minority Interest					
			782.89		698.16
3. Non-Current Liabilities :					
a) Long-Term Borrowings	6	5,393.40		6,381.08	
b) Deferred Tax Liabilities (Net)	7	648.66		482.97	
c) Long-Term Provisions	8	18.13	6,060.19	16.01	6,880.06
4. Current Liabilities :					
a) Short-Term Borrowings	9	6,030.54		4,895.92	
b) Trade Payables	10	7,986.22		7,289.66	
c) Other Current Liabilities	11	1,661.00		1,941.51	
d) Short-Term Provisions	12	926.48	16,604.24	1,492.57	15,619.66
Total			47,999.81		45,387.40
II. ASSETS					
1. Non-Current Assets :					
a) Fixed Assets :					
(i) Tangible Assets	13	11,976.76		11,134.65	
(ii) Intangible Assets	14	7.02		30.90	
(iii) Capital Work-in-Progress		203.61	12,187.39	452.55	11,618.10
b) Goodwill arising on Consolidation	15		11,054.69		10,939.10
c) Non-Current Investments	16		50.20		50.20
d) Long-Term Loans and Advances	17		98.28		108.14
e) Other Non-Current Assets	18		28.00		38.00
2. Current Assets :					
a) Inventories	19	8,480.45		8,546.22	
b) Trade Receivables	20	14,267.56		11,341.45	
c) Cash and Cash Equivalents	21	1,132.63		1,947.55	
d) Short-Term Loans and Advances	22	415.26		275.31	
e) Other Current Assets	23	285.35	24,581.25	523.33	22,633.86
Total			47,999.81		45,387.40

The accompanying Notes form an integral part of these Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

A Bhattacharya

Partner

Kolkata

11th May 2013

On behalf of the Board of Directors

R Agarwal
Company Secretary

P Bajoria
Managing Director

S K Bajoria
Chairman

CONSOLIDATED STATEMENT OF PROFIT AND LOSS For the year ended 31st March 2013

(₹ in lacs)

	Note No.	For the year ended 31st March 2013		For the year ended 31st March 2012	
I. Revenue from Operations (Gross)	24	68,810.43		61,645.25	
Less : Excise Duty		(1,692.02)		(1,260.20)	
Revenue from Operations (Net)			67,118.41		60,385.05
II. Other Income	25		447.53		325.49
III. Total Revenue (I + II)			67,565.94		60,710.54
IV. Expenses :					
Cost of Materials and Components Consumed	26	32,005.76		30,244.05	
Purchases of Stock-in-Trade	27	3,110.90		1,476.35	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	110.02		(1,341.47)	
Employee Benefits Expense	29	9,866.14		8,431.34	
Finance Costs	30	795.32		675.40	
Depreciation and Amortisation Expense	14.2	1,340.20		1,291.07	
Other Expenses	31	16,205.83		14,181.62	
Adjustment for items Capitalised		—		(63.87)	
Total Expenses			63,434.17		54,894.49
V. Profit before Tax (III-IV)			4,131.77		5,816.05
VI. Tax Expense :					
(1) Current Tax		1,428.69		1,764.36	
(2) Deferred Tax		166.04	1,594.73	68.89	1,833.25
VII. Profit after Tax (V-VI)			2,537.04		3,982.80
VIII. Minority Interest			284.13		4.02
IX. Profit for the Year (VII+VIII)			2,821.17		3,986.82
X. Earnings per Share :					
(1) Basic	32		7.91		11.28
(2) Diluted	32		7.91		11.28

The accompanying Notes form an integral part of these Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

A Bhattacharya

Partner

Kolkata

11th May 2013

R Agarwal
Company Secretary

P Bajoria
Managing Director

S K Bajoria
Chairman

On behalf of the Board of Directors

CONSOLIDATED CASH FLOW STATEMENT For the year ended 31st March 2013

(₹ in lacs)

	For the year ended 31st March 2013		For the year ended 31st March 2012	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax and Minority Interest		4,131.77		5,816.05
Adjustments for :				
Depreciation and Amortisation	1,340.20		1,291.07	
Finance Costs	717.00		594.08	
Liability no longer required written back	(75.62)		(139.20)	
(Gain)/Loss on Sale/Discard of Assets (Net)	(5.59)		22.92	
Bad Debts/Advances written off	522.55		(14.19)	
Unrealised Foreign Exchange Gain (Net)	(42.05)		(36.46)	
Effect of change in Foreign Exchange Translation	(17.13)	2,439.36	(561.58)	1,156.64
Operating Profit before Working Capital Changes		6,571.13		6,972.69
Adjustments for :				
Trade and other Receivables	(3,297.54)		251.52	
Inventories	65.77		(1,351.02)	
Trade and other Payables	460.01	(2,771.76)	674.46	(425.04)
Cash generated from Operations		3,799.37		6,547.65
Income Taxes Paid (Net)		(1,965.60)		(1,351.85)
Cash flow before extra-ordinary items		1,833.77		5,195.80
Net Cash Generated from Operating Activities (A)		1,833.77		5,195.80
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Capital Expenditure on Fixed Assets including Capital Advances	(1,939.67)		(487.14)	
Proceeds from sale of Fixed Assets	143.09		61.87	
Further Acquisition of Shares in Step down Subsidiary Company	–		(716.55)	
Change in Long-Term Investments (Net)	–		86.00	
Interest Received	77.58	(1,719.00)	71.55	(984.27)
Net Cash used in Investing Activities (B)		(1,719.00)		(984.27)

CONSOLIDATED CASH FLOW STATEMENT For the year ended 31st March 2013 (*Contd.*)

(₹ in lacs)

	For the year ended 31st March 2013		For the year ended 31st March 2012	
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from Long-Term Borrowings	–		679.51	
Repayment of Long-Term Borrowings	(945.64)		(3,425.20)	
Proceeds from Short-Term Borrowings	1,134.62		429.53	
Repayment of Short-Term Borrowings	–		(105.12)	
Proceeds from Minority	368.86		–	
Finance Costs	(795.32)		(675.40)	
Dividend Paid	(591.71)		(214.76)	
Tax on Dividend	(117.00)		(36.17)	
		(946.19)		(3,347.61)
Net Cash used in Financing Activities (C)		(946.19)		(3,347.61)
D. EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY				
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C+D)		6.50		117.50
		(824.92)		981.42
Cash and Cash Equivalents (Opening Balance)	1,947.55		978.66	
Other Non-Current Assets (Opening Balance)	38.00		23.00	
Add : Taken over consequent upon Acquisition of Subsidiary	–		2.47	
Total (Opening Balances)		1,985.55		1,004.13
Cash and Cash Equivalents (Closing Balance)	1,132.63		1,947.55	
Other Non-Current Assets (Closing Balance)	28.00		38.00	
Total (Closing Balances)		1,160.63		1,985.55

Notes :

- The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Previous Year's figures have been re-grouped/re-classified wherever necessary to conform with the current year's classification.
- Cash and Cash Equivalents include ₹ 51.59 (31.03.2012 : ₹ 48.74) in respect of unpaid dividend accounts.

The Notes referred to above form an integral part of these Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

A Bhattacharya

Partner

Kolkata

11th May 2013

On behalf of the Board of Directors

R Agarwal
Company Secretary

P Bajoria
Managing Director

S K Bajoria
Chairman

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

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

2. PRINCIPLES OF CONSOLIDATION :

2.1 The CFS comprises of the Financial Statements of IFGL Refractories Limited (Parent Company) and its Subsidiary Companies (Group). The CFS are in conformity with Accounting Standard 21 on “Consolidated Financial Statements” notified under Section 211(3C) of the Act, and are prepared on the following basis :

- a) The Financial Statements of the Parent Company and its Subsidiaries (listed below in Note 2.2) have been combined on a line-by-line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenses after adjustments/elimination of Intra Group Balances and Intra Group Transactions and resulting unrealised Profits/Losses.
- b) The CFS are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances in all material respect, except as indicated in the Note 3 below, are presented to the extent possible, in the same manner as the Parent Company’s separate Financial Statements.
- c) The excess of cost to the Parent Company of its investment in the Subsidiaries (including Step down Subsidiaries) over Parent’s portion of Equity of Subsidiaries at the dates they become Subsidiaries is recognised in the Financial Statements as Goodwill. Goodwill arising on consolidation is initially recognised as an Asset at cost and is subsequently measured at cost less any impairment loss, if any.
- d) The translation of functional currencies into Indian Rupees (reporting currency) is performed for Equity in Foreign Subsidiary (being non-integral operation), Assets and Liabilities using the Closing Exchange Rate at the Balance Sheet date, for Revenues, Costs and Expenses using Average Exchange Rate prevailing during the year. The resultant exchange difference arising out of such translations is recognised as part of Equity (Foreign Currency Translation Reserve) by the Parent Company until the disposal of investment.
- e) Minority Interest in the CFS is identified and recognised after taking into consideration :
 - The amount of Equity attributable to minorities at the date on which investment in Subsidiary is made.
 - The Minority’s share of movement in Equity since the date Parent – Subsidiary relationship came into existence.
 - Losses applicable to the Minority in excess of the Minority’s Interest, if any, in the Subsidiary’s Equity are allocated against the interest of the Group.
- f) Monotec Refratarios Ltda, Tianjin Monocon Refractories Company Limited and Tianjin Monocon Aluminous Refractories Company Limited (Step down Subsidiaries), each has an accounting period end of 31st December 2012. These Subsidiaries have been consolidated using the Financial Statements for the year ended on that date adjusted for movements to 31st March 2013.

2.2 The Subsidiaries (including Step down Subsidiaries) considered in the CFS are :

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Accounting Year Ended
IFGL Worldwide Holdings Limited (IWHL)	Isle of Man	100%	31st March
IFGL Exports Limited	India	51%	31st March
Step down Subsidiaries			
IFGL Monocon Holdings Limited (IMHL)	United Kingdom (UK)	100%	31st March
Tianjin Monocon Refractories Company Limited (TMRL)	Peoples Republic of China	100%	31st December

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Accounting Year Ended
Tianjin Monocon Aluminous Refractories Company Limited (TMARL)	Peoples Republic of China	100%	31st December
Monotec Refratarios Ltda (MRL)*	Brazil	95%	31st December
Monocon International Refractories Limited (MIRL)	UK	100%	31st March
Monocon Overseas Limited (MOL)	UK	100%	31st March
Mono Ceramics Inc. (MCI)	United States of America (USA)	100%	31st March
Goricon Metallurgical Services Limited (GMSL)	UK	100%	31st March
IFGL GmbH (IG)	Germany	100%	31st March
Hofmann Ceramic GmbH (HCG)	Germany	100%	31st March
Hofmann GmbH & Co. OHG (HGCO)	Germany	100%	31st March
Hofmann Ceramic CZ s.r.o. (HCC)	Czech Republic	99%	31st March
Hofmann Ceramic Limited (HCL)	UK	100%	31st March
Hofmann Ceramic LLC (HCLLC)	USA	100%	31st March
Hofmann Pyemetric LLC (HPLLC)	USA	51%	31st March
IFGL Inc. (IFGL INC)	USA	100%	31st March
EI Ceramics LLC (EICLLC)	USA	100%	31st March
CUSC International Limited (CUSCIL)	USA	100%	31st March

*The manufacturing operations has been closed down. All the Assets and Liabilities as appearing in the Balance Sheet as on the close of 31st March 2013 have been written off or written back as on that date.

3. Accounting policies for the group are same as followed by the Parent Company as indicated in Note 2 of Parent Company's Accounts for the year ended 31st March 2013, except as follows :
- 3.1 Fixed Assets of Operating Step down Subsidiaries are depreciated under Straight Line Method and also under Written Down Value Method, over the estimated useful lives (being lower than useful lives prescribed under Schedule XIV to the Companies Act, 1956 of India except in case of Buildings), as indicated below :

Building	Upto 50 Years
Plant and Machinery	3 - 10 Years
Fixtures and Fittings	1 - 10 Years
Office Equipments	1 - 4 Years
Computers	1 - 4 Years
Motor Vehicles	4 - 10 Years

Depreciation charge for the year and year end accumulated depreciation pertaining to the aforesaid Subsidiaries amount to ₹ 466.91 (31.03.2012 : ₹ 666.13) and ₹ 6,076.64 (31.03.2012 : ₹ 5,365.21) respectively.

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

- 3.2 For the purpose of valuation, cost at MIRL and MCI, FIFO Method is used unlike the Parent Company, where Weighted Average Method is used. However, had the Weighted Average Method been used at these Subsidiaries, the impact on inventory valuation is likely to be not material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

4. SHARE CAPITAL :

	As at 31st March 2013	As at 31st March 2012
Authorised		
40,000,000 (31.03.2012 : 40,000,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
2,000,000 (31.03.2012 : 2,000,000) 5% Redeemable Non Cumulative Preference Shares of ₹ 100/- each	2,000.00	2,000.00
Total	6,000.00	6,000.00
Issued, Subscribed and Fully Paid Up		
34,610,472 (31.03.2012 : 34,610,472) Equity Shares of ₹ 10/- each, fully paid up	3,461.05	3,461.05
1,450,000 (31.03.2012 : 1,450,000) 5% Redeemable Non Cumulative Preference Shares of ₹ 100/- each, fully paid up	1,450.00	1,450.00
Total	4,911.05	4,911.05

4.1 Reconciliation of Number of Shares

	Equity Shares		Preference Shares	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
Shares outstanding on 01.04.2012	34,610,472	3,461.05	1,450,000	1,450.00
Shares outstanding on 31.03.2013	34,610,472	3,461.05	1,450,000	1,450.00

4.2 Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a face value of ₹ 10/- each. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the Equity Shareholders will be entitled to receive remaining Assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding. The Company in the General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

4.3 Terms/Rights attached to Redeemable Non Cumulative Preference Shares (RNCPS)

The 5% Redeemable Non Cumulative Preference Shares are redeemable at par at the end of ten years from the date of allotment (i.e. 3rd September 2010) or any earlier date at the option of the Company except that the said shares shall not be redeemed within the initial period of three years from the date of allotment. In the event of liquidation of the Company, the Preference Shareholders will have priority over Equity Shares in the payment of dividend and repayment of capital.

Every member holding Preference Share Capital shall have the right to vote in respect of all resolutions placed before the Company which directly affect the rights attached to Preference Shares.

4.4 Shares Held by the Holding Company and Subsidiaries of the Holding Company

Name of Shareholder	Relationship	Nature of Shares	As at 31st March 2013		As at 31st March 2012	
			No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bajoria Holdings Private Limited (BHPL)	Holding Company	Equity	18,320,973	52.93	18,320,973	52.93
Bajoria Holdings Private Limited	Subsidiaries of BHPL	Preference	640,000	44.14	640,000	44.14
Bajoria Enterprises Limited			230,000	15.86	230,000	15.86
Bajoria Financial Services Private Limited			420,000	28.97	420,000	28.97
Bajoria Service Providers Private Limited			160,000	11.03	160,000	11.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

4.5 Details of Shareholders holding more than 5% of the Aggregate Shares in the Company :

Name of Shareholder	Relationship	Nature of Shares	As at 31st March 2013		As at 31st March 2012	
			No. of Shares held	% of Holding	No. of Shares held	% of Holding
Krosaki Harima Corporation, Japan	Foreign Promoter	Equity	5,006,956	14.47	1,581,410	4.57
Sojitz Corporation, Japan			-	-	3,425,546	9.90
Bajoria Holdings Private Limited	Holding Company	Equity	18,320,973	52.93	18,320,973	52.93
Bajoria Holdings Private Limited			640,000	44.14	640,000	44.14
Bajoria Enterprises Limited	Fellow Subsidiaries	Preference	230,000	15.86	230,000	15.86
Bajoria Financial Services Private Limited			420,000	28.97	420,000	28.97
Bajoria Service Providers Private Limited			160,000	11.03	160,000	11.03

5. RESERVES AND SURPLUS

	As at 31st March 2013		As at 31st March 2012	
Capital Reserve as at the beginning and end of the year		5.00		5.00
Capital Redemption Reserve				
Balance as at the beginning of the year	220.00		-	
Add : Transferred from the Statement of Profit and Loss	145.00	365.00	220.00	220.00
General Reserve				
Balance as at the beginning of the year	533.93		446.79	
Add : Transfer from the Statement of Profit and Loss	85.32	619.25	87.14	533.93
Foreign Exchange Translation Reserve				
Balance as at the beginning of the year	1,935.36		615.84	
Add : Net addition during the year	255.11	2,190.47	1,319.52	1,935.36
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year	14,584.18		11,592.14	
Add : Profit for the year	2,821.17		3,986.82	
Less : Transferred to Capital Redemption Reserve	(145.00)		(220.00)	
Less : Transferred to General Reserve	(85.32)		(87.14)	
Less : Dividend on Non Cumulative Preference Shares for the year	(72.50)		(72.50)	
Less : Dividend on Equity Shares for the year	(519.21)		(519.16)	
Less : Tax on Proposed Dividend for the year	(121.60)		(95.98)	
Total		16,461.72		14,584.18
		19,641.44		17,278.47

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

6. LONG-TERM BORROWINGS :

	As at 31st March 2013	As at 31st March 2012
Secured		
Term Loans		
From Banks		
- From Export Import Bank of India [Rupee Loan and Foreign Currency Loan] [Refer Note 6.1 (i)(a) (b) and (ix) (a)]	2,249.04	2,213.61
- From The Hongkong and Shanghai Banking Corporation Limited [Refer Note 6.1 (ii) and (ix) (b)]	500.00	750.00
- From HSBC Bank Plc [Refer Note 6.1 (iii)]	–	3,110.35
- From Fifth Third Bank [Refer Note 6.1 (iv) and (v) and ix (c)]	2,334.40	–
- From Volksbank Dill eG [Refer Note 6.1 (vi) and (ix) (d)]	246.60	272.72
Other Loans (Vehicles)		
- From Credium AS [Refer Note 6.1 (vii) (a) and (x) (a)]	7.01	–
- From Axis Bank Ltd [Refer Note 6.1 (vii) (a) and (x) (a)]	19.56	34.40
- From ICICI Bank Ltd [Refer Note 6.1 (vii) (a) and (x) (a)]	33.25	–
Long-Term maturities of Finance Lease Obligations		
- From TMH Leasing [Refer Note 6.1 (viii) and (xi)]	3.54	–
Total	5,393.40	6,381.08

6.1 Nature of Security and Terms of Repayment of Secured Borrowings :

i) Term Loan from Export Import Bank of India :

Term Loan from Export Import Bank of India is secured by a first charge over entire movable and immovable Fixed Assets, both present and future and second charge on the entire Current Assets including receivables, both present and future of IFGL Exports Limited and further secured by the following Collateral Securities :

- a) Pledge of 1,101,600 (31.03.2012 : 716,550) Equity Shares of IFGL Exports Limited held by the Parent Company and
- b) Default payment guarantee of the Parent Company.

ii) From The Hongkong and Shanghai Banking Corporation Limited

Secured by first charge over movable Fixed Assets of the Parent Company with an asset cover of 1.5 times of the Term Loan facility and also secured by second pari passu charge over Current Assets of the Parent Company with State Bank of India.

iii) The Term Loan (Euro and USD Currency) from HSBC Bank Plc is secured by :

- a) Debentures comprising fixed and floating charges over all the Assets and Undertakings of IMHL, MOL, MIRL, GMSL and IWHL, including all present and future freehold and leasehold property, books and other debts, chattels, goodwill and uncalled capital.
- b) Letter of priority to HSBC Bank Plc over all Currents Assets of IMHL, MOL, GMSL and IWHL.
- c) Composite Company Guarantee from MIRL, IMHL, MOL, GMSL and IWHL, limited to € 5,300,000 and \$ 10,000,000 to secure all liabilities.

Additional security for USD Currency Loan only :

- a) Mortgage over the property owned by CUSCIL in favour of the Bank.
- b) Company Guarantees from EICLLC and CUSCIL in favour of the Bank to secure all liabilities of the Borrower.
- c) Pledge of the membership units of EICLLC and CUSCIL, and any other stock or notes held by MCI in favour of the Bank from MCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

d) Pledge Agreements by each of EICLLC and CUSCIL, pledging any stock or notes held by such entities in favour of the Bank.

e) Security Agreements from EICLLC, CUSCIL and MCI granting security interests in all personal property of each of the entities.

iv) **Loan from Fifth Third Bank at Mono Ceramics is secured by** all the Assets of the Company (Mono Ceramics) and its Subsidiaries. In addition it is also secured by an unlimited and unsecured guarantee of its Parent Company, Monocon Overseas Limited.

v) **Loan from Fifth Third Bank at EI Ceramics is secured** by specific real estates and properties of EI Ceramics.

vi) **Term Loan (Euro Currency) from Volksbank Dill eG of Hofmann GmbH & Co. OHG is secured by :**

a) Mortgage of small investments and investments in Hofmann CZ Plant.

b) Specific Plant and Machineries.

vii) **Vehicle Loan**

Vehicle Loans are secured by hypothecation of respective vehicles.

viii) **Finance Lease obligation is secured** by hypothecation of the specific asset.

ix) **Repayments Schedule :**

a) Repayable in 17 quarterly equal installments starting from 1st of November 2013, at interest rate of 12.15% per annum.

b) Repayable in 12 equated quarterly installments of ₹ 62.50 from April 2013 (including current maturities of Long Term Debt refer Note 11.1 "Other Current Liabilities"), at interest rate of 10.50% per annum.

c) Repayable in 41 monthly installments of ₹ 62.17 commencing from April 2013 at interest rate of 2.13% - 2.35% per annum.

d) Volksbank Dill eG Loan is repayable in 1-7 Years at interest rate of 4.65% - 5.15% per annum.

x) **Repayment of Vehicle Loans**

Repayable over 1-3 Years at interest rate of 8.19% - 10.99%.

xi) **Finance Lease obligation from TMH Leasing** is repayable in 1-3 Years at interest rate of 4.99% per annum.

7. DEFERRED TAX LIABILITIES (NET)

	As at 31st March 2013	As at 31st March 2012
Tax Impact of – Assets : Accrued expenses deductible when paid	(87.92)	(41.62)
Liabilities : Difference between Tax Depreciation and Book Depreciation	736.58	524.59
Net Liability	<u>648.66</u>	<u>482.97</u>

8. LONG-TERM PROVISIONS

	As at 31st March 2013	As at 31st March 2012
Provision for Employee Benefits Compensated Absence	18.13	16.01
Total	<u>18.13</u>	<u>16.01</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

9. SHORT-TERM BORROWINGS :

	As at 31st March 2013	As at 31st March 2012
Secured		
Loans from Banks		
Working Capital Loans repayable on demand		
- From CSOB Radlicka (Refer Note 9.1 below)	26.53	14.94
- From State Bank of India (Refer Note 9.2 below)	3,093.48	3,064.34
- From HSBC Bank Plc (Refer Note 9.3 below)	680.50	162.86
- From Fifth Third Bank (Refer Note 9.4 below)	271.28	-
- From HDFC Bank	-	135.13
- From The Hongkong and Shanghai Banking Corporation Limited (Refer Note 9.2 below)	1,583.83	1,518.65
- From ICICI Bank Limited (Refer Note 9.5 below)	345.10	-
Unsecured		
Loans from Banks :		
- From Volksbank Dill eG	14.12	-
- From Postbank	15.70	-
Total	<u>6,030.54</u>	<u>4,895.92</u>

9.1 The Loan from CSOB Radlicka is secured by Blank Promissory Note.

9.2 The Loan from State Bank of India and The Hongkong and Shanghai Banking Corporation Limited is secured by hypothecation of stocks of raw materials, stock-in-process, finished goods, consumables, spares, stores, receivables and other current assets on pari passu basis and by a second charge over all Fixed Assets of the Company, situated at Sectors 'A' and 'B' of Kalunga Industrial Estate, near Rourkela, on pari passu basis.

9.3 The Working Capital Loan from HSBC Bank Plc is secured by :

- i) Debentures comprising fixed and floating charges over all the Assets and Undertakings of IMHL, MOL, MIRL and GMSL, including all present and future freehold and leasehold property, books and other debts, chattels, goodwill and uncalled capital.
- ii) Letter of priority to The Hongkong and Shanghai Banking Corporation Limited over all Currents Assets of IMHL, MOL, MIRL and GMSL.
- iii) Composite Company Guarantee from MIRL, IMHL, MOL, GMSL and IWHL.

9.4 The Loan from Fifth Third Bank - For security Refer Note 6.1 (iv) and (v).

9.5 Cash Credit from ICICI Bank Limited is secured by :

- a) Pari passu charge on Current Assets and receivables and second and subservient charge on movable properties of the IFGL Exports Limited.
- b) Corporate Guarantee of Holding Company, IFGL Refractories Limited.

10. TRADE PAYABLES

	As at 31st March 2013	As at 31st March 2012
Creditors for Supplies/Services	7,986.22	7,289.66
Total	<u>7,986.22</u>	<u>7,289.66</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

11. OTHER CURRENT LIABILITIES :

	As at 31st March 2013	As at 31st March 2012
Current maturities of Long-Term Debt	1,445.79	1,755.11
Unpaid Dividends (Refer Note 11.1 below)	51.59	48.74
Other Payables (Refer Note 11.2 below)	163.62	137.66
Total	1,661.00	1,941.51

11.1 There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

11.2 Other Payables

	As at 31st March 2013	As at 31st March 2012
Advance from Customers	15.20	19.51
Statutory Liabilities	73.13	70.44
Security Deposits received	30.43	33.59
Liability for Gratuity	44.86	14.12
Total	163.62	137.66

12. SHORT-TERM PROVISIONS :

	As at 31st March 2013		As at 31st March 2012	
Provision for Employee Benefits				
- Compensated Absence		0.58		1.67
- Provident Fund		-		16.68
Others :				
Provision for Taxation	4,202.84		4,372.94	
Less : Advance Income Tax/Fringe Benefits Tax and Tax Deducted at Source	4,030.58	172.26	3,663.77	709.17
Proposed Dividend (Refer Note 12.1 below)				
- On Equity Shares		519.16		519.16
- On Preference Shares		72.50		72.50
Tax on Proposed Dividend		100.58		95.98
Entry Tax (Refer Note 12.2)		61.40		77.41
Total		926.48		1,492.57

12.1 Proposed Dividend

	As at 31st March 2013	As at 31st March 2012
On Equity Shares of ₹ 10/- Each		
Amount of Dividend Proposed	519.16	519.16
Dividend Per Equity Share (₹)	1.50	1.50
On Preference Shares of ₹ 100/- Each		
Amount of Dividend Proposed	72.50	72.50
Dividend Per Preference Share (₹)	5.00	5.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

12.2 Entry Tax

	As at 31st March 2013	As at 31st March 2012
Opening Balance	77.41	-
Provision during the year	-	77.41
Provision Utilised/Paid during the year	(16.01)	-
Closing Balance	<u>61.40</u>	<u>77.41</u>

The above provision represents obligations that may materialise in respect of matters in appeal.

13. TANGIBLE ASSETS :

OWN ASSETS	GROSS BLOCK- AT COST							DEPRECIATION							NET BLOCK	
	As at 1st April 2012	Addition on Acquisition of Subsidiaries	Additions during the year	Deductions during the year	Adjustments	Exchange Difference	Total as at 31st March 2013	Upto 1st April 2012	Addition on Acquisition of Subsidiaries	For the year	Deductions during the year	Adjust- ments	Exchange Difference	Total upto 31st March 2013	As at 31st March 2013	As at 31st March 2012
Land (Leasehold) (Refer Note 13.1 below)	34.76	-	-	-	-	-	34.76	3.89	-	0.44	-	-	0.02	4.35	30.41	30.87
Land (Freehold)	281.22	-	184.20	-	-	2.51	467.93	-	-	-	-	-	-	-	467.93	281.22
Buildings	4,890.95	-	885.81	-	-	55.16	5,831.92	1,604.49	-	148.89	-	2.81	20.57	1,776.76	4,055.16	3,286.46
Plant and Equipment	14,912.02	-	979.60	185.35	-	211.17	15,917.44	7,880.96	-	997.58	48.28	65.40	123.49	9,019.15	6,898.29	7,031.06
Furniture and Fixtures	403.96	-	16.66	0.43	-	6.47	426.66	314.50	-	17.38	-	0.27	4.93	337.08	89.58	89.46
Leasehold Improvements	-	-	48.91	-	-	-	48.91	-	-	1.50	-	-	-	1.50	47.41	-
Vehicles	494.56	-	72.84	42.14	-	8.09	533.35	179.65	-	113.43	42.07	56.08	6.02	313.11	220.24	314.91
Office Equipment	226.34	-	83.82	-	-	4.43	314.59	167.10	-	13.87	-	0.03	4.08	185.08	129.51	59.24
Computers	350.14	-	18.00	-	-	6.32	374.46	308.71	-	22.39	0.07	0.14	5.06	336.23	38.23	41.43
Total	21,593.95	-	2,289.84	227.92	-	294.15	23,950.02	10,459.30	-	1,315.48	90.42	124.73	164.17	11,973.26	11,976.76	11,134.65
Previous Year Total	16,789.16	13.15	4,204.22	325.33	(90.72)	1,003.47	21,593.95	8,857.70	69.38	1,267.48	240.54	(57.87)	563.15	10,459.30	11,134.65	

13.1 Acquired under a lease of 99 years with a renewal option.

14. INTANGIBLE ASSETS :

OWN ASSETS (Acquired)	GROSS BLOCK- AT COST							AMORTISATION							NET BLOCK	
	As at 1st April 2012	Addition on Acquisition of Subsidiaries	Additions during the year	Deductions during the year	Adjustments	Exchange Difference	Total as at 31st March 2013	Upto 1st April 2012	Addition on Acquisition of Subsidiaries	For the year	Deductions during the year	Adjust- ments	Exchange Difference	Total upto 31st March 2013	As at 31st March 2013	As at 31st March 2012
Goodwill (arising on Amalgamation)	503.06	-	-	-	-	-	503.06	503.06	-	-	-	-	-	503.06	-	-
Goodwill (arising on Acquisition)	1.84	-	-	-	-	0.09	1.93	1.84	-	-	-	-	0.09	1.93	-	-
Computer Software	40.80	-	0.56	-	-	0.27	41.63	30.27	-	6.37	-	-	0.25	36.89	4.74	10.53
Intellectual Property Rights (Technical Know-how) (Refer Note 14.1 below)	242.71	-	-	-	-	0.63	243.34	222.34	-	18.35	-	-	0.37	241.06	2.28	20.37
Total	788.41	-	0.56	-	-	0.99	789.96	757.51	-	24.72	-	-	0.71	782.94	7.02	30.90
Previous Year Total	780.32	0.26	19.78	6.45	(7.98)	2.48	788.41	737.47	0.45	23.59	6.45	-	2.45	757.51	30.90	

14.1 Technical Know-how represents technical drawings, designs etc. relating to manufacture of the Group's products and acquired pursuant to various agreements conferring the right to usage only.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

14.2 Depreciation and Amortisation Expense

	For the year ended 31st March 2013	For the year ended 31st March 2012
Depreciation on Tangible Assets	1,315.48	1,267.48
Amortisation of Intangible Assets	24.72	23.59
Total	<u>1,340.20</u>	<u>1,291.07</u>

15. GOODWILL ON CONSOLIDATION

	As at 31st March 2013	As at 31st March 2012
Balance at the beginning of the year	10,939.10	9,809.48
Add : Movement during the year	115.59	1,129.62
Closing Balance at the end of the year	<u>11,054.69</u>	<u>10,939.10</u>

16. NON-CURRENT INVESTMENTS :

	As at 31st March 2013	As at 31st March 2012
Trade Investments-Long Term (Valued at Cost unless stated otherwise)		
Unquoted Equity Investments		
<i>Others</i>		
- Krosaki IFGL Refractories Private Limited [2,000 (31.03.2012 : 2,000) Fully paid Equity Shares of ₹ 10 each]	0.20	0.20
Other Investments (Valued at Cost unless stated otherwise)		
<i>Quoted</i>		
- Investments in Debentures or Bonds [50 (31.03.2012 : 50) 8.09% Tax Free Bonds of Power Finance Corporation Limited of Face Value ₹ 100,000 each]	50.00	50.00
Total	<u>50.20</u>	<u>50.20</u>
Aggregate Amount of Quoted Investments	50.00	50.00
Aggregate Amount of Unquoted Investments	0.20	0.20
Market Value of Quoted Investments	50.00	50.00

17. LONG-TERM LOANS AND ADVANCES

	As at 31st March 2013	As at 31st March 2012
Unsecured, Considered Good		
Capital Advances	10.49	32.00
Security Deposits	87.79	76.14
Total	<u>98.28</u>	<u>108.14</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

18. OTHER NON-CURRENT ASSETS

	As at 31st March 2013	As at 31st March 2012
Long Term Deposits with Banks with original maturity period of more than 12 months*	28.00	38.00
Total	<u>28.00</u>	<u>38.00</u>

*Kept under lien by Bank as margin money against non fund based facilities provided.

19. INVENTORIES

	As at 31st March 2013	As at 31st March 2012
Valued at lower of Cost and Net Realizable Value		
Raw Materials and Components	3,561.66	3,501.55
Work-in-Progress	1,056.53	1,202.96
Finished Goods	3,435.70	3,467.81
Stock of Traded Goods	228.18	159.57
Stores and Spares	198.38	214.33
Total	<u>8,480.45</u>	<u>8,546.22</u>

20. TRADE RECEIVABLES

	As at 31st March 2013		As at 31st March 2012	
Unsecured				
Outstanding for a period exceeding six months from the date they are due for payment				
- Considered Good	232.93		363.70	
- Considered Doubtful	<u>200.22</u>	433.15	<u>352.14</u>	715.84
Other Receivables				
- Considered Good		14,034.63		10,977.75
Less : Provision for Doubtful Receivables		<u>(200.22)</u>		<u>(352.14)</u>
Total		<u>14,267.56</u>		<u>11,341.45</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

21. CASH AND CASH EQUIVALENTS

	As at 31st March 2013	As at 31st March 2012
Balances with Banks		
- In Current Accounts	530.40	1,379.54
- In Deposit Accounts (with original maturity of less than 3 months)	500.00	500.00
Cheques on Hand	15.03	–
Cash on Hand	23.43	17.27
Other Bank Balances		
- On Unclaimed Dividend Accounts	51.59	48.74
- Deposits with original maturity of more than 3 months but less than 12 months*	12.18	2.00
Total	<u>1,132.63</u>	<u>1,947.55</u>

*Above deposit are kept under lien by the Bank as margin money against non fund based facility provided.

22. SHORT-TERM LOANS AND ADVANCES :

	As at 31st March 2013	As at 31st March 2012
Unsecured, Considered Good		
Others Loans and Advances		
- Others (Refer Note 22.1 below)	325.81	222.99
- Prepaid Expenses	89.45	52.32
Total	<u>415.26</u>	<u>275.31</u>

22.1 Loans and Advances-Others

	As at 31st March 2013	As at 31st March 2012
Advance to Suppliers	10.43	20.65
Insurance Claims Receivable	–	7.09
Advance for Expenses	315.38	195.25
Total	<u>325.81</u>	<u>222.99</u>

23. OTHER CURRENT ASSETS

	As at 31st March 2013	As at 31st March 2012
Interest Accrued on Fixed Deposits	17.53	16.79
Accrued Export Benefits under DEPB Scheme	57.37	238.71
Balances with Excise Authorities etc.	141.69	175.13
Security Deposits	68.76	92.70
Total	<u>285.35</u>	<u>523.33</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

24. REVENUE FROM OPERATIONS

	For the year ended 31st March 2013	For the year ended 31st March 2012
Revenue from Sale of Products (Gross) :		
Finished Goods	64,638.74	58,930.76
Traded Goods	3,209.32	1,933.21
	<u>67,848.06</u>	<u>60,863.97</u>
Less : Excise Duty	(1,692.02)	(1,260.20)
Revenue from Sale of Products (Net) :	66,156.04	59,603.77
Service Income	902.91	729.85
Other Operating Revenue (Scrap Sales)	59.46	51.43
Total	<u>67,118.41</u>	<u>60,385.05</u>

25. OTHER INCOME :

	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest Income (Refer Note 25.1 below)	78.32	81.33
Liabilities no longer required written back	75.62	139.20
Other Non Operating Income (Net of expenses directly attributable to such Income) (Refer Note 25.2 below)	293.59	104.96
Total	<u>447.53</u>	<u>325.49</u>

25.1 Details of Interest Income

	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest on Bank Deposits	54.94	25.31
Interest on Customers' Overdue Bills	23.38	43.63
Interest Others	—	12.39
Total	<u>78.32</u>	<u>81.33</u>

No interest was capitalised during the year.

25.2 Other Non Operating Income

	For the year ended 31st March 2013	For the year ended 31st March 2012
Bad Debts recovery	22.31	33.33
Royalty	66.47	58.20
Commission	1.92	13.43
Sundry Receipts	202.89	—
Total	<u>293.59</u>	<u>104.96</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

26. COST OF MATERIALS AND COMPONENTS CONSUMED

	For the year ended 31st March 2013	For the year ended 31st March 2012
Raw Materials	32,005.76	30,244.05
Total	32,005.76	30,244.05

27. DETAILS OF PURCHASES OF TRADED GOODS

	For the year ended 31st March 2013	For the year ended 31st March 2012
Operating Systems for Refractories	728.85	535.12
Refractories (Unshaped)	346.54	417.50
Mechanism Spares	2,035.51	523.73
Total	3,110.90	1,476.35

28. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	For the year ended 31st March 2013		For the year ended 31st March 2012	
Opening Stock				
Finished Goods and Stock of Traded Goods	3,623.68		2,596.99	
Work-in-Progress	1,206.74	4,830.42	891.88	3,488.87
Less : Closing Stock				
Finished Goods and Stock of Traded Goods	3,663.87		3,627.38	
Work-in-Progress	1,056.53	4,720.40	1,202.96	4,830.34
Total		110.02		(1,341.47)

29. EMPLOYEE BENEFITS EXPENSE :

	For the year ended 31st March 2013	For the year ended 31st March 2012
Salaries, Wages and Bonus	8,576.39	7,345.19
Contribution to Funds (Refer Note 29.1 below)	632.32	573.48
Staff Welfare Expenses	657.43	512.67
Total	9,866.14	8,431.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

29.1 Provident Fund (Funded)

Provident Fund contributions in respect of employees of the Parent Company are made to Trust administered by the Parent Company and it has the liability to Fund any shortfall on the yield of the Trust's investments over the administered interest rates on an annual basis. These administered interest rates are determined annually predominantly considering the social rather than economic factors. The contribution by the employer and employee together with the interest accumulated thereon are payable to the employees at the time of their separation from the Parent Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. Based on the final guidance for measurement of Provident Fund liabilities issued by the Actuarial Society of India, the Parent Company's liability at the year end of ₹ Nil (31.03.2012 : ₹ 16.68) has been actuarially determined by an independent actuary and provided for. The Parent Company has recognised in the Statement of Profit and Loss for the year ended 31st March 2013 an amount of ₹ 151.54 (31.03.2012 : ₹ 154.19) as expenses under Defined Contribution Plans.

29.2 Gratuity (Funded)

The Parent Company provides for gratuity, a Defined Benefit Retirement Plan covering eligible employees. As per the Scheme, the Gratuity Trust Fund makes payments to vested employees on retirement, death, incapacitation or termination of employment. For employees joining after 1st April 2003, the amount is based on the respective employee's eligible salary (half month's salary) depending on the tenure of the service subject to a maximum amount as per the Payment of Gratuity Act, 1972. For employees joining before 1st April 2003, the amount is calculated similarly as per the Payment of Gratuity Act, 1972 or the Parent Company's scheme, whichever is higher. Vesting occurs on completion of five years of service. Liabilities with regard to the Gratuity plan are determined by actuarial valuation, based on which the Parent makes contribution to the Fund. The most recent actuarial valuation of the Fund was carried out as at 31st March 2013.

29.3 Superannuation (Funded)

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

29.4 Compensated Absence (Unfunded)

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

29.5 Plans at Subsidiaries

With regard to Subsidiaries, including Step down Subsidiaries, they operate a Defined Contribution Pension Scheme for the benefit of the employees and contributions payable are charged to the Statement of Profit and Loss in the period they are payable. Only Goricon Metallurgical Services Limited (GMSL), a Step down Subsidiary operates a Defined Benefit Pension Scheme. Scheme Assets are measured by the actuary at fair values. Scheme Liabilities are measured on an actuarial basis using the Projected Unit Method and are discounted at appropriate high quality corporate bond rates. A net surplus is recognised only to the extent that it is recoverable by the Company. The current service costs and costs from settlements and curtailments are charged against Operating Profit. Past service costs are spread over the period until the benefit increases vest. Interest on the Scheme Liabilities and the Expected Return on Scheme Assets are included in Finance Costs. The scheme is closed effective from 1st April 2003 to new members.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

29.6 Following are further particulars with respect to Defined Benefit Plans of the Group for the year ended 31st March 2013 :

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)		Step down Subsidiary Benefit Scheme (Funded)	
	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012
a) Reconciliation of the Opening and Closing Balances of Present Value of Defined Benefit Obligation :								
Present Value of Obligation as at the beginning of the year	423.28	372.92	206.07	205.57	16.67	18.17	1,962.37	1,735.28
Service Cost	28.25	26.44	–	–	2.12	2.08	–	–
Interest Cost	36.15	29.51	17.57	16.28	1.29	1.43	96.82	100.29
Actuarial (Gains)/Losses	38.31	2.39	3.07	(11.69)	1.58	(4.52)	261.32	(43.64)
(Benefits Paid)	(5.87)	(7.98)	(3.46)	(4.09)	(3.29)	(0.49)	(99.39)	(71.20)
Exchange Differences on Foreign Plans	–	–	–	–	–	–	14.64	241.64
Present Value of Obligation as at the end of the year	520.12	423.28	223.25	206.07	18.37	16.67	2,235.76	1,962.37
b) Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets :								
Fair Value of Plan Assets at the beginning of the year	410.19	339.77	420.42	398.28	–	–	2,542.37	1,933.96
Expected Return on Plan Assets	35.18	30.08	34.33	32.49	–	–	96.82	100.29
Actuarial Gains/(Losses)	4.11	(4.83)	7.48	(6.26)	–	–	(147.37)	288.63
Contribution by the Company	33.09	53.15	–	–	3.29	0.49	–	–
(Benefits Paid)	(5.87)	(7.98)	(3.46)	(4.09)	(3.29)	(0.49)	(99.39)	(71.20)
Exchange Differences on Foreign Plans	–	–	–	–	–	–	37.14	290.69
Fair Value of Plan Assets at the end of the year	476.70	410.19	458.77	420.42	–	–	2,429.57	2,542.37
c) Reconciliation of the Present Value of Defined Benefit Obligation and Fair Value of the Plan Assets :								
Fair Value of Plan Assets at the end of the year	476.70	410.19	458.77	420.42	–	–	2,429.57	2,542.37
Present Value of Obligation at the end of the year	520.12	423.28	223.25	206.07	18.37	16.67	2,235.76	1,962.37
Assets/(Liabilities) recognised in the Balance Sheet	(43.42)	(13.09)	235.52	214.35	(18.37)	(17.68)	193.81	580.00
			#	#			#	#

Actual amount of Asset in the Balance Sheet Nil (Previous Year Nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)		Step down Subsidiary Benefit Scheme (Funded)	
	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012
d) Expense recognised in the Statement of Profit and Loss :								
Current Service Cost	28.25	26.44	–	–	2.12	2.08	–	–
Interest Cost	36.15	29.51	17.57	16.28	1.29	1.43	96.82	100.29
(Expected Return of Plan Assets)	(35.18)	(30.08)	(34.33)	(32.49)	–	–	(96.82)	(100.29)
Actuarial (Gain)/Loss	34.20	7.22	(4.41)	(5.43)	1.58	(4.52)	408.69	(332.27)
Non Recoverable assets written off	–	–	–	–	–	–	(408.69)	332.27
Total Expense as per the Actuarial Valuation	63.42	33.09	(21.17)	(21.64)	4.99	(1.01)	–	–
Actual Expenses Recognised	**63.42	**33.09	–	–	*3.98	–	–	–

* The Expenses for the above benefit are recognised under 'Salary, Wages and Bonus' on Note 29.

**The Expenses for the above benefit are recognised under 'Contribution to Funds' on Note 29.

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)		Step down Subsidiary Benefit Scheme (Funded)	
	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012
	%	%	%	%	%	%	%	%
e) Category of Plan Assets :								
GOI Securities	6	7	5	13	NA	NA	–	–
Bonds	3	4	7	7	NA	NA	–	–
State Government/State Government Guaranteed Securities	–	–	2	3	NA	NA	–	–
Units of Insurers	89	87	80	76	NA	NA	–	–
Others (including Bank Balances)	2	2	6	1	NA	NA	–	–
Scottish Mutual with Profit Deferred Annuity	–	–	–	–	NA	NA	100	100
	100	100	100	100	NA	NA	100	100
f) Principal Actuarial Assumptions :								
Discount Rate (per annum) (%)	8.00	8.60	8.00	8.60	8.00	8.60	4.30	4.80
Rate of Increase in Salaries (%)	6.00	6.00	NA	NA	6.00	6.00	NA	NA
Expected Rate of Return on Plan Assets (%)	8.30	8.30	8.20	8.20	NA	NA	4.80	5.50
Remaining Working Life (in years)	18.01	18.74	12.80	13.63	15.44	14.81	3.35	3.25
Revaluation in Deferment (price inflation with a maximum of 5% p.a)	NA	NA	NA	NA	NA	NA	3.35	3.25
Mortality Rate Method used	LIC (1994-96) ultimate						@	
	Projected Accrued Benefit Method						Discounted Income Approach	
Actual Return on Plan Assets	39.29	25.25	41.81	26.23	NA	NA	NA	NA
@ The mortality assumptions adopted as at 31st March 2013 imply following future life expectancies :								
Male Currently age 65							23.4	23.3
Female Currently age 65							25.9	25.8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

g) Other Disclosures :

Gratuity Scheme :

Experience History	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011	For the year ended 31st March 2010	For the year ended 31st March 2009
Defined Benefit Obligation at end of the period	(520.12)	(423.28)	(372.92)	(308.48)	(197.31)
Plan Assets at end of the period	476.70	410.19	339.77	305.64	243.75
Funded Status	(43.42)	(13.09)	(33.15)	(2.84)	46.44
Experience Gain/(Loss) adjustments on Plan Liabilities	(18.73)	(20.39)	(33.41)	(52.19)	-
Experience Gain/(Loss) adjustments on Plan Assets	4.11	(4.83)	2.51	23.90	-
Actuarial Gain/(Loss) due to change on assumptions	(19.58)	18.00	-	(24.85)	-

Superannuation Scheme :

Experience History	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011	For the year ended 31st March 2010	For the year ended 31st March 2009
Defined Benefit Obligation at end of the period	(223.25)	(206.07)	(205.57)	(194.98)	(189.75)
Plan Assets at end of the period	458.77	420.42	398.28	372.33	334.27
Funded Status	235.52	214.35	192.71	177.35	144.52
Experience Gain/(Loss) adjustments on Plan Liabilities	2.64	5.46	4.50	0.67	-
Experience Gain/(Loss) adjustments on Plan Assets	7.48	(6.26)	(4.07)	19.94	-
Actuarial Gain/(Loss) due to change on assumptions	(5.71)	6.23	-	-	-

Compensated Absence Scheme :

Experience History	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011	For the year ended 31st March 2010	For the year ended 31st March 2009
Defined Benefit Obligation at end of the period	(18.37)	(16.67)	(18.17)	(13.66)	(10.62)
Plan Assets at end of the period	-	-	-	-	-
Funded Status	(18.37)	(16.67)	(18.17)	(13.66)	(10.62)
Experience Gain/(Loss) adjustments on Plan Liabilities	(0.72)	3.64	(2.18)	0.67	(6.96)
Experience Gain/(Loss) adjustments on Plan Assets	-	-	-	-	-
Actuarial Gain/(Loss) due to change on assumptions	(0.86)	0.88	-	(1.24)	8.89

The basis used to determine overall Expected Return on Assets and the major categories of Plan Assets are as follows :

The major portion of the assets is invested in Units of Insurers and Government Bonds. Based on the asset allocation and prevailing yield rates on these asset classes, the long-term estimate of the Expected Rate of Return on the Fund have been arrived at. Assumed Rate of Return on Assets is expected to vary from year to year reflecting the returns on matching Government Bonds.

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

30. FINANCE COSTS

	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest	787.84	666.14
Other Borrowing Cost	7.48	9.26
Total	795.32	675.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

31. OTHER EXPENSES :

	For the year ended 31st March 2013		For the year ended 31st March 2012	
Consumption of Stores and Spare Parts		1,272.56		1,249.41
Power and Fuel		2,455.55		2,169.38
Rent		570.69		525.14
Rates and Taxes		176.68		123.29
Repairs :				
- Machinery	462.07		431.44	
- Buildings	49.42		49.90	
- Others	263.14	774.63	257.54	738.88
Insurance		236.42		189.56
Payment to Auditors		71.41		64.27
Directors' Fees		6.00		6.10
Provision for Doubtful Trade Receivables/Advances		207.02		(11.65)
Sundry Debit Balances/Advances written off		337.84		30.80
Travelling and Conveyance		1,166.92		883.16
Site Contractor Expenses		703.42		528.11
Processing Charges		385.98		357.46
Professional Charges		656.15		583.54
Postage, Telephone, Telex etc.		202.74		187.78
Royalty		125.93		132.43
Service Charges		332.32		327.30
Commission and Brokerage		1,139.43		1,176.64
Packing Expenses		2,328.34		1,864.04
Delivery and Forwarding Expenses		2,216.08		1,866.07
Net (Gain)/Loss on Sale/Discard of Fixed Assets		(5.59)		22.92
Net Loss/(Gain) on Foreign Exchange Rate Fluctuation and Translation (Refer Note 31.1 below)		(105.71)		269.16
Miscellaneous Expenses		951.02		897.83
Total		16,205.83		14,181.62

31.1 Net gain of ₹ 105.71 (31.03.2012 : loss of ₹ 269.16) includes Provision for 'Mark to Market' losses on derivatives of ₹ Nil (31.03.2012 : 46.90).

32. EARNINGS PER SHARE (EPS) – The numerators and denominators used to calculate Basic and Diluted EPS

	For the year ended 31st March 2013		For the year ended 31st March 2012	
Profit for the year		2,821.17		3,986.82
Less : Dividend on Preference Shares		72.50		72.50
Tax on Dividend on Preference Shares		12.33		11.76
Profit after Tax attributable to the Equity Shareholders (A)		2,736.34		3,902.56
Weighted Average number of Equity Shares (in numbers) (B)		34,610,472		34,610,472
Nominal Value of Equity Shares (in ₹)		10.00		10.00
Dilutive potential Equity Shares		–		–
Basic/Diluted EPS (A/B)		7.91		11.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

33. CONTINGENT LIABILITIES

	As at 31st March 2013	As at 31st March 2012
a) Claims against the Parent Company not acknowledged as debts :		
i) Sales Tax matter under appeal disputed relating to issues of applicability and classification [related payments ₹ 5.49 (31.03.2012 : ₹ 5.49)]	49.54	49.54
ii) Income Tax matters under dispute relating to issues of applicability and determination	18.25	77.64
iii) Service Tax matters under dispute relating to issues of applicability and classification	4.91	1.54
b) Claims against the Subsidiaries not acknowledged as debts	27.39	27.92

34. CAPITAL AND OTHER COMMITMENTS :

34.1 Capital Commitments

	As at 31st March 2013	As at 31st March 2012
Estimated value of contracts on capital account remaining to be executed (net of advances) and not provided for	8.05	56.59
Total	8.05	56.59

35. RELATED PARTY DISCLOSURE

Related Party Disclosures in keeping with Accounting Standard-18 prescribed under 'the Act' :

List of Related Parties

Where Control exists	
Holding Company	Bajoria Holdings Private Limited
Fellow Subsidiaries	Heritage Health TPA Private Limited Bajoria Financial Services Private Limited IFGL Bio Ceramics Limited Ganges Art Gallery Private Limited Bajoria Enterprises Limited Bajoria Service Providers Private Limited
Others : Key Management Personnel	S K Bajoria (Chairman) P Bajoria (Managing Director)
Relatives of Key Management Personnel	Mihir Bajoria (Son of Chairman) Akshay Bajoria (Son of Managing Director)
Enterprises in which Key Management Personnel has significant influence	Heritage Insurance Brokers Private Limited Coris Heritage Asia Pacific Private Limited IFGL Exports Limited (Subsidiary with effect from 30.3.12)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

Particulars of Transactions during the year and year end balances	As at 31st March 2013	As at 31st March 2012
(I) With Holding Company : Bajoria Holdings Private Limited		
Rent for Office Premises	8.67	7.59
Maintenance Charges	10.89	10.89
Expenses Reimbursement/Incurred	13.24	11.35
Expenses Recovered/Received	0.10	-
Purchase of Equity Shares of IFGL Exports Limited	-	260.00
	32.90	289.83
Year end Balances		
Trade Payable	0.78	0.55
Minority Interest	121.65	47.31
	122.43	47.86
(II) With Fellow Subsidiaries		
Sale of Finished Goods		
IFGL Bio Ceramics Limited	33.36	15.75
	33.36	15.75
Expenses Reimbursement/Incurred		
Ganges Art Gallery Private Limited	-	2.33
	-	2.33
Expenses Recovered/Received		
Heritage Health TPA Private Limited	6.00	3.37
IFGL Bio Ceramics Limited	0.43	0.96
Ganges Art Gallery Private Limited	-	0.11
	6.43	4.44
Purchase of Equity Shares of IFGL Exports Limited		
Bajoria Financial Services Private Limited	-	220.00
	-	220.00
Year end Balances		
Trade Receivables		
IFGL Bio Ceramics Limited	1.99	15.35
	1.99	15.35
Trade Payable		
IFGL Bio Ceramics Limited	3.92	-
	3.92	-
Minority Interest		
Bajoria Enterprises Limited	0.25	0.10
	0.25	0.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

Particulars of Transactions during the year and year end balances	As at 31st March 2013	As at 31st March 2012
(III) With Key Management Personnel		
Director's Remuneration		
S K Bajoria (Chairman)	126.39	98.64
P Bajoria (Managing Director)	143.52	115.74
Purchase of Equity Share of IFGL Exports Limited from S K Bajoria	—	100.55
	<u>269.91</u>	<u>314.93</u>
Director's Commission		
S K Bajoria (Chairman)	17.13	28.50
P Bajoria (Managing Director)	—	16.50
	<u>17.13</u>	<u>45.00</u>
Year end Balances		
Minority Interest		
S K Bajoria (Chairman)	648.90	351.26
P Bajoria (Managing Director)	0.25	0.10
	<u>649.15</u>	<u>351.36</u>
Remuneration		
Mihir Bajoria	38.74	—
Akshay Bajoria	3.02	0.74
	<u>41.76</u>	<u>0.74</u>
Year end Balances		
Minority Interest		
Mihir Bajoria	0.25	0.10
	<u>0.25</u>	<u>0.10</u>
(IV) With Enterprise in which a Key Management Personnel has significant influence		
Expenses Recovered/Received		
Heritage Insurance Brokers Private Limited	0.88	0.71
	<u>0.88</u>	<u>0.71</u>
Sale of Finished Goods		
IFGL Exports Limited	—	69.43
	—	69.43
Investment		
IFGL Exports Limited	—	580.55
	—	580.55
Year end Balances		
Loans and Advances		
Heritage Insurance Brokers Private Limited	0.03	—
	<u>0.03</u>	<u>—</u>

36. OPERATING LEASE COMMITMENTS - The Group entered into various non-cancelable operating lease agreements in connection with certain Property, Plant and Equipment and Vehicles in the earlier years. Tenure of lease generally varies between 1 and 15 years. Terms of the lease includes operating terms of renewal, increase in rent in future period, re-imbursement of maintenance charges, terms of cancellation etc. The future minimum lease commitments of the Company are as follows :

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

	As at 31st March 2013	As at 31st March 2012
Within 1 Year	354.51	475.14
More than 1 Year upto 5 Years	483.52	925.24
More than 5 Year upto 15 Years	274.99	–
Total	1,113.02	1400.38

Lease Rentals recognised in Note 31 of the Statement of Profit and Loss amount to ₹ 433.99 (31.03.2012 : ₹ 454.74)

37. SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH 2013 IN ACCORDANCE WITH AS-17 PRESCRIBED UNDER THE ACT

Primary Segment Reporting (by geographical location of operations)

I) Composition of Geographical Segments

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

II) Inter Segment Transfer Pricing

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

III) Segment Revenues, Result and Other Information

	India	Europe	Asia excluding India	Americas	Total of Reportable Segments
External Sales (Net of Excise Duty)	30,111.02 26,804.80	21,504.81 20,207.13	741.90 577.34	14,760.68 12,795.78	67,118.41 60,385.05
Inter Segment Sales	1,404.22 675.50	723.86 466.62	5,711.13 4,738.99	56.08 80.77	7,895.29 5,961.88
Segment Revenues	31,515.24 27,480.30	22,228.67 20,673.75	6,453.03 5,316.33	14,816.76 12,876.55	75,013.70 66,346.93
Segment Result	2,617.09 3,094.48	1,452.48 1,528.88	337.79 238.98	965.24 1,129.99	5,372.60 5,992.33
Segment Assets	22,169.23 20,300.73	8,497.14 8,320.74	2,568.52 2,050.04	6,137.62 5,419.85	39,372.51 36,091.36
Segment Liabilities	4,498.30 4,180.79	3,600.97 3,101.29	1,129.46 751.82	1,495.97 1,499.53	10,724.70 9,533.43
Capital Expenditure (Net)	1,193.94 566.71	91.35 114.00	13.88 23.29	978.24 173.92	2,277.41 877.92
Depreciation	873.28 624.94	141.64 359.39	114.84 102.00	210.44 204.74	1,340.20 1,291.07
Non cash expenses other than depreciation	78.34 54.79	11.83 –	3.34 –	187.45 12.46	280.96 67.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

IV) Reconciliation of Reportable Segments with the Financial Statements

	Revenues	Net Profit	Assets	Liabilities @
Total of Reportable Segments	75,013.70 66,346.93	5,372.60 5,992.33	39,372.51 36,091.36	10,724.70 9,533.43
Corporate-Unallocated (Net)/Adjustments	447.53 325.49	(445.51) 499.12	8,627.30 9,296.04	11,939.73 12,966.29
Inter Segment Sales	(7,895.29) (5,961.88)	– –	– –	– –
Interest (Net)	– –	(795.32) (675.40)	– –	– –
Provision for Taxation				
- Current	–	(1,428.69)	–	–
	–	(1,764.36)	–	–
- Deferred	–	(166.04)	–	–
	–	(68.89)	–	–
As per Financial Statements	67,565.94 60,710.54	2,537.04 @@3,982.80	47,999.81 45,387.40	22,664.43 22,499.72

@ Excluding Shareholders' Funds and Minority Interest

@@ Profit after Taxation and before Minority Interest

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

	Total
India	16,484.55 14,291.55
United Kingdom	6,594.56 4,844.58
Europe other than United Kingdom	19,874.49 18,316.93
Asia excluding India	5,424.82 6,269.95
Americas	16,659.33 14,477.74
Others	2,080.66 2,184.30
Total Sales	67,118.41 60,385.05

Figures in Bold type relate to current year

38. PREVIOUS YEAR FIGURES

Previous Year's figures have been re-grouped/re-classified wherever necessary to conform with the current year's classification.

Signatures to Note '1' to '38'

On behalf of the Board of Directors

R Agarwal
Company Secretary

P Bajoria
Managing Director

S K Bajoria
Chairman

STATEMENT U/S 212 OF THE COMPANIES ACT, 1956 REGARDING SUBSIDIARY COMPANIES As at 31st March 2013

(₹ in lacs)

Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Tax	Provision for Tax	Profit/(Loss) after Tax	Proposed Dividend
Subsidiary										
IFGL Exports Limited, India	216.00	1,357.56	4,695.63	3,122.08	-	902.22	(572.09)	-	(572.09)	-
IFGL Worldwide Holdings Limited, Isle of Man	5,236.85	3,676.89	4,029.89	-	-	-	181.13	-	181.13	-
Step Down Subsidiaries										
CUSC International Limited, USA	260.28	143.72	566.90	162.90	-	-	-	-	-	-
EI Ceramics LLC, USA	498.91	1,063.65	3,213.25	1,650.69	-	8,599.59	1,007.71	355.15	652.56	-
Goricon Metallurgical Services Limited, (Wales) UK	49.48	462.14	590.81	79.19	-	77.94	(6.97)	2.00	(8.97)	-
Hofmann Ceramic CZ s.r.o, Czech Republic	47.88	(600.83)	181.44	734.39	-	458.98	(75.41)	-	(75.41)	-
Hofmann Ceramic GmbH, Germany	180.18	1,643.36	2,369.35	649.66	-	6,925.52	243.06	65.36	177.70	-
Hofmann Ceramic LLC, USA	14.68	54.04	87.33	18.61	-	-	60.62	20.12	40.50	38.20 ^
Hofmann Ceramic Limited, UK	0.08	-	0.08	-	-	-	-	-	-	-
Hofmann GmbH & Co. OHG, Germany	80.72	813.36	1,204.41	310.33	-	-	59.86	(5.20)	65.06	-
Hofmann Pyemetric LLC, USA	0.28	12.05	24.17	11.84	-	-	13.08	-	13.08	-
IFGL GmbH, Germany	4,326.41	(61.27)	28.71	86.13	-	-	277.43	(21.88)	299.31	285.13 #
IFGL Inc., USA	2,170.40	375.72	197.85	3,653.09	-	-	297.65	(33.44)	331.09	-
IFGL Monocon Holdings Limited, UK	4,123.50	-	-	20.62	-	-	-	-	-	-
Mono Ceramics Inc., USA	2,149.22	2,454.49	5,890.40	3,512.91	-	6,097.31	81.92	(10.61)	92.53	-
Monocon International Refractories Limited, UK	0.08	6,271.46	6,062.49	7,736.26	-	15,260.87	1,009.73	297.24	712.49	-
Monocon Overseas Limited, UK	0.82	6,661.01	3.73	557.43	-	-	(28.28)	-	(28.28)	-
Monotec Refratarios Ltda, Brazil	213.62	(213.62)	-	-	-	126.00	(190.71)	13.67	(204.38)	-
Tianjin Monocon Aluminous Refractories Company Limited, PRC	427.96	400.55	1,100.46	271.95	-	1,564.13	18.53	-	18.53	-
Tianjin Monocon Refractories Company Limited, PRC	115.46	479.62	1,468.06	872.98	-	4,888.89	319.25	80.91	238.35	189.62 @

^ Paid to Holding Company, Mono Ceramics Inc., USA

Paid to Holding Company, Monocon International Refractories Limited, UK

@ Paid to Holding Company, IFGL Worldwide Holdings Limited, Isle of Man

NOTES :

- (a) Balance Sheet figures have been converted into Indian Rupees by applying year end foreign exchange closing rate of ₹ 69.30 equivalent to 1 EURO, ₹ 82.47 equivalent to 1 GBP and ₹ 54.26 equivalent to 1 USD. Profit and Loss figures have however been converted into Indian Rupees by using Average Exchange Rate of ₹ 70.23 equivalent to 1 EURO, ₹ 85.68 equivalent to 1 GBP and ₹ 54.23 equivalent to 1 USD.

- (b) Investments exclude investments made in Subsidiary Companies.



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

Name _____	Folio No./Client ID No. _____
Address _____	

JH 1 _____	_____
JH 2 _____	_____

Attendance slip
24th Annual General Meeting

I/We hereby record my/our presence at the 24th Annual General Meeting of the Company held on Friday, 23rd August 2013 at 11 AM at Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh, Odisha.

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

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



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

PROXY
24th Annual General Meeting

I/We of
.....being member/members of
IFGL REFRACTORIES LIMITED hereby appoint
ofor failing
him/herof
.....as my/our proxy to vote for me/us
on my/our behalf at the 24th Annual General Meeting of the Company to be held on Friday, 23rd
August 2013 at 11 AM at Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh,
Odisha and at any adjournment thereof.

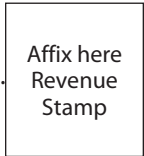
Signed on this.....day of.....2013

Folio No.

DP ID No.

Client ID No.

Signed this.....



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

BOOK POST

If undelivered, please return to :
IFGL REFRACTORIES LIMITED
3, NETAJI SUBHAS ROAD
KOLKATA - 700 001



Head & Corporate Office :

3, Netaji Subhas Road, Kolkata 700 001, India
Phone : +91 33 40106101, Fax : +91 33 22430886, E-mail : ifgl@bajoria.in


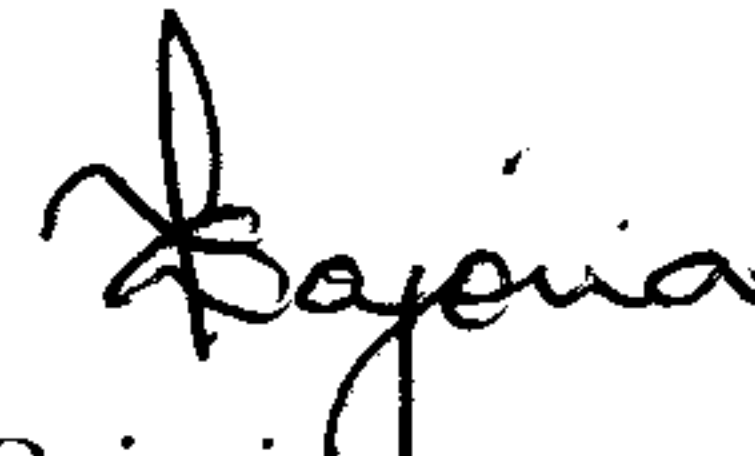


Registered Office & Works :

Sector 'B' Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh, Odisha, India
Phone : +91 661 2660195/583/584, Fax : +91 661 2660173, E-mail : ifglworks@bajoria.in


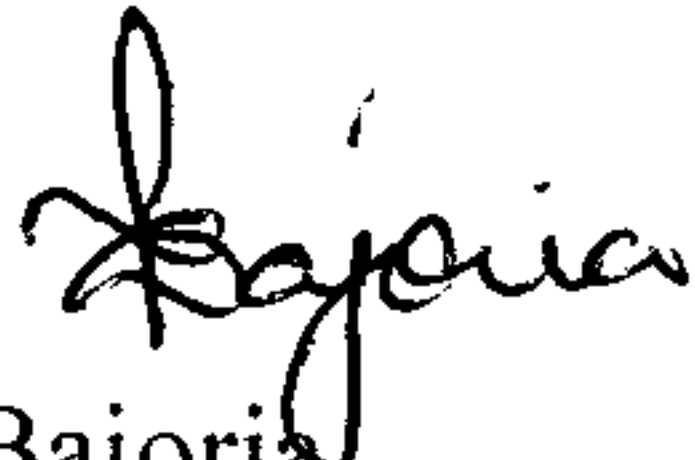

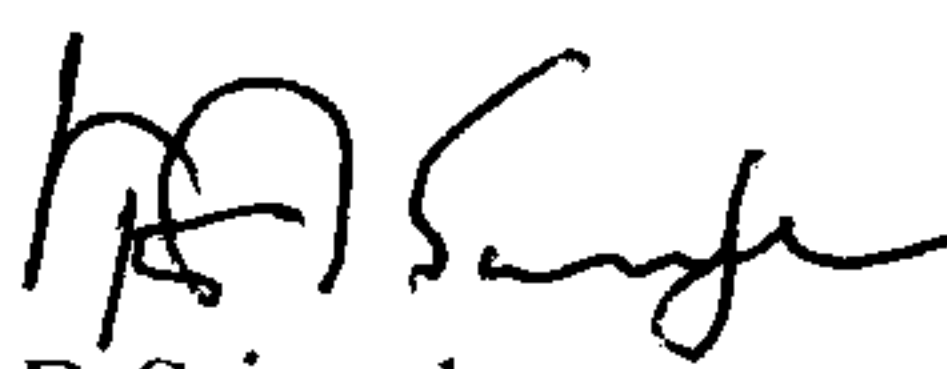
www.ifglref.com

www.bajoria.in

FORM A

1.	Name of the Company	IFGL Refractories Limited
2.	Annual Standalone financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	<p>To be signed by-</p> <ul style="list-style-type: none"> • Managing Director • CFO • Audit Committee Chairman • Auditor of the company <p>In terms of our report attached on the standalone financial statements of the Company</p> <p>For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 302009E)</p>  (A. Bhattacharya) (Partner) (Membership No. 054110) KOLKATA, May 11, 2013	 P Bajoria  K Poddar  K S B Sanyal

FORM A

1.	Name of the Company	IFGL Refractories Limited
2.	Annual Consolidated financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	<p>To be signed by-</p> <ul style="list-style-type: none"> • Managing Director • CFO • Audit Committee Chairman • Auditor of the company <p>In terms of our report attached on the consolidated financial statements of the Company</p> <p>For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 302009E)</p>  (A. Bhattacharya) (Partner) (Membership No. 054110) KOLKATA, May 11, 2013	 P Bajoria  K Poddar  K S B Sanyal