

MINUTES OF THE 51ST ANNUAL GENERAL MEETING OF INDIAN METALS & FERRO ALLOYS LIMITED HELD ON SATURDAY, THE 27TH JULY, 2013 AT 12.00 NOON AT THE REGISTERED OFFICE OF THE COMPANY AT IMFA BUILDING, BHUBANESWAR-751010, ODISHA.

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DIRECTORS PRESENT:

1. Mr Baijayant Panda, Vice Chairman
2. Mr Subhrakant Panda, Managing Director
3. Mr J K Misra, Director(Corporate)
4. Mr C R Ray, Whole-time Director
5. Mrs Paramita Mahapatra
6. Mr D Bandyopadhyay
7. Mr N R Mohanty
8. Major R N Misra (Retd)
9. Dr S Acharya
10. Mr S P Mathur
11. General Shankar Roychowdhury

In all there were 25 shareholders in person (including authorised representatives) and one proxy present in the meeting.

IN ATTENDANCE

Mr Prem Khandelwal, CFO & Company Secretary

The meeting commenced with welcome address by Company Secretary. He further announced that the statutory registers / documents as required under the provisions of the Companies Act, 1956 have been kept open at the meeting place.

CHAIRMAN

In the absence of Dr B Panda, Executive Chairman, Mr Baijayant Panda, Vice Chairman presided over the meeting as Chairman. After ascertaining that necessary quorum was present, the Chairman called the meeting to order.

The Chairman then addressed to the members as follows:

Ladies & Gentlemen,

It gives me great pleasure in welcoming you all to the 51st Annual General Meeting of your Company. The Annual Report for the year ended 31st March 2013 has been with you for some time now so, with your permission, I shall take it as read.

Review of Performance

As you would have noticed from the Annual Report, your Company achieved a record turnover during FY 2012-13 but profit after tax declined marginally on account of higher depreciation following the commissioning of the first unit of 2x60 MW power plant and one-time charge relating to the joint venture with For Indian Metals & Ferro Alloys Ltd.


(Prem Khandelwal)
CFO & Company Secretary



Posco. The long term benefits of both these initiatives, however, far outweigh the immediate impact.

I would now like to highlight some key aspects of the year under review :

- As mentioned, Gross Sales touched an all time high of Rs 1273.25 crores representing an increase of 7% over the previous year while EBITDA increased by 20.24% to Rs 282.15 crores.
- Production of ferro chrome during the year under review was 174,348 tonnes, a decrease of 11% over the previous year on account of non-availability of lumpy ore and shut down of one furnace. There was a limited production run of ferro silicon during the year to utilise / encash raw material available in stock and 4970 tonnes was produced.
- Power generation stood at 792 million units (increase of 2% over the previous year) while 390,649 tonnes (20% decrease over the previous year) of chrome ore was raised from the captive mines and used entirely in-house.

New Projects

I am pleased to inform you that both units of the 2x60 MW Captive Power Plant were synchronised on 31st December 2012 and 30th June 2013 respectively and put to use. While there are some initial teething issues, these will be sorted out in due course and the enhanced generation capacity now gives us the headroom to increase our smelting capacity which is under active consideration.

The captive coal mine being developed by Utkal Coal Ltd (an SPV) is at an advanced stage with all statutory approvals in place and major milestones like readiness of R&R Site, land licensing for captive railway siding, etc achieved. Unfortunately, the Government of Odisha has inordinately delayed issuing the Grant Order. However, your Directors are confident that all remaining formalities will be completed expeditiously and the mining lease will be executed within the current calendar year with operations commencing shortly thereafter.

Joint Venture with Posco

The joint venture with Posco under the aegis of IMFA Alloys Finlease Ltd (IAFL) formally commenced during the year under review after receipt of Certificate of Registration from RBI although output from the designated furnace was already being supplied to them following the understanding in this regard. This is a mutually beneficial transaction which, from your Company's point of view, will result in greater off-take assurance.

Future Outlook

The demand for ferro chrome is linked to that of stainless steel which is likely to grow at a CAGR of 5% until 2018. Further, production setbacks in South Africa and the likelihood of demand growth arising out of revival in the world economy present an opportunity for other producers. However, there are cost pressures too although fully integrated producers like your Company are much more resilient than our peers.



While there are challenges in the short term, your Directors are confident that the outlook for the ferro chrome industry in general and your Company in particular is positive over the medium to long term. The Management is focussed on delivering superior results once the backward integration into coal mining and capacity enhancement come into play and, barring unforeseen circumstances, your Directors are confident in this regard.

Organisation Restructuring

Your Company initiated a broad based organisation restructuring in FY 2012-13 with inputs from a leading management consulting firm to push down responsibility and accountability while freeing up senior management time to focus on strategic priorities including diversifying into new businesses and geographies. Accordingly, Ferro Alloys Business Unit and Power Business Unit were created with BU Heads who report to the COO expected to take end-to-end responsibility. A lot of emphasis is also being placed on strengthening the leadership pipeline and redesigning critical processes like the Performance Management System. These are interventions which will yield results over the long term but it is heartening to note that there is already some traction.

Corporate Social Responsibility

Your Company has always taken its CSR obligations very seriously and over the years started several important initiatives such as incorporating an annual literary award as well as an award for budding sportspeople. While the Indian Metals Public Charitable Trust (IMPACT) is the charitable arm of your Company, the Bansidhar & Ila Panda Foundation (BIPF) has been formed to broaden our CSR initiatives in a focussed and sustainable manner.

During the year under review your Company spent Rs 3.05 crores on various CSR activities which is significantly higher than 2% of PAT which is likely to be mandated going forward.

Industrial Relations

I am pleased to inform you that industrial relations at all units have been cordial during the year under review and, on behalf of your Directors, I would like to acknowledge the co-operation and contribution of the entire workforce.

Acknowledgements

On behalf of the Board of Directors and the Management, I would like to place on record your Company's sincere appreciation of the support extended by the Central & State Government and their agencies, term lenders & working capital bankers and the continuing patronage and support of all stakeholders.

Thank you,

Thereafter the Chairman took up the businesses as per the agenda and transacted the following business:



Ordinary Business:

ITEM NO.1: ADOPTION OF THE AUDITED ACCOUNTS FOR THE FINANCIAL YEAR 2012-13 ALONG WITH AUDITORS & DIRECTORS REPORT

The Chairman set on motion following Ordinary Resolution:

"RESOLVED THAT the Audited Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss Account of the Company for the year ended on that date together with the Reports of the Directors and the Auditors thereon be and are hereby received, considered and adopted."

Mr S K Choudhury proposed and Mr P C Mohapatra seconded the resolution.

Thereafter the resolution was put to vote by show of hands and was carried unanimously.

ITEM NO.2: DECLARATION OF DIVIDEND

The Chairman set on motion following Ordinary Resolution:

"RESOLVED THAT a dividend at the rate of 50% (Rs.5/- per share) be and is hereby declared on the 2,59,77,053 equity shares of Rs.10/- each fully paid up as on 31st March, 2013 and that the dividend be distributed subject to tax on dividend to be paid by the Company."

"RESOLVED FURTHER THAT the said dividend be paid to all those eligible equity shareholders of the Company whose names appear on the Company's Register of Members as on the Record Date."

Mr R K Sahoo proposed and Mr R K Mullick seconded the resolution.

Thereafter the resolution was put to vote by show of hands and it was carried unanimously.

ITEM NO.3: RE-APPOINTMENT OF MR N R MOHANTY AS DIRECTOR

The Chairman set on motion following Ordinary Resolution:

"RESOLVED THAT Mr N R Mohanty who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company."

Mr C R Barma proposed and Mr R K Sahoo seconded the resolution.

Thereafter the resolution was put to vote by show of hands and was carried unanimously.



ITEM NO.4: RE-APPOINTMENT OF MRS PARAMITA MAHAPATRA AS DIRECTOR

Since Chairman was interested in this agenda item, he requested Mr D Bandyopadhyay, Director to set on motion the said agenda item.

Mr D Bandyopadhyay, Director set on motion following Ordinary Resolution:

"RESOLVED THAT Mrs Paramita Mahapatra, who retires by rotation and being eligible offers herself for re-appointment, be and is hereby re-appointed as Director of the Company."

Mr J R Shah proposed and Mr J K Nayak seconded the resolution.

Thereafter the resolution was put to vote by show of hands and was carried unanimously.

ITEM NO.5: RE-APPOINTMENT OF MAJOR R N MISRA (RETD) AS DIRECTOR

The Chairman set on motion following Ordinary Resolution:

"RESOLVED THAT Major R N Misra (Retd), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company."

Mr A K Rout proposed and Mr C R Barma seconded the resolution.

Thereafter the resolution was put to vote by show of hands and was carried unanimously.

ITEM NO.6: APPOINTMENT OF M/S HARIBHAKTI & CO., CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS FOR THE FINANCIAL YEAR 2013-14 ON A REMUNERATION TO BE FIXED BY THE BOARD OF DIRECTORS OF THE COMPANY.

The Chairman set on motion following Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 224, 226 and other applicable provisions, if any, of the Companies Act, 1956, M/s Haribhakti & Co., Chartered Accountants (Firm Registration No.103523W), be and are hereby appointed as the Statutory Auditors of the Company in place of M/s Raghu Nath Rai & Co., Chartered Accountants (Firm Registration No.00045IN), to hold the office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company on a remuneration to be determined by the Board of Directors."

Mr J K Nayak proposed and Mr A K Rout seconded the resolution.

Thereafter the resolution was put to vote by show of hands and was carried unanimously.



Special Business:

ITEM NO.7: APPOINTMENT OF MR C R RAY AS DIRECTOR OF THE COMPANY

The Chairman set on motion following Ordinary Resolution:

"RESOLVED that Mr C R Ray, who was appointed as an Additional Director by the Board of Directors with effect from 31st January, 2013 and who holds office under Section 260 of the Companies Act, 1956 until the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

Mr S K Choudhury proposed and Mr C R Barma seconded the resolution.

The resolution was put to vote by show of hands and was carried unanimously.

VOTE OF THANKS

There being no other business to transact, the meeting was concluded with a vote of thanks to the Chair.

CHAIRMAN



For Indian Metals & Ferro Alloys Ltd.


(Prem Khandelwal)
CFO & Company Secretary