

**MINUTES OF THE 53RD ANNUAL GENERAL MEETING OF INDIAN METALS & FERRO ALLOYS LIMITED HELD ON THURSDAY, THE 23RD JULY 2015 AT THE REGISTERED OFFICE OF THE COMPANY AT IMFA BUILDING, BHUBANESWAR-751010, ODISHA AT 2.30 PM TO 3.00 PM.**

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**DIRECTORS PRESENT:**

1. Dr B Panda, Executive Chairman
2. Mr Subhrakant Panda, Managing Director
3. Mr J K Misra, Director(Corporate) & COO
4. Mrs Paramita Mahapatra
5. Mr N R Mohanty
6. Major R N Misra (Retd)
7. Dr S Acharya
8. Mr S P Mathur
9. General Shankar Roychowdhury (Retd)
10. Mr Santosh Nautiyal

**OTHERS PRESENT:**

1. Mr Anand Kumar Jhunjunwala, Partner, Haribhakti & Co. LLP, Chartered Accountants
2. Ms Sunita Mohanty, Partner, Sunita Mohanty & Associates, Practicing Company Secretaries
3. Mr Prem Khandelwal, CFO & Company Secretary

In all there were 37 shareholders in person present at the meeting.

The meeting commenced with welcome address by Mr Prem Khandelwal, CFO & Company Secretary. He further announced that the statutory registers / documents as required under the provisions of the Companies Act, 2013 have been kept open at the meeting place and there are no proxy registered with the Company.

**CHAIRMAN**

Dr B Panda, Executive Chairman after ascertaining that necessary quorum was present, called the meeting to order. Then he asked Secretary to read out the qualification in the Auditor's Report and Management's Response to the qualification.

**The Chairman then addressed the members as follows:**

Ladies & Gentlemen,

It gives me great pleasure in welcoming all of you to the 53<sup>rd</sup> Annual General Meeting of your Company. The Annual Report for the year ended 31<sup>st</sup> March 2015 has been circulated so, with your permission, I shall take it as read.

**Review of Performance**

I would like to start by highlighting operational achievements during the year under review :

- Revenue from operations was a record Rs 1344.79 crores, albeit a marginal 2% higher than the previous year. However, EBIDTA fell by 15% to Rs 262.90 crores and PAT declined by 69% to Rs 11.98 crores on account of difficult market conditions.



- Foreign exchange earnings stood at Rs 1032.47 crores for the year under review.
- Production of ferro chrome was a record 205,203 tonnes representing a 3.6% increase over the previous year. Similarly, power generation was 913.92 million units while chrome ore raising stood at 414,138 tonnes.

### **Mining Issues**

Pursuant to the MMDR Amendment Bill, 2015 the validity of our Sukinda and Mahagiri Mines stands extended up to 2049 and 2055 respectively while the Nuasahi Mines - which is closed after the lease expired in November 2014 - is eligible for extension up to 31st March 2030. A comprehensive exploration and development plan is underway and we will look to raise output in a systematic manner to meet our captive requirement. We have also made significant progress towards developing underground mines for the first time in Sukinda Valley.

### **Outlook**

The ferro chrome industry is going through a very difficult phase on account of the challenging economic conditions globally. While the United States has been a beacon of hope, the uncertainty in Europe and the downward trajectory of China has been a cause of concern. In this context, a single party majority government in India has been working to revive both the economy and business sentiments but more time is needed for concrete results. Amidst all this, ferro chrome prices seem to have bottomed out although marginal producers are under pressure and supplies are likely to be constricted going ahead. While stability is a precursor to revival, increased consumption pursuant to an improved economic outlook is the only solution.

As you are aware, exports constitute a significant portion of our revenues. However, this will change as stainless steel demand and output increases. While India is already the world's second-largest consumer and third-largest producer of stainless steel, per capita consumption is only about 2 kg as compared to the global average of around 5 kg. Aided by a burgeoning middle class and rapid urbanisation, demand for stainless steel is poised to surge which will augur well for the ferro chrome industry over the medium to long term.

These are challenging times and earnings are going to remain muted at least for the current fiscal. However, we have gone through such situations in the past given the inherent cyclicity of the ferro chrome industry and I am confident that the building blocks put in place by the Management will bear fruit when the tide changes.

### **Captive Coal Block**

The cancellation of the captive coal block being developed by Utkal Coal Ltd, an SPV, pursuant to the judgement of the Hon'ble Supreme Court was unfortunate. However, new avenues are opening up including auctioning of coal linkages. We are evaluating options available to us for fuel security while also pursuing fair compensation for the Utkal C block.

### **Corporate Social Responsibility**

Your Company's approach to social responsibility extends well beyond business and financial considerations. The Bansidhar & Ila Panda Foundation has been set up to create economic and social opportunities for those at the bottom of the pyramid and particularly aims to create awareness among women and children about health, sanitation and education. Of course, our activities under the umbrella of the Indian Metals Public Charitable Trust also continues.





## **Human Resources & Industrial Relations**

The dedication and commitment of our people has been a key strength. We continue to focus on enhancing the knowledge base through Learning & Development initiatives and are working on strengthening the management bandwidth.

I am also pleased to inform you that industrial relations at all units were cordial during the year under review and, on behalf of your Directors, I 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 informed the members that the Company had extended the remote e-voting facility to the Members of the Company in respect of businesses to be transacted at the Annual General Meeting. The remote e-voting commenced at 9.00 a.m. on 20<sup>th</sup> July 2015 and ended at 5.00 p.m. on 22<sup>nd</sup> July 2015. Mr Sourjya Prakash Mohapatra, Practicing Chartered Accountant was appointed as the Scrutinizer by the Board for scrutinizing the remote e-voting process.

Then the Chairman ordered for the poll on all Resolutions for the Ordinary and Special businesses as set out in items 1 to 13 of the Notice and requested all the members other than those who had voted through remote e-voting mechanism to participate in the poll process and appointed Mr Sourjya Prakash Mohapatra, Practicing Chartered Accountant as the Scrutinizer to conduct the poll process. He further informed that on receipt of Scrutinizer's Report, the results of voting shall be declared latest by 6.00 p.m. on 24<sup>th</sup> July 2015.

## **Conduct of Poll:**

Mr Sourjya Prakash Mohapatra, Scrutinizer conducted the poll and after ensuring that all members participating in the poll had casted their votes, the Scrutinizer closed the poll at around 3.00 p.m. The Scrutinizer then took the custody of the polling box.

## **VOTE OF THANKS**

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

## **Result of the Remote Electronic Voting and Poll on the Ordinary and Special Businesses at the Annual General Meeting of the Company held on Thursday, the 23<sup>rd</sup> July 2015.**

On the basis of the consolidated Scrutinizer's Report for the Remote Electronic Voting and Poll through ballot paper dated 23<sup>rd</sup> July 2015, the summary of which is mentioned hereunder, the Chairman announced the results of voting on 24<sup>th</sup> July 2015. All the Resolutions for the Ordinary and Special Businesses as set out in Item Nos.1 to 13 in the Notice of the 53<sup>rd</sup> Annual General Meeting of the Company held on 23<sup>rd</sup> July 2015 have been duly passed by the requisite majority and recorded hereunder as part of the proceedings.



Resolution as given in the Notice of the 53 <sup>rd</sup> Annual General Meeting	Particulars of votes cast							Result Declared
		Electronic Voting		Poll		Voting Result		
		Nos.(A)	%	Nos.(B)	%	Nos. (A + B)	%	
<b>Ordinary Business</b>								
<b>ITEM NO.1: ORDINARY RESOLUTION FOR ADOPTION OF THE AUDITED FINANCIAL STATEMENT INCLUDING CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 TOGETHER WITH REPORTS OF THE DIRECTORS AND AUDITORS</b>	Votes cast in favour	6790246	100	14079874	100	20870120	100	Approved by requisite majority.
	Votes cast against	-	-	-	-	-	-	
	Invalid Votes	1790500	-	-	-	-	-	
"RESOLVED THAT the audited financial statement including consolidated financial statement of the Company for the year ended 31 <sup>st</sup> March 2015 together with the Reports of the Directors and the Auditors thereon be and are hereby received, considered and adopted."								
<b>ITEM NO.2: ORDINARY RESOLUTION FOR DECLARATION OF DIVIDEND FOR THE FINANCIAL YEAR 2014-15</b>	Votes cast in favour	6790546	100	14079874	100	20870420	100	Approved by requisite majority.
	Votes cast against	-	-	-	-	-	-	
	Invalid Votes	1790500	-	-	-	-	-	
"RESOLVED THAT pursuant to recommendations made by the Board of Directors of the Company, a dividend of Rs 1.50 per share on the fully paid equity shares of the Company be declared for the year ended 31 <sup>st</sup> March 2015 and the said dividend be payable to all the shareholders whose names appear in the Register of Members as on 16 <sup>th</sup> July 2015."								
<b>ITEM NO.3: ORDINARY RESOLUTION FOR RE-APPOINTMENT OF MR JAYANT KUMAR MISRA (HOLDING DIN: 00146526) AS DIRECTOR</b>	Votes cast in favour	6790406	100	14079874	100	20870280	100	Approved by requisite majority.
	Votes cast against	-	-	-	-	-	-	
	Invalid Votes	1790500	-	-	-	-	-	
"RESOLVED THAT Mr Jayant Kumar Misra (holding DIN:00146526) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company."								
<b>ITEM NO.4: ORDINARY RESOLUTION FOR RE-APPOINTMENT OF MRS PARAMITA MAHAPATRA (HOLDING DIN:00143058) AS DIRECTOR</b>	Votes cast in favour	6572967	100	13649968	100	20222935	100	Approved by requisite majority.
	Votes cast against	-	-	-	-	-	-	
	Invalid Votes	1790500	-	-	-	-	-	
"RESOLVED THAT Mrs Paramita Mahapatra (holding DIN:00143058) who retires by rotation and being eligible offers herself for re-appointment, be and is hereby re-appointed as Director of the Company."								
<b>ITEM NO.5: ORDINARY RESOLUTION FOR RATIFICATION OF APPOINTMENT OF HARIBHAKTI &amp; CO. LLP, CHARTERED ACCOUNTANTS AS AUDITORS OF THE COMPANY</b>	Votes cast in favour	6790506	100	14079874	100	20870380	100	Approved by requisite majority.
	Votes cast against	-	-	-	-	-	-	
	Invalid Votes	1790500	-	-	-	-	-	
"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the resolution passed by the members at the 52 <sup>nd</sup> Annual General Meeting of the Company held on 22 <sup>nd</sup> July 2014, the appointment of Haribhakti & Co. LLP, Chartered Accountants (Firm Registration No.103523W) as Auditors of the Company to hold office till the conclusion of the 57 <sup>th</sup> Annual General Meeting of the Company be and is hereby ratified."								





Special Business								
<p><b>ITEM NO.6: ORDINARY RESOLUTION FOR APPOINTMENT OF MR SANTOSH NAUTIYAL (HOLDING DIN: 01127740) AS AN INDEPENDENT DIRECTOR</b></p> <p>"RESOLVED that Mr Santosh Nautiyal (holding DIN:01127740), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 28<sup>th</sup> August, 2014 under Section 161(1) of the Companies Act, 2013, read with Article 91 of the Articles of Association of the Company and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, to hold office for five consecutive years upto 27<sup>th</sup> August 2019."</p>	Votes cast in favour	6790506	100	14079874	100	20870380	100	Approved by requisite majority.
	Votes cast against	-	-	-	-	-	-	
	Invalid Votes	1790500	-	-	-	-	-	
<p><b>ITEM NO.7: ORDINARY RESOLUTION FOR APPOINTMENT OF MR DEBABRATA BANDYOPADHYAY (HOLDING DIN: 00144440) AS AN INDEPENDENT DIRECTOR</b></p> <p>"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr Debabrata Bandyopadhyay (holding DIN:00144440), Independent Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office up to the conclusion of 54<sup>th</sup> Annual General Meeting."</p>	Votes cast in favour	6790506	100	14079874	100	20870380	100	Approved by requisite majority.
	Votes cast against	-	-	-	-	-	-	
	Invalid Votes	1790500	-	-	-	-	-	
<p><b>ITEM NO.8: ORDINARY RESOLUTION FOR APPOINTMENT OF MR NALINI RANJAN MOHANTY (HOLDING DIN: 00237732) AS AN INDEPENDENT DIRECTOR</b></p> <p>"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr Nalini Ranjan Mohanty (holding DIN: 00237732), Independent Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent</p>	Votes cast in favour	6790506	100	14079874	100	20870380	100	Approved by requisite majority.
	Votes cast against	-	-	-	-	-	-	
	Invalid Votes	1790500	-	-	-	-	-	



Director of the Company to hold office up to the conclusion of 54 <sup>th</sup> Annual General Meeting."								
<p><b>ITEM NO.9: ORDINARY RESOLUTION FOR APPOINTMENT OF MAJOR RABI NARAYAN MISRA (RETD) (HOLDING DIN: 00146138) AS AN INDEPENDENT DIRECTOR</b></p> <p>"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Major Rabi Narayan Misra(Retd) (holding DIN: 00146138), Independent Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office up to the conclusion of 54<sup>th</sup> Annual General Meeting."</p>	<p>Votes cast in favour</p> <p>Votes cast against</p> <p>Invalid Votes</p>	<p>6790506</p> <p>-</p> <p>1790500</p>	<p>100</p> <p>-</p> <p>-</p>	<p>14079874</p> <p>-</p> <p>-</p>	<p>100</p> <p>-</p> <p>-</p>	<p>20870380</p> <p>-</p> <p>-</p>	<p>100</p> <p>-</p> <p>-</p>	<p>Approved by requisite majority.</p>
<p><b>ITEM NO.10: ORDINARY RESOLUTION FOR APPOINTMENT OF DR SATYANANDA ACHARYA (HOLDING DIN: 00146386) AS AN INDEPENDENT DIRECTOR</b></p> <p>"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Dr Satyananda Acharya (holding DIN: 00146386), Independent Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office up to the conclusion of 54<sup>th</sup> Annual General Meeting."</p>	<p>Votes cast in favour</p> <p>Votes cast against</p> <p>Invalid Votes</p>	<p>6790506</p> <p>-</p> <p>1790500</p>	<p>100</p> <p>-</p> <p>-</p>	<p>14079874</p> <p>-</p> <p>-</p>	<p>100</p> <p>-</p> <p>-</p>	<p>20870380</p> <p>-</p> <p>-</p>	<p>100</p> <p>-</p> <p>-</p>	<p>Approved by requisite majority</p>
<p><b>ITEM NO.11: ORDINARY RESOLUTION FOR REMUNERATION PAYABLE TO MRS SHAIHALIKA PANDA, A RELATED PARTY</b></p> <p>"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 or any amendment or substitution thereof (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made thereunder, the consent of the Company be and is hereby accorded to revise the remuneration payable to Mrs Shaifalika Panda, Chief of CSR (Special Initiatives) who is related to Dr B Panda, Executive Chairman, Mr Bajjayant Panda, Vice-Chairman, Mr Subhrakant Panda, Managing Director and Mrs Paramita Mahapatra, Director of the Company, with effect from 1<sup>st</sup> April, 2015 on the following terms and conditions :</p> <p><b>(I) SALARY :</b> Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) per month.</p> <p><b>(II) PERQUISITES:</b></p> <p><b>(a) Personal Pay</b> Rs.1,26,900/- (Rupees One Lakh Twenty Six Thousand Nine Hundred only) per month.</p> <p><b>(b) Conveyance Allowance</b> Rs.1600/- (Rupees One Thousand</p>	<p>Votes cast in favour</p> <p>Votes cast against</p> <p>Invalid Votes</p>	<p>6571406</p> <p>1547</p> <p>1790500</p>	<p>99.98</p> <p>0.02</p> <p>-</p>	<p>305829</p> <p>-</p> <p>-</p>	<p>100</p> <p>-</p> <p>-</p>	<p>6877235</p> <p>1547</p> <p>-</p>	<p>99.98</p> <p>0.02</p> <p>-</p>	<p>Approved by requisite majority</p>





<p>Six Hundred only) per month.</p> <p><b>(c) Business Related Expenditure</b> Rs.2,500/- (Rupees Two Thousand Five Hundred only) per month.</p> <p><b>(d) Goodwill</b> Rs.12,000/- (Rupees Twelve Thousand only) per annum.</p> <p><b>(e) Company's contribution towards Provident Fund and Superannuation Fund.</b> As per rules of the Company subject to a ceiling of 12% of salary for Provident Fund and 15% of salary for Superannuation Fund.</p> <p><b>(f) Gratuity</b> As per provisions of the Payment of Gratuity Act.</p> <p><b>(g) Medical Reimbursement</b> Reimbursement of expenses incurred for self and family subject to a limit of Rs 15,000/- per annum as per rules of the Company.</p> <p><b>(h) Leave Travel Concession</b> For self and family as per rules of the Company.</p> <p><b>(I) Earned/Privilege Leave</b> On full pay as per rules of the Company.</p> <p><b>(j) Leave encashment</b> In accordance with the rules of the Company.</p> <p><b>(k) Performance Pay</b> Subject to a maximum of Rs 15,00,000/- (Rupees Fifteen Lakh only) per annum to be decided by Nomination and Remuneration Committee."</p>									
<p><b>ITEM NO.12: SPECIAL RESOLUTION FOR PAYMENT OF COMMISSION TO NON-EXECUTIVE INDEPENDENT DIRECTORS</b></p> <p>"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, a sum not exceeding 0.5% per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 subject to a maximum of Rs 50,00,000/- (Rupees fifty lakh only) be paid to and distributed equally amongst the Non Executive Independent Directors of the Company as commission and such payments shall be made out of the profits of the Company of each year for a period of three years commencing from 1st April, 2015."</p>	<p>Votes cast in favour</p> <p>Votes cast against</p> <p>Invalid Votes</p>	<p>6790479</p> <p>13</p> <p>1790500</p>	<p>99.999</p> <p>0.001</p> <p>-</p>	<p>14079874</p> <p>-</p> <p>-</p>	<p>100</p> <p>-</p> <p>-</p>	<p>20870353</p> <p>13</p> <p>-</p>	<p>99.999</p> <p>0.001</p> <p>-</p>	<p>Approved by requisite majority</p>	
<p><b>ITEM NO.13: ORDINARY RESOLUTION FOR APPOINTMENT OF COST AUDITOR</b></p> <p>"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the appointment of M/s S S Sonthalia &amp; Co. as Cost Auditor of the Company for the Financial Year 2015-16 on a remuneration of Rs 55,000/- (Rupees fifty five thousand only) plus service tax be and is hereby ratified."</p>	<p>Votes cast in favour</p> <p>Votes cast against</p> <p>Invalid Votes</p>	<p>6790506</p> <p>-</p> <p>1790500</p>	<p>100</p> <p>-</p> <p>-</p>	<p>14079874</p> <p>-</p> <p>-</p>	<p>100</p> <p>-</p> <p>-</p>	<p>20870380</p> <p>-</p> <p>-</p>	<p>100</p> <p>-</p> <p>-</p>	<p>Approved by requisite majority</p>	

**CHAIRMAN**

For Indian Metals & Ferro Alloys Ltd.

(Prem Khandelwal)  
CFO & Company Secretary