



**ANNUAL REPORT  
2013-2014**



**BOARD OF DIRECTORS**

D. K. Agarwalla

Kamal Ghosh - *Whole time Director*

Sunil Vishwambharan

Ruchir Omprakash Jalan

Adarsh Agarwalla

**COMPLIANCE OFFICER**

Mayuresh Oka

**AUDITORS**

N. A. Shah Associates

Chartered Accountants

Mumbai

**BANKER**

HDFC Bank

State Bank of India

**REGISTRAR & SHARE TRANSFER AGENT**

Niche Technologies Pvt. Ltd.

C-444, Bagree Market,

71, B.R.B. Basu Road

Kolkata - 700 001

**REGD. OFFICE**

504, 'Diamond Prestige'

41A, A. J. C. Bose Road,

Kolkata - 700 017

**CORPORATE OFFICE & WORKS**

G. T. Road, Govindpur

Dhanbad, Jharkhand



### DIRECTORS' REPORT

Your Directors take pleasure in presenting the 50<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2014.

(Rs.)

<b>Financial Results</b>	<b>As on 31<sup>st</sup> March 2014</b>	<b>As on 31<sup>st</sup> March 2013</b>
Other Income	108,401	493,130
Profit/(Loss) before interest, depreciation and tax	(2,019,481)	(2,980,426)
Interest	-	-
Depreciation	721,168	3,130,426
Profit/(Loss) before prior period Items & Taxation	(2,740,649)	(6,110,850)
Add: Exceptional item	2,434,700	-
Add/(Less) Prior period expenses	(259,000)	(300,667)
Profit/(Loss) before Taxation	(564,949)	(6,411,517)
Taxation	-	-
Profit/(Loss) for the Year	(564,949)	(6,411,517)

### PERFORMANCE & PROSPECTS

The operation of your Company is closed since the year 2010 due to working capital shortage. During the year under review, the loss of the company was reduced and stood at Rs.5.65 Lakhs against the loss of Rs.64.12 Lakhs of the previous year. Your Company in the previous years has streamlined its capital base by reduction in the Share capital and conversion of unsecured loan into Equity by way of preferential allotment pursuant to the order of BIFR. The Promoters of the Company are in the process of infusing funds for the operation & revival of the Company.

### BIFR PROCEEDINGS

Your Company has been discharged from the preview of SICA/BIFR as per its order.

### FOREIGN EXCHANGE EARNING AND OUTGO

There was no foreign exchange earnings and outgo during the year under review.

### DIVIDEND

Considering your Company's present situation, your Directors regret to recommend a dividend for the year under review.

**DIRECTORS**

Mr. D. K. Agarwalla has resigned as Managing Director with effect from 13th August, 2013. The Board puts on record the valuable services rendered by him during his tenure as Managing Director of the company. Mr. D. K. Agarwalla continued as director of the company.

In accordance with the provisions of the Companies Act, 2013, Mr. Devendra Kumar Agarwalla, Director of the Company who retire by rotation, being eligible, offer himself for re-appointment.

**AUDITORS**

Messrs N. A. Shah Associates, Chartered Accountants, retire as Auditors of the company at the forthcoming Annual General Meeting. They have expressed their willingness to act as Auditors of the Company, if appointed. It is proposed to re-appoint them to examine and audit the accounts of the Company for five years to hold office from the conclusion of this AGM till the conclusion of the Fifty- Fifth AGM of the Company to be held in the year 2019 subject to ratification of their appointment at every AGM. Messrs N. A. Shah Associates have, under Section 139(1) of the Companies Act, 2013 and the Rules framed thereunder furnished a certificate of their eligibility and consent for re-appointment.

**AUDITORS' REPORT**

Appropriate notes to the Accounts explain the observations in the Auditors' Report which is self explanatory.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956 your Directors confirm:-

- i) That in the preparation of the annual accounts, the applicable accounting standards issued by the Institute of Chartered Accountants of India had been followed;
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2014 and of the loss of the Company for the year ended on that date;
- iii) That the Directors had taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) That the Directors had prepared the annual accounts on a going concern basis.

**LISTING**

The Equity Shares of your Company are listed at Bombay Stock Exchange Limited (BSE). The Company had earlier filed application with the Calcutta Stock Exchange Ltd, Ahmedabad Stock Exchange Ltd. & The Magadh Stock Exchange Ltd. for delisting of its equity shares under SEBI delisting guidelines.

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

In terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 your Company has adopted the Code of Conduct for Prevention of Insider Trading.

**CORPORATE GOVERNANCE**

In compliance with the requirements of Clause 49 of the Listing Agreement with Stock Exchanges your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance, a separate Report on Corporate Governance as on 31st March, 2014 and a Report on Management Discussions and Analysis are annexed to and forms a part of this Report.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Your Company used electricity provided by state electricity board and D.G. Set in form of energy, the consumption of which is very minimal. No such technology absorbed by the Company during the period under review. There is no other information under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 to be furnished.

**PARTICULARS OF EMPLOYEES**

During the year under review none of the employees of the Company was paid remuneration over the limit prescribed in Section 217 (2A) of the Companies Act, 1956.

**ACKNOWLEDGEMENT**

Your Directors express their appreciation or assistance and co-operation received from Government authorities, banks, vendors, customers and Shareholders of the Company. Your Directors also wish to place on record their sincere sense of appreciation for their continuous support, the sincere efforts put in by all employees and workmen in the performance of the Company.

Place: Mumbai  
30<sup>th</sup> May, 2014

**By Order of the Board of Directors  
For Foundry Fuel Products Ltd.**

**Sd/-**

**(Kamal Ghosh)**  
Whole time Director  
(DIN:02837505)



## ANNEXURE TO THE DIRECTORS' REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS

The Company's performance during the year ended 31<sup>st</sup> March, 2014 and the Management's views on future outlook are discussed below:

This Management Discussion and Analysis report includes projections or expectations which are of "forward-looking" nature but not limited to statements about the Company's strategy for growth, expenditures and financial results which are based on assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements.

Due to slowdown in the global economy as well as Indian economy, the entire industry including manufacturing sector has been affected marginally during the year 2013-14 resulting into higher inflation and consequently in tightening of the monetary policy. During the financial year 2013-14, India's economic growth pegged at 4.9% a slower pace than in the previous years, compared to the growth rate of 4.5 per cent in 2012-13. The iron & steel industry in the country was one of worst affected due to lack of infrastructure spending and reduced construction activity. Low consumption had affected the manufacturing sectors such as automobiles industry etc. which had its cascading effect on the steel industry. Pig iron route of steel making utilizes metallurgical coke (met coke) while Sponge iron route of steel making utilizes non-coking coal with the basic raw material iron ore. Coke is an essential raw material for many industries. Hence we need to look at the industry structure in line with the major consuming sectors of the economy.

The Indian coke industry is dominated by the integrated steel plants (ISPs). These units possess captive coking facilities. The production of coke by the ISPs is estimated at around 19 million tonnes (2013-14). Coke produced by these units is a blend of imported coal and indigenous varieties; hence, the coke quality differs with each producer and cannot be sold in the open market in large quantities.

Low Ash Metallurgical Coke ('LAMC') is required for metallurgical and chemical industries and is used as the primary fuel where high temperature and uniform heating is required. The major market for met coke is the blast furnace or the fully integrated segment of the global steel industry. Metallurgical coke is an important part of the integrated iron and steelmaking process. The met coke industry is heavily reliant on the future of steel industry as steel is the major consumer of met coke globally. Therefore, any slump in steel industry would affect met coke industry adversely. In the year 2013-14, the overall global steel industry witnessed a balanced growth. The demand for steel is expected to increase in the medium to long term outlook, which would be led by further development in emerging markets. The growth would be primarily led by China as well as growth in markets such as India, Vietnam, Indonesia, Brazil, Middle East and SE Asia.

The restriction imposed on mining of iron ore in various parts of the country has severely affected and resulted in a major reduction in steel production, which affected the domestic demand of met



coke to a great extent. The Government of India through its earlier policies and regulations have discouraged setting up of indigenous Coke industries due to the reduction in the landed price of imported low ash coal and custom duty thereon which made LAMC from imported coal competitive to LAMC manufacturers by high ash coal available indigenously. Since the Coal India Limited is the sole supplier of indigenous Coal, the main raw material, any changes in Government policies affecting coal prices may have an impact in the workings of the Company. Due to cut throat competition and working capital shortage your Company could not do well during the year under review.

The public sector units in India are largely importing coal in good quantities from outside. The quality of imported coal is better than indigenous due to the reason that the coals produced by them are of good quality and not regulated by their Government. The demand for indigenous coal declined because of low grade coal supplied by the Government Undertaking - BCCL, who is the sole supplier of indigenous Coal and have the monopoly in regulating the price and allotment of coal. India's domestic demand for met coke has been considerably down in the year 2013-14 largely due to the stagnant economic growth and reduced manufacturing & infrastructure activity which resulted in lower steel production.

Your Company's manufacturing operations are stopped since April, 2010. The Company was in a very critical position to revive since a decade while your Board of Directors during the previous years have streamlined and restructured its share capital base by both reduction of as well as increase in equity share capital by conversion of loans as per the BIFR Order which ultimately increased the networth of the Company and accordingly your Company's networth becomes positive.

India's demand for met coke is expected to rise to 1.87 billion tons a year by 2026. The Indian met coke industry is in developing stage as the integrated steel plants are the biggest consumers of met coke, accounting for 70% of the market. However, with the relaxation in mining of iron ore and an expected increased economic activity on the back of a good monsoon and certain efforts by the government, Indian steel demand is expected to increase from the current low of 5.9% in 2013 to 7.5% in 2014. However, due to high ash content in Indian coking coal, the steel making companies has been compelled for opting costlier imports.

With the revival in global economy, demand multiplies, and since prices do not remain subdued for long, the opportunities are far more than challenges for met coke & coking coal industry in India. India is one of the major importers of coking coal and met coke. Your Company is not free while competing with the indigenous industries as well as with imported coal. Although the coke market is doing well but your Company's working are below expectation due to shutdown of operation of factory since the year 2010, working capital shortage & carry forward losses of the previous years. In between these limiting factors your Company makes losses.

Various external factors like global recession, eurozone crisis act as major threats to the met coke & coking coal industry as it does to any other commodity market. The extreme volatility in price adds to the uncertainty. Certain unexpected international & domestic developments like the abolition of 40% export tax by China or the imposition of mining ban in South India are a few threats facing



the industry. Your Company perceives that stiff competition and unclear Government policies as the major risk that confronts your Company and the coke Industry. Your Company also during the year perceives a tight cash flow. Our businesses and operations are subject to a variety of risks and uncertainties which are similar to any other company in general and also common to the industry to which we belong.

The Company's internal control systems are commensurate with the nature, size and complexities of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial statements. The statutory auditors have certified in their audit report that the internal control procedure in respect of fixed assets are adequate and commensurate with the size of the Company and nature of its business.

Your Company's loss during the period under review has been reduced by 10 times to Rs.5.65 Lakhs against loss of Rs.64.12 Lakhs comparing with the previous year. Your promoters are taking positive steps for restarting of the operations.

There is a large demand & supply gap for LAMC being consumed in steel, foundries & chemical industries. Since the met coke industry is expected to grow in the near future depending on the flourishing of the Indian steel sector in the coming years and your Company has recovered from a prolonged phase of uncertainty and debt, the promoters of the Company are taking interest for future investments in the Company. Your Board of directors expects that in the following years to come your Company will be able to change into a profit making company.

Statements in the Management Discussion and Analysis describing the Company's objectives, strengths, estimates, projections, expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. The economic conditions in which the Company operates, changes in Government regulations, other statutes and other incidental factors could make a difference to the Company's workings is regarded as important factors.





## ANNEXURE TO THE DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

#### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that the management is the trustee of all investor's capital and is obliged to maximize shareholders value, while preserving the interest of all stakeholders, such as employees, customers, business partners and the society at large. The Company is committed to executing sustainable business practices and creating long term value for all its stakeholders. In order to conduct business with these principles, the Company creates simple corporate structures based on business needs and maintains a high degree of transparency through regular disclosures. The belief and core principles of Corporate Governance adopted by the Company leads the Company's Governance philosophy, transparency, independence, fairness, equity, accountability and social responsibility, which in turn is the basis of public confidence in corporate system.

A Report pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, on the areas pertaining to the said clause along with the regular practices being followed the Company in complying with them are as follows:

#### BOARD OF DIRECTORS

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company and as trustees of stakeholders. The Company's Board has optimum combination of Executive and Non-Executive Directors. The Board presently has five (5) Directors out of which 1 (One) Director is Executive Director and 4(Four) are Non-Executive Directors. Out of the 4 (Four) Non-Executive Directors 2 (Two) Directors are Independent Directors having considerable experience in coal, coke and allied matters.

#### (a) Composition and Category of Directors as on 31<sup>st</sup> March, 2014 are as follows:-

Category	Name of Directors
Promoters – Non- Executive Directors	Mr. Devendra Kumar Agarwalla (Managing Director upto 13 <sup>th</sup> August 2013)
	Mr. Adarsh Agarwalla
Non-Promoters –Executive Director ( appointed as Whole Time Director w.e.f. 29 <sup>th</sup> May 2013)	Mr. Kamal Ghosh
Non-Promoters - Non-Executive – Independent Directors	Mr. Sunil Vishwambharan Mr. Ruchir Omprakash Jalan

- b) The Directors' attendance at the Board Meetings, Annual General Meeting and Number of other Directorship and Chairmanship/ Membership of Committee held by them are given hereunder :- Name of the Director

Name of Director	Attendance Particulars for the year ended 31 <sup>st</sup> March 2014		No. of Other Directorship & Committee Membership/ Chairmanship as on 31-03-2014		
	Board Meeting	Last AGM held on 2 <sup>nd</sup> July 2013	Other Directorships**	Committee Membership	Committee Chairmanship
Mr. D. K. Agarwalla	1	No	4	2	1
Mr. Sunil Vishwambharan	4	Yes	2	3	3
Mr. Ruchir Omprakash Jalan	4	Yes	12	3	-
Mr. Kamal Ghosh	4	Yes	1	2	-
Mr. Adarsh Agarwalla	Nil	No	5	2	1

(\*\*)Excludes Directorships in Foreign Companies and Companies under Section 25 of the Companies Act, 1956.Membership of Managing Committees of Chamber of Commerce/Professional Bodies, Co-operatives and Clubs.

Four (4) Board Meetings were held during the year. The Company has duly held at least one Board meeting in each quarter. The dates of Board meetings and the strength are as follows:

Sr.No.	Date	Board Strength	No. of Directors Present
1	29 <sup>th</sup> May 2013	5	3
2	13 <sup>th</sup> August 2013	5	3
3	13 <sup>th</sup> November 2013	5	3
4	13 <sup>th</sup> February 2014	5	3

**e) CODE OF CONDUCT:**

The Board of Directors of the Company has framed a code for all Board members. The Board of Directors of the Company have affirmed compliance of the said Code of Conduct as on 31st March, 2014. The Code of Conduct is displayed on the Website of the Company: - [www.foundryfuel.co.in](http://www.foundryfuel.co.in).

All the members of the Board have affirmed compliance with the Code of Business Conduct and Ethics applicable to them, for the year 2013-14. A declaration to this effect, signed by the Whole Time Director is annexed to the Director's Report.

**d) Details of shares held:**

As on 31<sup>st</sup> March 2014 the shareholdings of directors are given hereunder:-

Name of Non-Executive Directors	No. of Shares held on 31 <sup>st</sup> March 2014
Mr. D. K. Agarwalla	976,100
Mr. Adarsh Agarwalla	135,000
Mr. Sunil Vishwambharan	Nil
Mr. Ruchir Omprakash Jalan	Nil
Mr. Kamal Ghosh	Nil

**BOARD COMMITTEES**

The following committees have been constituted by the Board of Directors as on date with adequate delegation of powers to discharge day-to-day affairs of the Company as well as to meet the exigencies of the business of the Company: -

**AUDIT COMMITTEE**

The Audit Committee of the Board of Directors of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. Audit Committee of the Board of Directors comprises three Directors out of which two are Independent & Non-Executive Directors. The composition of the Audit Committee and attendance of its meetings are given below:

The composition of the Audit Committee and attendance of its meetings are given below:

Constitution	Designation	No. of Meetings Attended
Mr. Sunil Vishwambharan	Chairman–Non executive Independent director	4
Mr. Ruchir Omprakash Jalan	Member–Non executive Independent director	4
Mr. Kamal Ghosh	Member–Executive director	4

Four (4) meetings of the Audit Committee were held during the year 2013-14 on 29<sup>th</sup> May 2013, 13<sup>th</sup> August 2013, 13<sup>th</sup> November 2013 & 13<sup>th</sup> February 2014. All the members have attended the Audit Committee Meeting held on those dates.

**i. Terms of reference of Audit Committee includes:-****Powers**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Roles**

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and fixation of audit fees. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- c. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgement by management;
  - Qualifications in draft audit report;
  - Significant adjustments arising out of audit;
  - Compliance with listing and legal requirement concerning financial statements;
  - Disclosure of any related party transactions.
- d. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- e. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- f. Reviewing with management, performance of statutory auditors and adequacy of the internal control systems.
- g. Discussions with statutory auditors before the audit commences nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- h. To look into the reasons of substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- i. Reviewing the adequacy of internal audit function, in any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- j. Discussion with internal auditors any significant findings and follow up thereon.

- k. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- l. Approval of appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharge that function) after assessing the qualifications, experience and background, etc. of the candidate.
- m. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- n. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Company has system and procedure in place to ensure that the Audit Committee mandatorily reviews:

1. Management discussion and analysis of financial condition and result of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weakness; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

The Audit Committee meetings are usually held at the corporate office at Mumbai / Company's Registered Office and attended by members of the Committee, other Accounts Heads and Unit Heads. Audit committee considers invitation to Statutory Auditors if it is required. The Chairman of the Audit Committee was also present at the last Annual General Meeting of the Company. Company is yet to appoint Whole-time Company Secretary as per requirement Companies Act, 1956/2013. However, the Compliance Officer, Mr. Mayuresh Oka, is the Secretary to the Audit Committee.

#### **SHAREHOLDER'S/INVESTOR'S GRIEVANCES COMMITTEE**

The main tasks of the Committee is to look into redressing of shareholders' and investors grievances like transfer / transmission & dematerialization of shares, non- receipt of dividend, annual report, etc. The Committee comprises of the following members:

Constitution	Designation	No. of Meetings Attended
Mr. Adarsh Agarwalla	Chairman – Non Executive Director	Nil
Mr. Sunil Vishwambharan	Member - Non Executive Independent Director	4
Mr. Ruchir Omprakash Jalan	Member - Non Executive Independent Director	4

During the period under review Four (4) Shareholders'/Investors' Grievances Committee meetings were held on 29<sup>th</sup> May 2013, 13<sup>th</sup> August 2013, 13<sup>th</sup> November 2013 & 13<sup>th</sup> February 2014.

Number of complaints from members received and resolved during the period under review and pending as on 31<sup>st</sup> March 2014 are as follows:

Particulars	Nos.
No of complaints received	Nil
No. of complaints resolved	Nil
No. of complaints pending at the end of year	Nil

No request for transfer was pending for more than 30 days as on 31<sup>st</sup> March 2014.

The Compliance Officer, Mr. Mayuresh Oka, is the Secretary to the Committee.

#### REMUNERATION COMMITTEE:

Considering the fact that no business operations/activities were carried out during the year, no remuneration and sitting fees were given to any Director. The Company has formed a remuneration committee to apprise and refer to the Board the possible remuneration that managerial personnel should get.

The Committee comprises of the following members:

Constitution	Designation
Mr. Sunil Vishwambharan	Chairman – Non Executive Independent Director
Mr. Ruchir Omprakash Jalan	Member – Non Executive Independent Director
Mr. Kamal Ghosh	Member – Executive Director

Details of remuneration paid / payable to Wholetime Director of the Company for the year ended 31<sup>st</sup> March 2014 Rs. NIL. (No perquisites / commission were paid/ payable to him).



### SHARE TRANSFER & DEMATERIALISATION COMMITTEE:

The Share Transfer Committee is entrusted with transfer/ transmission of shares, issue of duplicate share certificates, change of name/status, transposition of names, sub-division/ consolidation of share certificates, de-materialisation / re-materialisation of shares, etc. and meets periodically as and when required.

The Share Transfer Committee comprises of the following members:-

Constitution	Designation
Mr. Kamal Ghosh	Chairman – Executive Director
Mr. Sunil Vishwambharan	Member – Non Executive Independent Director
Mr. Ruchir Omprakash Jalan	Member – Non Executive Independent Director

Mr. Mayuresh Oka is Compliance Officer & Secretary to the Committee.

The Committee oversees the performance of transfer & dematerialization, investors' grievances and other investor related matters and recommends measures for overall improvement of the quality of investor service.

The rules and the terms of reference of this Committee are wide enough covering matters specified under the provisions of the Companies Act, 1956 & Depository rules & guidelines regarding transfer & dematerialization etc. of shares. The share transfers & dematerialisation cases approved by the Committee in their meeting is noted at the forthcoming Board Meeting and so on.

The Committee met three times during the year 2013-14, the dates being 8<sup>th</sup> April 2013, 25<sup>th</sup> April 2013 and 10<sup>th</sup> March 2014.

All the members have attended the Committee Meeting held on those dates.

### GENERAL BODY MEETINGS

Location, date and time of the Annual General Meetings held during the last three years:

AGM	Year Ended	Venue	Date	Time
47 <sup>th</sup>	31 <sup>st</sup> March 2011	MahajatiSadan (Annexe Building), 166, C.R. Avenue, Kolkata-700007	19 <sup>th</sup> September 2011	10.00 AM
48 <sup>th</sup>	31 <sup>st</sup> March 2012	MahajatiSadan (Annexe Building), 166, C.R. Avenue, Kolkata-700007	10 <sup>th</sup> August 2012	11.00 AM
49 <sup>th</sup>	31 <sup>st</sup> March 2013	MahajatiSadan (Annexe Building), 166, C.R. Avenue, Kolkata-700007	02 <sup>nd</sup> July 2013	10.00 AM

All resolutions which were moved at the last Annual General Meeting were passed by show of hands unanimously by all the members present at the meeting.

Special Resolutions passed in Annual General Meeting:

Year ended 31<sup>st</sup> March 2011:

Approval under Section 81(1A) (special resolution) of the Companies Act, 1956 for allotment of Rs.49,77,700 Equity Shares of Rs.10/- each by converting unsecured loan of Rs.4,97,77,000/- to the promoters/Directors of the Company subject to the approval of Board for Industrial & Financial Reconstruction (BIFR).

Year ended 31<sup>st</sup> March 2012:

Approval under Section 81(1A) (special resolution) of the Companies Act, 1956 for allotment of Rs.49,80,000 Equity Shares of Rs.10/- each by converting unsecured loan of Rs.4,98,00,000/- to the promoters/Directors of the Company subject to the approval of Board for Industrial & Financial Reconstruction (BIFR) on 7<sup>th</sup> May 2012.

Year ended 31<sup>st</sup> March 2013:

Approval for de-registration of Company from BIFR (Board for Industrial and Financial Reconstruction).

Business transacted at the last year was not required to be passed by postal Ballot in terms of Company's (Passing of the resolution by Postal Ballot) Rules, 2011.

No business proposed to be transacted at the ensuing Annual General Meeting was required to be passed by Postal Ballot in terms of Company's (Passing of the resolution by Postal Ballot) Rules, 2011.

#### DISCLOSURES

- No transactions of materially significant nature were entered into by the Company with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- The Company has complied with various rules and regulations prescribed by the Stock Exchange, Securities and Exchange Board of India ('SEBI') or any other Statutory Authority related to the capital markets during last three years. No penalty or strictures have been imposed by them on the Company.
- The Company has identified risk involved in respect to its products, quality, cost, location and finance. It has also adopted the procedures / policies to minimize the risk and the same are reviewed and revised as per the needs to minimize and control the risk.
- The Company has not issued any debentures/GDRs/ADRs and has not accepted any deposits from the public and there are no warrants or any convertible instruments issued by the Company.
- The CEO / CFO certification as required under Clause 49 is annexed hereto which forms part of this report. Currently, the position of CFO is vacant and hence the declaration to be given by CEO and CFO is certified by Mayuresh Oka who is a compliance officer of the Company and in charge of finance function.
- The Board hereby confirms that no personnel have been denied access to the audit committee.
- The Management Discussion and Analysis Report as required under Clause 49 is annexed hereto which forms part of this report.
- The Company does not have any employee as on date therefore the Whistle blower policy is not in place.



**MEANS OF COMMUNICATIONS:**

The Company regularly intimates unaudited as well as audited (yearly) financial results to the Stock Exchanges immediately after taken on record by the Board. These financial results are normally published in “Financial Express” in English Language and in “Durantobarta/ Kalantar” in Bengali Language and are displayed on the website of the Company [www.foundryfuel.co.in](http://www.foundryfuel.co.in).

**GENERAL SHAREHOLDER INFORMATION**
**i. 50<sup>th</sup> Annual General Meeting**

Venue : “SURYA SEN MANCHA”  
432, Prince Anwar Shah Road,  
Kolkata - 700 068  
Time : 10.00 A.M.  
Date : September 29, 2014

ii. **Dividend:** The Board has not recommended any dividend for the Financial Year ended on 31<sup>st</sup> March 2014.

**iii. Financial Year & Calendar**

The financial year of the Company is from 1<sup>st</sup> April to 31<sup>st</sup> March and financial results will be declared as per the following schedule:

Particulars	Tentative Schedule
<b>Quarterly unaudited results</b>	
Quarter ending 30th June 2014	On or before 14 <sup>th</sup> August 2014
Quarter ending 30th September 2014	On or before 14 <sup>th</sup> November 2014
Quarter ending 31 <sup>st</sup> December 2014	On or before 14 <sup>th</sup> February 2015
<b>Annual Audited Results</b>	Before 31 <sup>st</sup> May 2015
For year ending on 31 <sup>st</sup> March 2015	

Annual General Meeting for the year ending 31<sup>st</sup> March, 2015 upto middle of September 2015.

**iv. Date of Book Closure:-**

From 25<sup>th</sup> September, 2014 to 29<sup>th</sup> September, 2014 (Both days inclusive)

**v. Listing on Stock Exchanges**

The Company’s shares are listed on following stock exchanges

Name of Stock Exchange	Address	Stock Code
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023	513579
The Calcutta Stock Exchange Limited*	7 Lyons Range, Kolkata - 700 001	F019
The Stock Exchange, Ahmedabad*	Kamdhenu Complex, Opposite Sahajand College, Panjarapole, Ahmedabad - 380 015	17500
The Magadh Stock Exchange Association Limited*	“Ashiana Plaza”, 9th Floor, Budh Marg, Patna - 800 001	F018

\*{However, the Company has already applied to delist its shares from the Exchanges (“”) and will continue listed on the BSE Limited, Mumbai, which has nationwide trading terminals, as per the SEBI Delisting Guidelines, 2009}.

Note: There is no regular transaction at Calcutta Stock Exchange, The stock exchange, Ahmedabad and Magadh Stock Exchange.

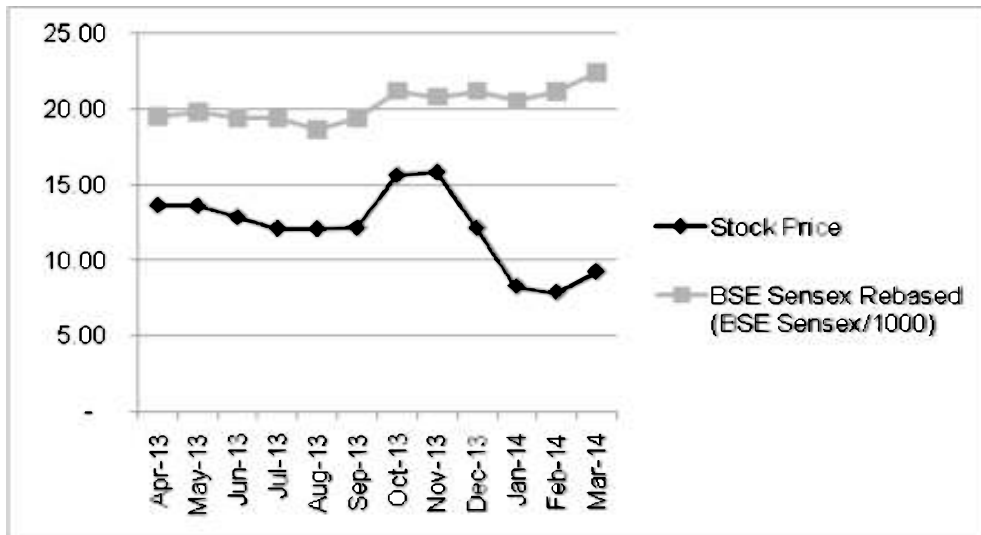
**vi. Stock Performance:**

The last 52 weeks highest price of a share was Rs.16.40 and the last 52 weeks lowest price of a share was Rs.7.08.

**Stock price performance at BSE Sensex (April 2013 to March 2014)**

Month	Market Price Data	
	High	Low
April 2013	13.60	12.89
May 2013	14.28	13.57
June 2013	14.70	12.83
July 2013	13.33	11.02
August 2013	12.65	11.50
September 2013	12.11	10.08
October 2013	15.60	12.70
November 2013	16.25	15.80
December 2013	16.40	12.10
January 2014	11.50	7.85
February 2014	7.84	7.84
March 2014	9.22	7.08

**vii. Performance of the share price of the Company in comparison to BSE Sensex:**



Since the Company has applied for delisting of its shares from The Calcutta Stock Exchange Limited, The Stock Exchange, Ahmedabad and The Magadh Stock Exchange Association Limited, comparison of prices have not been given.

viii. **Registrar and Transfer Agent (Common Registrar- both for Physical & Demat):**

**M/S. Niche Technologies Pvt. Ltd.**

D-511, Bagree Market,

71, B.R.B. Basu Road, Kolkata 700 001

**Phones :** 2235-7270/7271 and 2234-3576

**Fax :** 2215-6823

**Email :** nichetechpl@nichetechpl.com

**URL :** www.nichetechpl.com

ix. **Shares Transfer System**

Share Transfer assignment has been given to the Registrars and Share Transfer Agents. The Shares Transfer Committee is empowered to approve the Share transfers. Transfer Committee Meeting is held as and when required.

The Share Transfers, issue of duplicate certificate etc. are endorsed by Directors / Executives / Officers as may be authorised by the Transfer Committee. Grievances received from members and miscellaneous correspondences are processed by the Registrars within 15 days.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company obtained a certificate from a Practising Company Secretary on half yearly basis, for compliance of share transfer formalities. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a certificate have also been obtained from a Practising Company Secretary for timely dematerialization of the shares of the Company and for conducting secretarial audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchange as required.

x. **Dematerialization of shares**

The Company's shares are compulsorily traded in the demat form with effect from 20th December, 2000 for all categories of shareholders. All transfers are debited/credited through the respective Accounts maintained with the Depository Participants (DPs) of the Investors. As on 31<sup>st</sup> March, 2014, 7,291,867 Nos. of Equity shares of the Company representing 90.94% of the Company's share capital are dematerialized.

xi. **Code No. allotted by NSDL/CDSL**

Under the Depository System, International Securities Identification Number (ISIN) allotted to the Company's Shares is INE617C01027.

xii. **Outstanding Instruments**

The Company has not issued any GDRs / ADRs / Warrants or any convertible Instrument. As such, there is no impact on Equity of the Company.

xiii. Shareholding Pattern of the Company as on 31<sup>st</sup> March 2014

Category	Total Shares	% of Total Holding
Promoters & Associates	5,628,836	70.196
Indian Public	1,677,686	20.922
Private Bodies Corporate (not included above)	555,227	6.924
NRIs/OCBs	151,979	1.895
Clearing Member/Corporation	4,922	0.061
Banks, Financial Institutions & Insurance	50	0.001
Trust	50	0.001
<b>TOTAL</b>	<b>8,018,750</b>	<b>100.000</b>

xiv. Distribution of Shareholding as on 31<sup>st</sup> March 2014

Range	Shareholders		Share (Amount)	
	Number	% to Total	In Rs.	% to Total
1 to 500	6,229	94.05	5,781,090	7.21
501 to 1,000	161	2.43	1,332,520	1.66
1,001 to 5,000	180	2.72	4,449,790	5.55
5,001 to 10,000	18	0.27	1,171,570	1.46
10,001 to 50,000	21	0.31	5,094,730	6.36
50,001 to 100,001	7	0.11	4,668,750	5.82
100,000 above	7	0.11	57,689,050	71.94
<b>TOTAL</b>	<b>6,623</b>	<b>100.00</b>	<b>80,187,500</b>	<b>100.00</b>

## xv. Liquidity of shares

The equity shares of the Company are listed and traded in Bombay Stock Exchange.

## xvi. Plant Location

The Company owns one factory, situated in Jealgora, G.T. Road, Govindpur, Dist- Dhanbad in the State of Jharkhand.

## xvii. Address for Correspondence

**Registered Office :**

504, 'DIAMOND PRESTIGE',  
41 A, A.J.C. BOSE ROAD, KOLKATA-700017  
Telephone – 4066 8072 / 2226 8441  
Fax - (033) 2226-0116

**Compliance Officer :**

Mr. Mayuresh Oka  
504, 'DIAMOND PRESTIGE',  
41 A, A.J.C. BOSE ROAD, KOLKATA-700017  
Telephone – 4066 8072 / 2226 8441  
Fax - (033) 2226-0116

**Certification by CEO / CFO of the Company**

**To**  
**The Board of Directors**  
**Foundry Fuel Products Limited**

Pursuant to Clause 49 of the Listing Agreement, this is to certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended on 31<sup>st</sup> March 2014 and that to the best of our knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
  - a. Significant changes in internal control over financial reporting during the year;
  - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. Instances of significant fraud of which they have come aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-  
**(MAYURESH OKA)**  
**Compliance officer in**  
**charge of finance**  
**function**

Sd/-  
**(Kamal Ghosh)**  
**Wholetime Director**

Place: Mumbai

Date: 30<sup>th</sup> May, 2014



**AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CORPORATE  
GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**Auditor's Certificate**

**To the Members of  
Foundry Fuel Products Limited**

1. We have examined the compliance of conditions of Corporate Governance by **Foundry Fuel Products Limited ('the Company')**, for the year ended on 31<sup>st</sup> March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.
2. The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the abovementioned clause of the Listing Agreement, to the extent applicable.
4. 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 N. A. Shah Associates**  
Chartered Accountants  
Firm's Registration No. 116560W

sd/-

**Sandeep Shah**

Partner

Membership No.:37381

Place: Mumbai

Date: 30<sup>th</sup> May, 2014



## INDEPENDENT AUDITOR'S REPORT

### To the members of Foundry Fuel Products Limited

#### Report on Financial Statements

We have audited the accompanying financial statements of Foundry Fuel Products Limited ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2014 and the Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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

#### Opinion

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

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2014;
- (ii) in the case of the Statement of Profit and Loss, of the loss for year ended on that date and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of matter**

Reference is invited to note 28 of financial statements. Company's business is dependent on the commencement of mining operation by its holding company which currently is uncertain. We are informed that Company will take up another project in case the holding company is not able to start its operation. Further the fixed assets are sufficiently and substantially depreciated / amortized and hence no adjustment would be required to its carrying value. Company's current assets are sufficient to repay its current liabilities. Considering the same, accounts are prepared on going concern basis. Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by sub-section 3 of Section 227 of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
  - e. on the basis of the written representations received from the directors as on 31<sup>st</sup> March 2014 and taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

**For N. A. Shah Associates**  
Chartered Accountants  
Firm Registration No.116560W  
sd/-  
**Sandeep Shah**  
Partner  
Membership No. 37381

Place: Mumbai  
Date : 30<sup>th</sup> May, 2014





### ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in our Report to the members of Foundry Fuel Products Limited ('the Company') for the year ended 31<sup>st</sup> March 2014. We report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets of the Company are to be physically verified by the management every year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, fixed assets have been physically verified by the management during the year and no discrepancies were noticed on such verification.
  - (c) During the year, the Company has not disposed off any fixed assets. Therefore clause (i) (c) of paragraph 4 of the Order relating to fixed asset is not applicable.
- ii. The Company does not hold any inventory. Therefore, clause (ii) (a), (b) and (c) of paragraph 4 of the Order relating to inventory is not applicable.
- iii. a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, or parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause (iii) (b), (iii) (c) and (iii) (d) of paragraph 4 of the said Order are not applicable.
  - b. According to the information and explanations given to us, the Company has taken unsecured loans from companies covered in the register maintained under section 301 of the Companies Act, 1956. The details of which are as follows:

(Amount in Rs.)

Nature of relationship	No. of parties	Opening balance	Amount taken	Amount repaid	Closing balance	Maximum Outstanding Balance
Company having common directors	2	350,000	2,440,000	2,550,000	240,000	2,440,000

Other than above, the Company has not taken loan from other parties as listed in the register maintained under section 301 of the Companies Act, 1956.

- c. As per the information and explanations given, loans taken are interest free and terms for repayment have not been specified in writing. Considering the same, loans taken are not prima facie prejudicial to the interest of the Company.
- d. According to the information and explanations given to us, the loans are interest free and do not have any terms and conditions regarding repayment of principal. In absence of repayment terms, principal amount is considered as repayable on demand. As informed to us, principal amounts have been repaid as and when demanded. Considering the same, Company is regular in repayment of principal.



- iv. 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 nature of its business for the purchase of fixed assets. There are no transactions entered during the year for purchase of inventory and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in aforesaid internal control system.
- v. In our opinion and according to the information and explanations given to us, there are no transactions pertaining to contracts or arrangements that need to be entered into a register in pursuance of Section 301 of the Act. Therefore, clause (v) (b) of paragraph 4 of the Order is not applicable regarding our comment on whether prices are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanation given to us the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under. We are informed that no order relating to Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii. The Company has an internal audit system commensurate with its size and nature of its business.
- viii. As informed to us, the Central Government has prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of coke manufacturing. However, there was no production of coke during the year and hence no cost records have been maintained and hence question of our comment on maintenance of these records does not arise.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of accounts, the Company has been generally regular in depositing undisputed statutory 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 any other material statutory dues as applicable to the Company, during the year with the appropriate authorities. There are no undisputed statutory dues payable in respect to above statutes, outstanding as at 31st March 2014 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and information and explanations given to us, there are no dues of income tax, sales tax, service tax, customs duty, wealth tax, excise duty and cess which have not been deposited with appropriate authorities on account of any dispute.
- x. *The Company's accumulated losses as at the year-end is more than 50% of its net worth. The Company has not incurred cash loss during the current financial year. The Company had incurred cash loss of Rs. 3,281,093 in the immediately preceding financial year.*

- xii. According to information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, clause (xii) of the paragraph 4 of the Order relating to maintenance of documents and records is not applicable.
- xiii. In our opinion, the company is not a chit fund or a Nidhi / mutual benefit fund/society. Therefore, clause (xiii) of paragraph 4 the Order is not applicable.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the clause (xiv) of paragraph 4 of the Order is not applicable to the Company. All the investments are held in Company's name except as per the exemption given under section 49 of the Act.
- xv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause (xv) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company
- xvi. The company has not raised any term loans. Therefore, provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. 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 not been used for long-term investment by the Company.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix. The Company has neither issued nor has outstanding debentures and therefore, clause (xix) of para 4 of the order regarding creation of securities or charge is not applicable.
- xx. The Company has not raised any money by way of public issues.
- xxi. During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud on or by the Company noticed or reported during the year, nor have we been informed of any such case by the management.

**For N. A. Shah Associates**  
Chartered Accountants  
Firm Registration No.116560W  
sd/-

**Sandeep Shah**  
Partner  
Membership No. 37381

Place: Mumbai  
Date : 30<sup>th</sup> May, 2014

## BALANCE SHEET AS AT 31st MARCH 2014

Particulars	Note No.	As at 31st March, 2014 Amount in ₹	As at 31st March, 2013 Amount in ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2	80,193,500	80,193,500
(b) Reserves and surplus	3	(67,773,608)	(67,208,659)
		<b>12,419,892</b>	<b>12,984,841</b>
<b>(2) Current liabilities</b>			
(a) Short-term borrowings	4	240,000	350,000
(b) Trade payables	5	223,301	423,422
(c) Other current liabilities	6	13,880	505,593
		<b>477,181</b>	<b>1,279,015</b>
<b>TOTAL</b>		<b>12,897,073</b>	<b>14,263,856</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	7	10,180,212	10,871,204
(ii) Capital work-in-progress		-	-
		<b>10,180,212</b>	<b>10,871,204</b>
(b) Non-current investments	8	-	-
(c) Deferred tax assets (net)	27	-	-
(d) Long term loans and advances	9	553,993	543,993
		<b>10,734,205</b>	<b>11,415,197</b>
<b>(2) Current assets</b>			
(a) Current investments	10	-	485,000
(b) Cash and bank balances	11	405,630	596,509
(c) Short-term loans and advances	12	7,238	17,150
(d) Other current assets	13	1,750,000	1,750,000
		<b>2,162,868</b>	<b>2,848,659</b>
<b>TOTAL</b>		<b>12,897,073</b>	<b>14,263,856</b>
Significant accounting policies	1		
Other Notes	2 to 31		
The notes referred to herein above form an integral part of the financial statements			

As per our Report of even date attached

**For N. A. Shah Associates**  
Chartered Accountants  
Firm Registration No. 116560W  
sd/-

**Sandeep Shah**  
Partner  
Membership No. 37381

Place: Mumbai  
Date : 30<sup>th</sup> May, 2014

**For and on behalf of the Board of Directors of  
Foundry Fuel Products Limited**

sd/-  
**Kamal Ghosh**  
Whole Time Director

sd/-  
**Ruchir Omprakash Jalan**  
Director

Place: Mumbai  
Date : 30<sup>th</sup> May, 2014

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2014**

Particulars	Note No.	For the year ended 31st March, 2014 Amount in ₹	For the year ended 31st March, 2013 Amount in ₹
<b>Revenue:</b>			
Other income	14	108,401	493,130
<b>Total revenue</b>		<b>108,401</b>	<b>493,130</b>
<b>Expenses:</b>			
Depreciation	7	721,168	3,130,424
Employee benefit expense	15	-	75,000
Administrative and other expenses	16	2,127,882	3,398,556
<b>Total expenses</b>		<b>2,849,050</b>	<b>6,603,980</b>
<b>Loss before exceptional item, prior period items and tax</b>		<b>(2,740,649)</b>	<b>(6,110,850)</b>
Add: Exceptional item	17	2,434,700	-
Less: Prior period expense	26	(259,000)	(300,667)
<b>Loss before tax</b>		<b>(564,949)</b>	<b>(6,411,517)</b>
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax charge / (credit)		-	-
<b>Loss for the year</b>		<b>(564,949)</b>	<b>(6,411,517)</b>
Basic and diluted earnings per equity share (Face value of Rs.10/-)	21	<b>(0.07)</b>	<b>(0.92)</b>
Significant accounting policies	1		
Other Notes	2 to 31		

The notes referred to herein above form an integral part of the financial statements

As per our Report of even date attached

**For N. A. Shah Associates**  
Chartered Accountants  
Firm Registration No.116560W  
sd/-

**Sandeep Shah**  
Partner  
Membership No. 37381

Place: Mumbai  
Date : 30<sup>th</sup> May, 2014

**For and on behalf of the Board of Directors of  
Foundry Fuel Products Limited**

sd/-  
**Kamal Ghosh**  
Whole Time Director

sd/-  
**Ruchir Omprakash Jalan**  
Director

Place: Mumbai  
Date : 30<sup>th</sup> May, 2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Particulars	Note No.	For the year ended 31st March 2014 Amount in ₹	For the year ended 31st March 2013 Amount in ₹
Net profit / (loss) before tax (after prior period items)		(564,949)	(6,411,517)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Adjustment for :			
Depreciation		721,168	3,130,424
Capital work in progress written off		-	1,355,000
Sundry balances written back		(95,021)	(77,104)
Reversal of provision for diminution in value of investment (net)		-	(263,750)
Gratuity provision written back		-	(126,923)
Profit on Sale of Investment (exceptional item)		(2,434,700)	-
Loss on discarding of fixed assets		-	8,329
Bad debts written off		-	18,693
Security deposit written off		-	4,000
Sundry balance written off		-	4,057
Excess provision Written off		(13,380)	-
Dividend income on long term investment		-	(24,250)
Preliminary expenses written off		-	3,845
<b>Operating profit before working capital changes (includes current and non-current items)</b>		<b>(2,386,882)</b>	<b>(2,379,195)</b>
(Increase)/decrease in trade receivables		-	-
(Increase)/decrease in loans and advances and other receivables		(88)	286,620
(Decrease)/increase in payables and other liabilities		(98,433)	131,818
<b>Cash generated from operations</b>		<b>(2,485,403)</b>	<b>(1,960,758)</b>
Net taxes (paid)/refund (net)		-	-
<b>Net cash (used)/generated from operating activities (A)</b>		<b>(2,485,403)</b>	<b>(1,960,758)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		(30,176)	-
Sale of investment in associate		2,434,700	-
Advance paid for acquisition of land		-	(25,000)
Dividend income on long term investment from associate		-	24,250
Advance received towards sale of investment in associate		-	485,000
Sale of investment in associate		-	100,000
<b>Net Cash (used)/generated from investing activities (B)</b>		<b>2,404,524</b>	<b>584,250</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Calls-in-arrears received		-	105,500
Proceeds from short term borrowings		4,286,510	1,727,304
Repayment of short term borrowings [Refer note 25 of financial statements]		(4,396,510)	(1,704,491)
<b>Net cash (used)/generated from financing activities (C)</b>		<b>(110,000)</b>	<b>128,313</b>
<b>Net increase /(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(190,879)</b>	<b>(1,248,195)</b>
Cash and cash equivalents at beginning of the year		596,509	1,844,703
Cash and cash equivalents at end of the year		405,630	596,509
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(190,879)</b>	<b>(1,248,195)</b>
Significant accounting policies	1		
Other Notes	25		
The notes referred to herein above form an integral part of the financial statements			

As per our Report of even date attached

**For N. A. Shah Associates**

Chartered Accountants

Firm Registration No.116560W

sd/-

**Sandeep Shah**

Partner

Membership No. 37381

Place: Mumbai

Date : 30<sup>th</sup> May, 2014

**For and on behalf of the Board of Directors of**

**Foundry Fuel Products Limited**

sd/-

**Kamal Ghosh**

Whole Time Director

Place: Mumbai

Date : 30<sup>th</sup> May, 2014

sd/-

**Ruchir Omprakash Jalan**

Director

**NOTES FORMING INTEGRAL PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

**1. Significant Accounting Policies**

**1.1. Basis of preparation of Financial Statements**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government and the relevant provisions of the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (to the extent notified). As clarified by General circular 08/2014 dated 4<sup>th</sup> April 2014 issued by the Ministry of Corporate Affairs, financial statements for the year ended 31<sup>st</sup> March 2014 have been prepared in accordance with the Companies Act, 1956.

**1.2. Presentation and disclosure of financial statements**

All assets and liabilities have been classified as current & non-current as per company's normal operating cycle and other criteria set out in the revised schedule VI.

In view of no business activities carried on by the Company, 12 months has been considered by the Company as its operating cycle for the purpose of current/ non- current classification of assets and liabilities.

**1.3. Use of estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the application of accounting policies, reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Management believes that the estimates and assumptions used in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**1.4. Fixed Assets**

Tangible assets are stated at cost of acquisition / construction less accumulated depreciation and accumulated impairment losses, if any.

Cost of fixed assets includes non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable costs of bringing the asset to its working condition for its intended use.

Capital work - in - progress comprises of cost incurred on fixed assets under construction/ development/acquisition that are not yet ready for their intended use at the Balance Sheet Date.

**1.5. Depreciation and Amortization**

Depreciation is provided using straight line method on pro - rata basis at the rates prescribed under schedule XIV to the Companies Act, 1956, except in respect of certain items of plant & machinery where triple shift depreciation rate is charged instead of single shift rate.

Depreciation on individual assets whose cost does not exceed five thousand rupees has been provided at the rate of hundred per cent in the year of capitalization

**1.6. Impairment of assets**

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the



greater of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognized are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortization had no impairment loss been recognized in earlier years.

#### **1.7. Investments**

Investments are classified into current and long-term investments.

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value of long term investments is made to recognize a decline, other than temporary, on an individual investment basis.

The cost of investments comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. In determining the holding cost of investments and the gain or loss on sale of investments, the 'weighted average cost' method is followed.

#### **1.8. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. Dividend income on investment is accounted for in the year in which the right to receive the payment is established.

#### **1.9. Employee Benefits**

There is no employee in the Company as on 31<sup>st</sup> March 2014. There are no short term employee benefits, defined contribution and benefit plan which requires accounting in the financial statements.

#### **1.10. Borrowing cost**

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **1.11. Taxes on income**

Tax expenses comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax charge or credit reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years and





are measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each balance sheet date.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably/virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**1.12. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

**1.13. Cash flow statements**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**1.14. Provisions and contingent liabilities**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

**1.15. Earnings per share**

Basic earning per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, share warrants and share split. Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**1.16. Segmental reporting**

The segments have been identified taking into account the nature of the products, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**1.17. Prior period items**

Prior period items are disclosed separately in the Financial Statement.

## NOTES FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

Note No.	Particulars	As at	As at
		31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
		Amount in ₹	Amount in ₹
<b>2</b>	<b>SHARE CAPITAL</b>		
	<b>Authorised</b>		
	10,000,000 (P.Y. 10,000,000) Equity shares of Rs.10/- each	100,000,000	100,000,000
	<b>Issued, Subscribed &amp; Paid Up</b>		
	8,018,750 (P.Y. 8,018,750) Equity shares of Rs. 10/- each fully paid up (Refer note 2.1 to 2.6)	80,187,500	80,187,500
	Add :- Forfeited shares (Refer note 2.5)	6,000	6,000
	<b>TOTAL</b>	<b>80,193,500</b>	<b>80,193,500</b>

**2.1** The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, there are no preferential amounts inter se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (after due adjustment in case shares are not fully paid up).

**2.2** The reconciliation of the number of shares outstanding and the amount of share capital as at 31st March, 2014 and 31st March, 2013 is set out below :

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	Amount in (Rs.)	No. of shares	Amount in (Rs.)
Number of shares at the beginning	8,018,750	80,187,500	6,078,700	60,787,000
Add: Shares allotted during the year (Refer note 2.4(b))	-	-	4,980,000	49,800,000
Less: Shares forfeited during the year (Refer note 2.5)	-	-	(1,200)	(12,000)
Less: Capital reduction during the year (Refer note 2.4(a))	-	-	(3,038,750)	(30,387,500)
Number of shares at the end of the year	8,018,750	80,187,500	8,018,750	80,187,500

**2.3** 4,053,585 (P.Y. 4,053,585) Equity Shares of Rs.10/- each, fully paid-up are held by Castron Mining Limited, the holding company (w.e.f. 6th october 2012).

**2.4** In previous year, in accordance with the Board for Industrial and Financial Reconstruction (BIFR) Order:(a) The Company had reduced its Equity share capital by 50% i.e. by Rs. 30,387,500 and 3,038,750 shares. (b) The unsecured loan from Director and Group Company aggregating to Rs. 49,800,000 was converted into Equity share capital by allotment of 4,980,000 Equity shares of Rs.10/- each at par.

## NOTES FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

2.5 In previous year Company had forfeited 1,200 equity shares face value Rs.10/- each against which allotment money @ Rs. 5 per share was not paid by the shareholders.

2.6 Shares held by each equity shareholder holding more than 5% shares

Name of shareholder	As at 31st March 2014		As at 31st March 2013	
	%	Number of Shares	%	Number of Shares
Castron Mining Limited	50.55	4,053,585	50.55	4,053,585
Shri Devendra Kumar Agarwalla	12.17	976,100	12.17	976,100

3 **RESERVES AND SURPLUS**

**Surplus / (deficit) of statement of profit and loss**

As per last Balance Sheet	(67,208,659)	(91,184,642)
Less: Net loss for the year transferred from Statement of Profit & Loss	(564,949)	(6,411,517)
Add: Reduction of share capital (also refer note 2.4 above)	-	30,387,500
<b>TOTAL</b>	<b>(67,773,608)</b>	<b>(67,208,659)</b>

4 **SHORT-TERM BORROWINGS**

**Unsecured**

Loans repayable on demand - from others	240,000	350,000
<b>TOTAL</b>	<b>240,000</b>	<b>350,000</b>

5 **TRADE PAYABLES**

Amount due to micro & small enterprises (Refer note 5.1)	-	-
Others	223,301	423,422
<b>TOTAL</b>	<b>223,301</b>	<b>423,422</b>

5.1 Under the Micro, Small and Medium Enterprises Development Act, 2006 ('the Act'), certain disclosures are required to be made relating to Micro and Small Enterprises. Based on the information available with the Company, there are no transactions with micro & small enterprises. Auditors have relied on the same. Hence, no disclosure is given as required under 'The Micro, Small and Medium Enterprises Development Act, 2006.

6 **OTHER CURRENT LIABILITIES**

Advance against sale of investment	-	485,000
Statutory liabilities	13,880	20,593
<b>TOTAL</b>	<b>13,880</b>	<b>505,593</b>

**NOTES FORMING INTEGRAL PART OF FINANCIAL STATEMENTS**

**7. FIXED ASSETS**

(Amount in ₹)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2013	Addi- tions	Sale / deletions	As at 31st March 2014	Upto 31st March 2013	For the year	Sale / deletions	As at 31st March 2014	As at 31st March 2014	As at 31st March 2013
<b>Tangible Assets</b>										
Freehold Land	899,038	-	-	899,038	-	-	-	-	899,038	899,038
Shed and Buildings	24,260,749	-	-	24,260,749	15,690,487	583,936	-	16,274,423	7,986,326	8,570,262
Plant and Machineries	57,989,723	-	-	57,989,723	56,587,819	136,813	-	56,724,632	1,265,091	1,401,904
Electric Installations	3,445,692	30,176	-	3,475,868	3,445,692	419	-	3,446,110	29,757	-
Computers	103,689	-	-	103,689	103,689	-	-	103,689	-	-
Office Equipments	59,985	-	-	59,985	59,985	-	-	59,985	-	-
Vehicles	853,405	-	-	853,405	853,405	-	-	853,405	-	-
<b>TOTAL</b>	<b>87,612,281</b>	<b>30,176</b>	<b>-</b>	<b>87,642,457</b>	<b>76,741,077</b>	<b>721,168</b>	<b>-</b>	<b>77,462,244</b>	<b>10,180,212</b>	<b>10,871,204</b>
Previous Year	87,748,863	-	136,582	87,612,281	73,738,906	3,130,424	<b>128,253</b>	76,741,077	10,871,204	



NOTES FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

Note No.	Particulars	As at 31 <sup>st</sup> March 2014 Amount in ₹	As at 31 <sup>st</sup> March 2013 Amount in ₹
<b>8</b>	<b>NON-CURRENT INVESTMENTS</b> (Long term, trade, at cost unless otherwise stated) <b>Investments in equity instruments (fully paid)</b>		
	<b>a) Others</b>		
	<b>Unquoted</b>		
	B. L. Organics (P) Ltd.		
	10,000 (P.Y. 10,000) Equity shares of Rs.10/- each	100,000	100,000
	Provision for diminution in value of investment of Rs.100,000 (100,000) (Refer note 8.1 below)	(100,000)	(100,000)
	<b>TOTAL</b>	<u>-</u>	<u>-</u>
	Aggregate amount of unquoted investments (gross of diminution provision)	100,000	100,000
	Aggregate provision for diminution in value of investments	100,000	100,000
<b>8.1</b>	In case of investment in B. L. Organics (P) Ltd., Company has applied for the issue of duplicate share certificates as the original share certificates are not traceable.		
<b>9</b>	<b>LONG TERM LOANS &amp; ADVANCES</b>		
	<b>Unsecured and considered good</b>		
	(a) Capital advances	536,000	536,000
	(b) Security deposits	17,993	7,993
	<b>TOTAL</b>	<u>553,993</u>	<u>543,993</u>
<b>10</b>	<b>CURRENT INVESTMENTS</b> (Long term, trade, at cost unless otherwise stated) <b>Investments in equity instruments (fully paid)</b>		
	<b>Associates</b>		
	<b>Quoted</b>		
	Anup Malleables Limited		
	Nil (P.Y. 169,750) Equity shares of Rs.10/- each	-	485,000
	<b>TOTAL</b>	<u>-</u>	<u>485,000</u>
	Aggregate amount of quoted investments (gross of diminution provision)	-	485,000
	Aggregate amount of market value of quoted investments	-	Not Available
	Aggregate provision for diminution in value of investments	-	-
<b>11</b>	<b>CASH &amp; BANK BALANCES</b>		
	Cash and cash equivalents		
	- Balance with bank (in current accounts)	377,301	213,214
	- Cash on hand	28,329	383,295
	<b>TOTAL</b>	<u>405,630</u>	<u>596,509</u>
<b>12</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	<b>Unsecured and considered good</b>		
	Other loans and advances		
	- Advance recoverable in cash or kind	-	12,500
	- Prepaid expenses	7,238	4,650
	<b>TOTAL</b>	<u>7,238</u>	<u>17,150</u>

**NOTES FORMING INTEGRAL PART OF FINANCIAL STATEMENTS**

Note No.	Particulars	For the Year Ended 31 <sup>st</sup> March 2014 Amount in ₹	For the Year Ended 31 <sup>st</sup> March 2013 Amount in ₹
<b>13</b>	<b>OTHER CURRENT ASSETS</b>		
	Refundable share application money	1,750,000	1,750,000
	<b>TOTAL</b>	<b>1,750,000</b>	<b>1,750,000</b>
<b>14</b>	<b>OTHER INCOME</b>		
	Reversal of provision for diminution in value of long term investment (net)	-	263,750
	Gratuity provision written back (refer note 22 of financial statements)	-	126,923
	Dividend income on long term investment	-	24,250
	Excess provision written back	13,380	-
	Sundry balance written back	95,021	77,104
	Miscellaneous income	-	1,103
	<b>TOTAL</b>	<b>108,401</b>	<b>493,130</b>
<b>15</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Directors remuneration	-	-
	Salary, wages and bonus	-	75,000
	<b>TOTAL</b>	<b>-</b>	<b>75,000</b>
<b>16</b>	<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
	Repair & maintenance expenses	195,032	210,000
	Rates and taxes	26,630	6,300
	Payments to auditors:		
	- Audit fees	224,720	230,338
	Custodial and other filing fees	144,821	456,502
	Capital work in progress written off	-	1,355,000
	Legal & professional fees	305,222	347,953
	Security guard expenses	816,402	347,537
	Printing and stationery expenses	156,375	193,328
	Postage charges	86,221	98,454
	Advertisement	32,938	45,637
	Travelling expenses	20,512	29,228
	Website development expenses	15,141	25,163
	Loss on discarding of fixed assets	-	8,329
	Office expenses	10,637	819
	Preliminary expenses written off	-	3,845
	Security deposit written off	-	4,000
	Sundry balance written off	-	4,057
	Bad debts written off	-	18,693
	Telephone expenses	-	9,271
	Miscellaneous expenses	93,231	4,102
	<b>TOTAL</b>	<b>2,127,882</b>	<b>3,398,556</b>
<b>17</b>	<b>EXCEPTIONAL ITEM</b>		
	Profit on sale of long term investment	2,434,700	-
	<b>TOTAL</b>	<b>2,434,700</b>	<b>-</b>

18. Contingent Liabilities:

There is no contingent liability.

19. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.15,564,000/- (net of advances paid) (P.Y. Rs.15,564,000/-). There is no other commitment as at year end.

20. Related Party Disclosure

**a. Entities having control**

Castron Mining Limited - Holding company (w.e.f. 6<sup>th</sup> October 2012)

B L A Industries Private Limited - Ceased to be ultimate holding company (w.e.f. 26<sup>th</sup> March 2014)

Chinmaya Steel and Power Limited – Intermediary holding company (w.e.f. 26<sup>th</sup> March 2014)

Chinmaya Holding Private Limited- Ultimate holding company (w.e.f. 26<sup>th</sup> March 2014)

**b. Companies in which Key Management Personnel (KMP) has significant influence / control:**

Anup Malleables Limited – upto 10<sup>th</sup> January 2014

Mechanical & Electrical Engineering Co. Private Limited

B L A International Private Limited

B L A Minerals Private Limited

Dhanbad Engineering Private Limited

**c. Key Management Personnel (KMP)**

Shri Devendra Kumar Agarwalla (Ceased to be Managing Director w.e.f. 13<sup>th</sup> August 2013)

Shri Kamal Ghosh (Whole Time Director w.e.f. 29<sup>th</sup> May 2013)

**d. Relatives of KMP**

Mrs. Madhu Agarwalla (wife of Managing Director)

Shri Adarsh Agarwalla (Director – son of Managing Director)

Mrs. Dipanwita Ghosh (wife of Whole Time Director)

**e. Transactions with the above and closing balance as at 31<sup>st</sup> March 2014:**

(Amount in Rs.)

Nature of transaction	Related party as per				Total (a+b+c+d)
	(a)	(b)	(c)	(d)	
<b>Receipt of loan</b>					
B L A Industries Pvt. Ltd.	1,846,510 (1,727,304)	- (-)	- (-)	- (-)	1,846,510 (1,727,304)
Castron Mining Limited	2,440,000 (-)	- (-)	- (-)	- (-)	2,440,000 (-)
Anup Malleables Limited	- (-)	- (211,000)	- (-)	- (-)	- (211,000)

<b>Repayment of loans</b>					
Anup Malleables Limited	-	-	-	-	-
	(-)	(211,000)	(-)	(-)	(211,000)
B L A Industries Pvt. Ltd.	1,846,510	-	-	-	1,846,510
	(1,704,491)	(-)	(-)	(-)	(1,704,491)
Chinmaya Steel & Power Ltd.	350,000	-	-	-	350,000
	(-)	(-)	(-)	(-)	(-)
Castron Mining Limited	2,200,000	-	-	-	2,200,000
	(-)	(-)	(-)	(-)	(-)
<b>Receipt of advance</b>					
B L A International (P) Limited	-	-	-	-	-
	(-)	(485,000)	(-)	(-)	(485,000)
<b>Conversion of loan into equity during the year</b>					
Shri Devendra Kumar Agarwalla	-	-	-	-	-
	(-)	(-)	(9,500,000)	(-)	(9,500,000)
B L A Industries Pvt. Ltd.	-	-	-	-	-
	(40,300,000)	(-)	(-)	(-)	(40,300,000)
<b>Sale of Investments</b>					
B L A International (P) Limited (Refer note 2 below)	-	2,919,700	-	-	2,919,700
	(-)	(-)	(-)	(-)	(-)
Mrs. Madhu Agarwalla	-	-	-	-	-
	(-)	(-)	(-)	(100,000)	(100,000)
<b>Closing balances</b>					
Advance taken:-					
B L A International (P) Limited	-	-	-	-	-
	(-)	(485,000)	(-)	(-)	(485,000)
Loan Taken:-					
Castron Mining Limited	240,000	-	-	-	240,000
	(-)	(-)	(-)	(-)	(-)
Investment (gross of diminution provision):-					
Anup Malleables Limited	-	-	-	-	-
	(-)	(485,000)	(-)	(-)	(485,000)

**Note**

1. Figures in bracket pertain to previous year.
2. Amount including advance received in previous year of Rs. 485,000.



21. Earnings per share (EPS) are calculated as under:

(Amount in Rs.)			
<b>Particulars</b>		<b>31<sup>st</sup> March 14</b>	<b>31<sup>st</sup> March 13</b>
Net loss after tax as per statement of profit and loss	Rs.	(564,949)	(6,411,517)
Weighted average number of equity shares for basic and diluted earnings per share	Nos.	8,018,750	6,939,341
Basic & diluted earnings per share (Face value of Rs. 10/- each)	Rs.	(0.07)	(0.92)

22. The following tables set out the status of the Gratuity Plan as required under Accounting Standard 15 – ‘Employee benefits’ (revised) :

a. *Disclosure of Gratuity Plan:*

(Amount in Rs.)

<b>Assumptions</b>	<b>31<sup>st</sup> March 14</b>	<b>31<sup>st</sup> March 13</b>
Discount rate	N.A.	N.A.
Expected rate of return on plan assets	N.A.	N.A.
Expected rate of salary increase	N.A.	N.A.
Mortality pre-retirement	N.A.	N.A.
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.	N.A.	N.A.

<b>Reconciliation on change in benefit obligation :</b>	<b>31<sup>st</sup> March 14</b>	<b>31<sup>st</sup> March 13</b>
Liability at the beginning of the year	N.A.	126,923
Interest cost	N.A.	N.A.
Current service cost	N.A.	N.A.
Past service cost	N.A.	N.A.
Benefit paid	N.A.	N.A.
Actuarial (gain)/loss on obligations	N.A.	N.A.
Liability at the end of the year (before write back)	N.A.	126,923
Liability written back since no longer payable	N.A.	126,923
Liability at the end of the year	N.A.	N.A.

<b>Amount recognized in the balance sheet :</b>	<b>31<sup>st</sup> March 14</b>	<b>31<sup>st</sup> March 13</b>
Liability at the end of the year	N.A.	N.A.
Fair value of plan assets at the end of the year	N.A.	N.A.
Liability in the balance sheet	N.A.	N.A.

<b>Amount recognized in the statement of profit &amp; loss :</b>	<b>31<sup>st</sup> March 14</b>	<b>31<sup>st</sup> March 13</b>
Current service cost	N.A.	N.A.
Past service cost	N.A.	N.A.
Interest cost	N.A.	N.A.
Expected return on plan assets	N.A.	N.A.
Actuarial loss / (gain) (net)	N.A.	N.A.
Expense recognized in statement of profit & loss	N.A.	N.A.



<b>Gratuity benefits reconciliation:</b>	<b>31<sup>st</sup> March 14</b>	<b>31<sup>st</sup> March 13</b>
Provision in books of accounts at the beginning of the year	N.A.	126,923
Charge to statement of profit and loss	N.A.	N.A.
Contributions paid to the fund	N.A.	N.A.
Benefits paid directly by company	N.A.	N.A.
Liability written back since no longer payable	N.A.	126,923
Provision in books of accounts at the end of the year	N.A.	N.A.

N. A. - Not Applicable.

Notes:

- (1) There are no employees in the Company as on 31<sup>st</sup> March 2014.
  - (2) Managing director has waived his right to receive managerial remuneration for the year.
  - (3) Since there is no liability or fund, other disclosures are not applicable.
23. The Company is in the process of appointing a company secretary as per the requirement of section 383A of the Companies Act, 1956.
24. Segment reporting:  
There are no reportable segments under Accounting Standard 17 "Segment Reporting" as the primary operations comprise of only one segment i.e. manufacturing of coke. Further there are no secondary / geographical segments as the Company does its business only in India.
25. In the previous year, the unsecured loan taken from director and Group Company aggregating to Rs.49,800,000 was converted into equity share capital by allotment of 4,980,000 equity shares of Rs.10/- each at par which was not considered as cash transaction for cash flow statement. Also there was no cash flow on account of capital reduction & shares forfeited.

26. Prior period items:

<b>Particulars</b>	<b>31<sup>st</sup> March 14</b>	<b>(Amount in Rs.) 31<sup>st</sup> March 13</b>
<b>Expenses</b>		
Monitoring agent fee	225,000	292,667
Professional fees	34,000	8,000
<b>Total</b>	<b>259,000</b>	<b>300,667</b>

27. Breakup of deferred tax assets and liabilities

<b>Particulars</b>	<b>31<sup>st</sup> March 14</b>	<b>(Amount in Rs.) 31<sup>st</sup> March 13</b>
<b>Deferred tax assets</b>		
Unabsorbed depreciation	1,498,208	1,542,709
<b>Deferred tax liabilities</b>		
Depreciation difference	1,498,208	1,542,709
<b>Deferred tax assets (net)</b>	<b>-</b>	<b>-</b>

Deferred tax assets created only to the extent of deferred tax liability. The Company has not considered the Long term capital loss (non allowable under income tax act 1961) for creating deferred tax asset in view of uncertainty of their realisability in future.



28. Company's business is dependent on the commencement of mining operation by its holding company, Castron Mining Limited, which currently is uncertain. Company will take up another project in case the holding company is not able to start its operation. Further the fixed assets are sufficiently and substantially depreciated / amortized and hence no adjustment would be required to its carrying value. Company's current assets are sufficient to repay its current liabilities. Considering the same, accounts are prepared on going concern basis.
29. Company has been discharged from the purview of SICA/BIFR as per its order dated 2nd July 2013. Accordingly Company now ceases to be a sick industrial company, within the meaning of section 3(1)(o) of the SICA as its net-worth has turned positive.
30. The additional information as required by Para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.
31. Previous year figures are regrouped or rearranged wherever considered necessary.

**For N. A. Shah Associates**  
Chartered Accountants  
Firm Registration No. 116560W

**For and on behalf of board of directors of  
Foundry Fuel Products Limited**

**Sandeep Shah**  
Partner  
Membership No. 37381

**Kamal Ghosh**  
Whole Time Director

**Ruchir Omprakash Jalan**  
Director

Place – Mumbai  
Date – 30<sup>TH</sup> May'2014

Place – Mumbai  
Date – 30<sup>TH</sup> May'2014

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