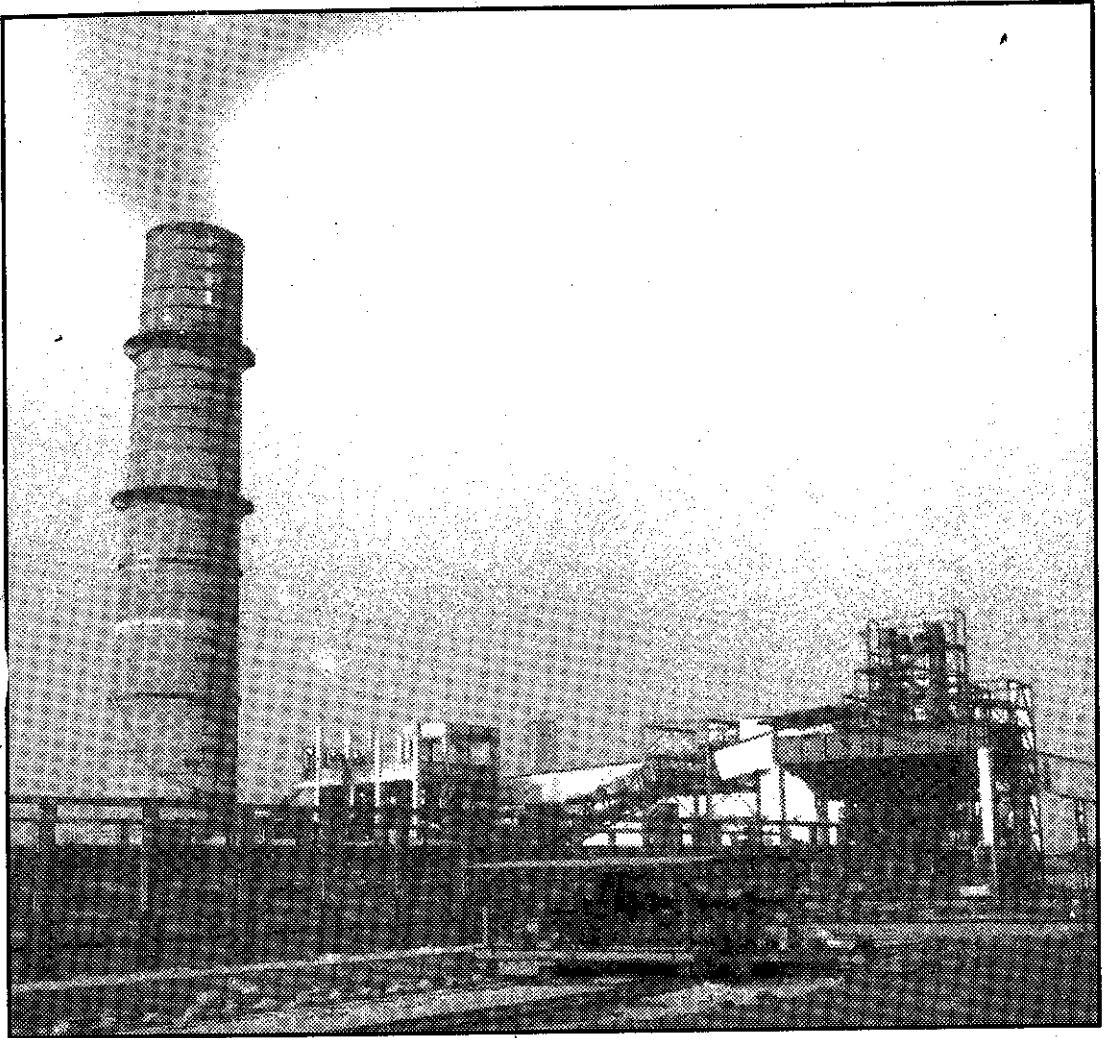


ANNUAL REPORT

2011-2012



FOUNDRY FUEL PRODUCTS LIMITED

BOARD OF DIRECTORS

D. K. Agarwalla

- *Chairman & Managing Director*

Adarsh Agarwalla

Ruchir Omprakash Jalan

Sunil Vishwambharan

Amarjit Vijn

COMPLIANCE OFFICER

Mayuresh Oka

AUDITORS

Ashok Kedia & Company

Chartered Accountants

4, Gangadhar Babu Lane

Kolkata - 700 012

BANKER

HDFC Bank

DEPOSITORY REGISTRAR

Niche Technologies Pvt. Ltd.

C-444, Bagree Market,

71, B.R.B. Basu Road

Kolkata - 700 001

REGD. OFFICE

20, Biplabi Dinesh Majumder Sarani,

Type-A, 1st Floor, Kolkata - 700 053

CORPORATE OFFICE & WORKS

G. T. Road, Govindpur

Dhanbad, Jharkhand

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 48th Annual General Meeting of the Members of Foundry Fuel Products Limited will be held at "MAHAJATI SADAN" (Annexee Building), 166, Chittaranjan Avenue, Kolkata-700 007 on Friday, the 10th August, 2012 at 11.00 A.M. to transact the following: -

AS ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet of the Company as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.

AS SPECIAL BUSINESS:

2. To appoint New Auditors in place of Outgoing Auditors and fix their remuneration.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution-**

"**RESOLVED THAT** M/s. N. A. Shah Associates, Chartered Accountants (Firm Registration No. 116560W) of Mumbai be and are hereby appointed as Statutory Auditors of the Company in place of the outgoing Auditors, M/s. Ashok Kedia & Co., Chartered Accountants, to hold the office of Auditors from the date of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company at such remuneration to be fixed by the Board of Directors of the Company in consultation with the appointed Auditors."

3. Appointment of Mr. Adarsh Agarwalla as a Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution-**

"**RESOLVED THAT** Mr. Adarsh Agarwalla who was appointed as Additional Director of the company by the Board of Directors on 29th May, 2012 and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act 1956 and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

4. Appointment of Mr. Ruchir Omprakash Jalan as a Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution-**

"**RESOLVED THAT** Mr. Ruchir Omprakash Jalan who was appointed as Additional Director of the company by the Board of Directors on 29th May, 2012 and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act 1956 and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. Appointment of Mr. Sunil Vishwambharan as a Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution-**

"**RESOLVED THAT** Mr. Sunil Vishwambharan who was appointed as Additional Director of the company by the Board of Directors on 29th May, 2012 and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act 1956 and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. Appointment of Mr. Amarjit Vijn as a Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution-**

"RESOLVED THAT Mr. Amarjit Vijn who was appointed as Additional Director of the company by the Board of Directors on 29th May, 2012 and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act 1956 and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. Non-Filling of Casual Vacancy Caused By Resignation of Mr. Nandan Kumar Agarwalla

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution-**

"RESOLVED THAT the casual vacancy caused in the Board of Directors by resignation of Mr. Nandan Kumar Agarwalla as ordinary Director w.e.f.29-05-2012 shall not be filled up."

8. Non-Filling of Casual Vacancy Caused By Resignation of Mr. Brij Mohan Todi

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution-**

"RESOLVED THAT the casual vacancy caused in the Board of Directors by resignation of Mr. Brij Mohan Todi as ordinary Director w.e.f.29-05-2012 shall not be filled up."

9. Non-Filling of Casual Vacancy Caused By Resignation of Mr. Santosh Kumar Kedia

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution-**

"RESOLVED THAT the casual vacancy caused in the Board of Directors by resignation of Mr. Santosh Kumar Kedia as ordinary Director w.e.f.29-05-2012 shall not be filled up."

10. Non-Filling of Casual Vacancy Caused By Resignation of Mr. Pramod Kumar Agarwalla

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution-**

"RESOLVED THAT the casual vacancy caused in the Board of Directors by resignation of Mr. Pramod Kumar Agarwalla as ordinary Director w.e.f.29-05-2012 shall not be filled up."

11. Preferential Issue of Equity Shares on conversion of Unsecured Loan

To consider and if thought fit, to pass, with or without modification the following resolution as a **Special Resolution: -**

"RESOLVED THAT in accordance with the Order Passed by the Board for Industrial & Financial Reconstruction (BIFR) on 07.05.2012 and pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of the Shareholders at the ensuing Annual General Meeting and in accordance with the existing guidelines, rules and regulations of the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India, the Government of India and all other applicable Acts, Rules, Regulations, Guidelines, if any, and enabling provisions in the Listing Agreements and the Memorandum and Articles of Association of the Company (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force) entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to such terms, conditions and modifications as may be considered appropriate and determined by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any Committee thereof for the time being to which all or any of the powers



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hereby conferred on the Board by this resolution, may be / have been delegated) and subject also to such approvals; consents, permissions or sanctions (including any conditions thereof, or modifications to the terms contained therein), if any, of the appropriate authorities, as may be required and/or such terms and conditions, as may be prescribed while granting such consents and approvals and which may be agreed to by the Board, **the Board of Directors of the Company be and is hereby authorised to convert unsecured loan of Rs. 4,98,00,000/-** (Rupees Four Crores Ninety Eight Lacs only) into 49,80,000 Equity Shares of Rs.10/- each (at par) fully paid up and issue and allot the said 49,80,000 Equity Shares to the Promoter/Director of the Company (M/s. BLA Industries Pvt. Ltd. & Mr. D.K. Agarwalla) on such terms as may be deemed appropriate by the Board of Directors of the Company.

RESOLVED FURTHER THAT to the extent permitted as per the existing provisions of law in this regard all the Equity Shares to be allotted in preferential allotment shall rank pari-passu in all respects with the existing Equity Shares including dividend entitlement.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment and utilization of the proceeds of the issue of the Equity Shares and further to do all such acts, deeds, matters and things to finalize and execute all documents and writings as may be necessary, desirable or expedient as it may deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the Equity Shares allotted under the Preferential Issue on one or more recognized Stock Exchanges, where the Company's shares are listed, as per the terms and conditions of the Listing Agreement with the Stock Exchanges concerned, and in accordance with such other guidelines, rules and regulations as may be applicable with regard to such listing.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or the Chairman or any other Director(s) or Officer(s) or Constituted Attorney of the Company to give effect to the aforesaid resolution.

20, Biplabi Dinesh Majumder Sarani,
Type-A, 1st Floor,
Kolkata -700 053
2nd July, 2012

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

Sd/-

(D.K. AGARWALLA)

CHAIRMAN & MANAGING DIRECTOR

Notes:

1. A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his/her behalf. A proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 8th August, 2012 to 10th August, 2012, (both days inclusive).
3. An Explanatory statement as required under Section 173 (2) of the Companies Act, 1956 is attached herewith.
4. Members desiring any information on the accounts are requested to write the Company at least one week before the meeting so as to enable the management to keep the information ready.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF
THE COMPANIES ACT, 1956: -****Item No. 2**

The Company has received letter from the statutory Auditors of the Company Messrs. Ashok Kedia & Co., Chartered Accountants expressing their unwillingness to continue to act as Auditors of the Company.

The Company invited M/s. N. A. Shah Associates, Chartered Accountants of Mumbai to replace the outgoing Auditors and they have agreed to accept the appointment and the Company has also received a certificate from M/s. N. A. Shah Associates, Chartered Accountants, to the effect that their appointment, if made, will be within the limit prescribed under Section 224(1B) of the Companies Act, 1956.

The Board of Directors recommends the appointment of M/s N. A. Shah Associates, Chartered Accountants, as the Statutory Auditors of the company. Your Directors recommends the resolution set out in Item No. 2 of the Notice for approval of the members.

Item Nos. 3, 4,5 & 6

To broaden the base of the Board of Directors of the Company, your Board in their meeting held on 29th May, 2012 has appointed Mr. Adarsh Agarwalla, Mr. Ruchir Omprakash Jalan, Mr. Sunil Vishwambharan & Mr. Amarjit Vijn as Additional Directors of the Company. Mr. Adarsh Agarwalla is an M.B.A. having more than 15 Years of rich experience in the field of Hard Coke & Manufacturing Industry. He holds Directorship in five Companies. Mr. Ruchir Omprakash Jalan is a B.Com having more than 10 Years of experience in the field of Marketing & Logistics. He does not hold any other Directorship. Mr. Sunil Vishwambharan is a B. Com having more than 15 Years of experience in the field of Corporate Affairs and he does not hold any other Directorship. Mr. Amarjit Vijn is an M. Sc. (Chemical Engineer) having more than 37 years of experience in the field of steel and alloy steel and coke oven and BPP and Mr. Amarjit Vijn is Former Executive Director of SAIL, Alloy Steel Plant, Durgapur. He holds Directorship in one company.

They hold the office of Directorship till the conclusion of the ensuing Annual General Meeting, unless re-appointed. The Company has received notices under Section 257 of the Companies Act, 1956 proposing their names to be appointed as Directors of the Company.

The Board recommends the resolutions from Item Nos. 3 to 6 for approval of the members in the interest of the Company.

None of the Director except the Director concerned is interested in the said resolutions.

Item Nos. 7, 8,9 & 10

Mr. Nandan Kumar Agarwalla, Mr. Brij Mohan Todi, Mr. Santosh Kumar Kedia & Mr. Pramod Kumar Agarwalla were appointed as Directors of the Company and they have resigned from the office of the Directorship w.e.f.29-05-2012, thus, causing casual vacancy on the Board of Directors of the Company. The Board has decided not to fill up the casual vacancy caused by their resignations.

**Item No. 11**

The demand for the coal is increasing in the country. The Company aims to actively pursue growth opportunities in the fast growing private sector.

Due to acute shortage of working capital and to repay the secured loan taken from the Industrial Development Bank of India ("IDBI") your Board of Directors ("Board") had taken unsecured loans of Rs. 95,00,000/- (Rupees Ninety Five Lacs only) from Mr. D.K. Agarwalla & Rs. 4,03,00,000/- (Rupees Four Crores Three Lacs only) from M/s. BLA Industries Pvt. Ltd., Mumbai during last couple of years. To repay the said unsecured loans, your Board had submitted a Draft Rehabilitation Scheme ("DRS") to the Board for Industrial and Financial Reconstruction ("BIFR"). The BIFR vide its Order passed in the hearing dated 07.05.2012 has passed to convert such unsecured loans into the equity shares of the Company. Pursuant to such BIFR Order and approval your Board proposes to issue and allot, on preferential basis, 49,80,000 equity shares @ Rs.10/- each (at par) fully paid up of the Company against said unsecured loan of Rs. 4,98,00,000/- (Rupees Four Crores Ninety Eight Lacs only) taken from both Mr. D.K. Agarwalla, Promoter-Director of the Company and M/s. BLA Industries Pvt. Ltd., Mumbai. The Securities and Exchange Board of India ("SEBI") ICDR Regulations, 2009 (Issue of Capital & Disclosure Requirements, Regulations) – Chapter VII for conversion of unsecured loan into equity and/or preferential issue shall not be applicable if the same is approved by the BIFR except the lock-in guidelines. The said equity shares proposed to be issued will be pari-passu in all respect including dividend, rights & bonus of the Company.

The conversion of unsecured loan of Rs. 4,98,00,000/- into 49,80,000 equity shares of the company shall be issued to both Mr. D.K. Agarwalla, Promoter-Director of the Company and M/s. BLA Industries Pvt. Ltd. at the face value of Rs. 10/- per equity share. The SEBI (ICDR) Regulations, 2009 for preferential allotment with respect to the Relevant Date and pricing shall not be applicable as the same is approved by the BIFR.

The securities issued under the above preferential issue shall be locked – in for period of three years in respect of allotment to promoters from the date of allotment. The securities shall be non-tradable during the lock-in period. However, the *inter se* transfer amongst the promoters shall be permissible during the continuance of the lock-in period, provided that the securities so transferred shall remain under lock-in upto the period specified hereinabove.

Disclosure required to be made in the Explanatory Statement pursuant to the provisions of SEBI (ICDR) Regulations, 2009 are set out below :

OBJECTS OF THE ISSUE THROUGH PREFERENTIAL OFFER

- a) Pursuant to the BIFR Order passed in the hearing dated 07.05.2012.
- b) To convert unsecured loan into equity, taken for day to day working capital purposes & repayment of secured loan.
- c) To augment long term resources by infusing fresh equity.
- d) To raise funds for corporate actions viz., Capital Expenditure and general Corporate purposes.

INTENTION OF THE PROMOTER/ TO SUBSCRIBE TO THIS OFFER

The unsecured loan will be converted into equity shares pursuant to the Order Passed by the BIFR in the hearing dated 07.05.2012. The Conversion of unsecured loan taken from the promoter viz., Mr. D.K. Agarwalla & BLA Industries Pvt. Ltd., Mumbai to whom 49,80,000 equity shares of the Company will be issued.

SHAREHOLDING PATTERN BEFORE AND AFTER THE OFFER

The information on shareholding pattern before and after the offer is as follows :

Name of the Shareholders	Pre Issue Shareholding (As on 02.07.2012)		Post Issue Shareholding (after conversion of loan)	
	No. of Shares Held	% of Shares	No. of Shares Held	% of Shares
A. Promoters' Holding				
(a) Indian Promoters				
i) Mr. D.K. Agarwalla	26,100	0.86	9,76,100	12.17
ii) BLA Industries Pvt. Ltd.	23,585	0.78	40,53,585	50.55
(b) Others including Foreign holdings	8,90,992	29.32	8,90,992	11.11
Sub Total (A)	9,40,677	30.96	59,20,677	73.84
B. Non-Promoters' Holding				
(a) Mutual Funds & UTI	NIL	NIL	NIL	NIL
(b) Banks, FIs, Insurance Bank and Institutions	600	0.02	600	0.01
Sub Total (B)	600	0.02	600	0.01
C. Others				
(a) Other Corporate Bodies	3,06,767	10.10	3,06,767	3.83
(b) Indian public	17,90,706	58.93	17,90,706	22.33
(c) NRIs/ OCBs / FIs	NIL	NIL	NIL	NIL
Clearing Members	NIL	NIL	NIL	NIL
Sub Total (C)	20,97,473	69.02	20,97,473	26.16
Grand Total (A+B+C)	30,38,750	100.00	80,18,750	100.00

CONSEQUENTIAL CHANGES IN THE VOTING RIGHTS

Voting rights will change in tandem with the shareholding pattern, No change in Control.

PROPOSED TIME WITHIN WHICH THE ALLOTMENT SHALL BE COMPLETED

The Board proposes to allot the equity shares after conversion of loan into Equity Shares within a period of 15 days from the date of passing of the resolution, provided that where this allotment on preferential basis is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of such approval.



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THE IDENTITY OF THE PROPOSED ALLOTTEE AND THE PERCENTAGE OF POST PREFERENTIAL ISSUE CAPITAL THAT MAY BE HELD BY THEM

Sl. No	Name & Category of the Proposed Subscriber	Pre Issue Holding		Post Issue Holding After conversion of loan Into Equity Shares	
		(Number)	(%)	(Number)	(%)
1	Promoter				
	(a) Mr. D.K. Agarwalla	26,100	0.86	9,76,100	12.17
	(b) BLA Industries Pvt. Ltd.	23,585	0.78	40,53,585	50.55

Presumptions :-

1. All the shares as are offered to the proposed allottee are fully subscribed as conversion of loan.

Mr. D.K. Agarwalla, the Chairman & Managing Director of the Company to whom the above shares issued on conversion of loan into Equity Shares under preferential issue are proposed to be allotted may be deemed to be concerned or interested in the said resolution. Apart from him, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Your Directors, therefore, recommend the said special resolution at Item No. 11 for your approval.

DIRECTORS' REPORT

Your Directors take pleasure in presenting the Forty Eighth (48th) Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

	Rs.
Loss before depreciation, interest & tax	21,34,765
Less: Interest	Rs. Nil
Depreciation	<u>Rs. 20,51,070</u>
	<u>20,51,070</u>
Loss before taxation	83,695
Add: Taxation	Nil
Loss for the year	83,695
Add: Amount of loss brought forward from last year	<u>9,11,00,947</u>
Balance of Loss Carried Forward	<u>9,11,84,642</u>

PERFORMANCE & PROSPECTS

During the year under review the overall economy was good but your company could not reap any benefit from that. Despite the market was mixed enough, your Company's performance was not good due to closure of operation of your Company as well as working capital shortage. The factory was shot down since April, 2010. During the year under review, revenue from operations of your Company was increased by nearly 267 % to Rs.27.01 Lacs compared to Rs. 7.18 Lacs of the previous year. The loss of the company was marginal & stood at Rs.0.84 Lacs. The accumulated losses of the Company increased to Rs.912 Lacs. Your Company is in a position of extreme working capital shortage. Consequent upon the share capital reduction by 50% & proposed conversion of unsecured loan of Rs.4.98 Crores into equity shares pursuant to the Order passed by the BIFR at their hearing held on 07.05.2012, the networth of the Company will be positive. Your Company within a period of one year will start operation & Company will reach at profitability within a span of 2 (two) years. . The Promoters of the Company has intimated to infuse heavy funds for the operations & revival of the Company.

FORFEITURE OF SHARES

Your Directors have forfeited 1200 shares due to non-payment of call money due on the shares since a very long period of time, i.e. the year 1994. The notice of final call, notice of forfeiture & other statutory compliance in this respect were properly done by the Company. Consequently, after forfeiture, the paid up share capital of the Company have been reduced by 1200 equity shares from Rs.6,07,87,000/- (consisting of 60,78,700 equity shares of Rs.10/- each) to Rs. 6,07,75,000/- (consisting of 60,77,500 equity shares of Rs.10/- each).