



Grant Thornton

Our Ref CMB/ADH/GL1

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For the attention of Sujit Deb

13 May 2009

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Dear Sirs

- i We have audited the accompanying Standard Consolidated Forms (SCF) of IFGL Worldwide Holdings Limited expressed in UK Sterling as of 31 March 2009 and for the year then ended. These standard forms are the responsibility of IFGL Worldwide Holdings Limited's management. Our responsibility is to express an opinion on these standard forms based on our audit.
- ii We conducted our audit in accordance with International Standards on Auditing and with your IFGL Limited Group Audit Instructions for the year ending 31 March 2009. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether SCF are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the SCF. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of information in SCF. We believe that our audit provides a reasonable basis for our opinion.
- iii On the basis of our examinations carried out as aforesaid and according to the information and explanation obtained, in our opinion:
 - a the accompanying SCF have been properly prepared to give the information required for the purpose of presentation of Consolidated Financial Statements of the Parent Company ie IFGL Refractories Limited; and
 - b present a true and fair view of the financial position of IFGL Worldwide Holdings Limited as at 31 March 2009 and its profit/loss and cash flows for the year then ended in conformity with the group accounting policies as detailed in your "IFGL Refractories Limited Group Audit Instructions for the year ending 31 March 2009".

Chartered Accountants

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iv **Emphasis of matter**

(a) Monotec Refratarios Ltda

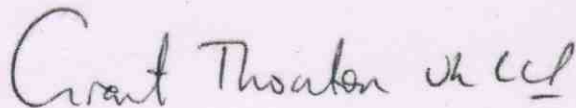
In forming our opinion on the financial statements, which is not qualified, we draw your attention to the fact that a subsidiary of IFGL Worldwide Holdings Limited, Monotec Refratarios Ltda, based in Brazil, has not been audited, but has only been subject to an analytical review performed by us in the UK, on the basis of records available from Brazil. Given the relative size of the company, ie net assets of £419,000, we do not consider the impact of this subsidiary to be material to the IFGL Worldwide Holdings Limited group.

(b) IFGL Pyemtric LLC

In forming our opinion on the financial statements, which is not qualified, we draw your attention to the fact that a subsidiary of IFGL Worldwide Holdings Limited, IFGL Pyemtric LLC, has not been audited. No procedures have been performed on this entity. Given the relative size of the company, ie net assets of £56,000, we do not consider the impact of this subsidiary to be material to the IFGL Worldwide Holdings Limited group.

- v This report is intended solely for the use of Price Waterhouse, Kolkata in connection with the audit of the CFS of IFGL Limited and should not be used for any other purpose. As primary auditors you are solely responsible for the opinion on the group financial statements as we cannot be aware of all the issues that would be material to your group opinion. We cannot accept any extension of our responsibilities beyond those set out in our engagement letter with our client.

Yours faithfully




Grant Thornton UK LLP

IFGL WORLDWIDE HOLDINGS LIMITED
 CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	AS AT 31ST MARCH, 2009 GBP	AS AT 31ST MARCH, 2008 GBP
SOURCES OF FUNDS			
<i>Shareholders' Fund</i>			
Capital	1	5,350,000	5,350,000
Reserves and Surplus	2	4,749,597	2,886,849
Minority Interest		112,366	12,038
<i>Loan Funds</i>			
Secured Loans	3	8,227,069	3,712,534
Deferred Tax Liabilities (Net)		67,798	114,188
Total		18,506,830	12,075,609
APPLICATIONS OF FUNDS			
<i>Fixed Assets</i>			
Grass Block	4	16,431,944	9,598,904
Less: Depreciation		5,427,989	3,695,076
Net Block		11,003,955	5,903,828
Capital Work in progress		320,771	
<i>Current Assets, Loans and Advances</i>			
Inventories	5	3,652,476	2,614,108
Trade Debtors	6	3,819,106	5,909,576
Cash and Bank Balances	7	1,310,688	810,842
Other Debts & Repayments	8	1,220,916	557,123
		<u>10,003,186</u>	<u>9,891,649</u>
Less: Current Liabilities and Provisions	9	2,821,082	3,719,868
Net Current Assets		7,182,104	6,171,781
Total		18,506,830	12,075,609

The financial statements were approved by the Board of Directors on 13 May, 2009


 S K Bajoria
 Director

Initialed for
 identification purposes
 only

G.T. V.K.C.C.

IFGL WORLDWIDE HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

31ST MARCH, 2009

	Schedule	YEAR ENDED 31ST MARCH, 2009		YEAR ENDED 31ST MARCH, 2008	
		GBP		GBP	
INCOME					
Turnover			30,459,043		26,147,484
Other Income	11		<u>211,493</u>		<u>120,588</u>
			<u>30,670,536</u>		<u>26,268,072</u>
EXPENDITURE					
(Increase) /Decrease in Finished Goods and Work In-progress	10A	(52,137)		(95,226)	
Raw Materials & Trading Goods	10B & C	16,933,708		13,664,210	
Manufacturing and Other Expenses	12	6,977,554		5,315,976	
Employees cost	13	5,790,340		4,592,711	
Interest		564,478		345,216	
Depreciation		436,042		270,167	
Misc. Expenses written off		<u>0</u>	30,649,985	<u>86,453</u>	24,179,507
Profit before Tax			20,551		2,088,565
Less: Provision for Tax (Net)			-9,086		451,302
Less: Deferred Tax			<u>(848)</u>		<u>(42,983)</u>
Profit after Tax Before Minority Interest			30,485		1,680,246
Less: Minority Interest			-4,904		9,157
Profit for the Year Carried forward			35,389		1,671,089
Add : Brought forward from previous year			<u>3,041,313</u>		<u>1,370,224</u>
Balance carried to Balance Sheet			3,076,702		3,041,313

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The accompanying accounting policies and notes form part of these financial statements

