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20th November, 2015

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Dear Sirs,

Re: **Disclosure under Clause 36 of the Listing Agreement**
Code No. 532133

In compliance of above, please find enclosed herewith transcript of Investors Conference Call held on Monday, 16th November 2015. A copy of this has been hosted on Company's website www.ifglref.com

Thanking you,

Yours faithfully,
For IFGL Refractories Ltd.,

(R Agarwal)
Company Secretary

IFGL REFRACTORIES LIMITED

"IFGL Refractories Limited Q2 FY16 Earnings Conference Call"

November 16, 2015

IFGL REFRACTORIES LIMITED

CHORUS CALL

MANAGEMENT: **MR. KAMAL SARDA - CEO, IFGL**
MR. GIORGIO CAPPELLI – CEO, OVERSEAS BUSINESSES,
MR. RAJESH AGARWAL – COMPANY SECRETARY & STRATEGIC GROWTH ADVISOR INVESTOR RELATIONS ADVISORS

Moderator: Ladies and gentlemen, Good Day and Welcome to IFGL Refractories Limited Q2 FY16 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions, and expectations of the company as on date of this call. The statements are not guarantees of the future performance and involve risks and uncertainties that are difficult to predict. I now hand the conference over to Mr. Kamal Sarda - CEO, IFGL. Thank you and over to you, sir.

Kamal Sarda: Thanks. Dear friends, on behalf of IFGL Refractories I warmly welcome you to earnings call for Q2 FY16 financial results of the company. I have with me today Mr. Giorgio Cappelli – CEO of our Overseas Businesses, Mr. Rajesh Agarwal – Company Secretary and SGA our Investor Relations Advisor. I hope all of you must have received the investor presentation and have had chance to go through the same.

I shall begin by giving an industry update. Steel makers worldwide continued to reel due to several micro issues like slowdown in Chinese economy, geopolitical conflicts, financial market turbulence and low investments and dumping of Iron and Steel by China. Global Steel production has fallen by approximately 2.8% in H1 FY16 I believe under these adverse circumstances our performance has been quite satisfactory. The World Steel Association has forecasted demand improvement in the calendar year 2016 which will percolate down to our businesses and we expect better performance going forward being directly related to the Steel Industry. Market scenario in India is also no different, Steel makers are under lot of financial stress. However, following measures initiated by Indian Government has given some respite to the Indian Steel Industry. One, to counter the rising Steel imports 20% safeguard duty has been imposed on steel from all countries to be valid for 200 days. Import on base material hiked including Iron and Steel by 2.5% to counter cheap imports from China after the yuan devaluation. Anti-Dumping Duty of $316 per tonne imposed on import of certain steel products from three countries including China.

Now, moving onto financials. for half-year ended 30th September, 2015 the consolidated turnover has been Rs 372 crores. Normalized EBITDA i.e. EBITDA before provision stood at Rs 48 crores, Provision was made on account of one of our customers namely SIS of UK stopping operations and going into liquidation. This has impacted the profitability to the extent of Rs 6.3 crores.

Profit after-tax and minority interest has been Rs 21.1 crores, Consol earnings per share has been Rs.6.11. We have been prudent in our debt management We have strengthened our balance sheet further. Net gearing stands at 0.14x as on 30th September, 2015 against 0.19x on 31st March, 2015.

Coming to Indian performance, standalone income stood at Rs165.9 crores for H1 FY16 with an EBITDA of Rs 23.5 crores. EBITDA margin has been 14.2%. PAT has been Rs 12.66 crores. Performance on standalone basis continued to be stable. Recent measures of Government of India coupled with execution phase of India we believe has begun and lead to infrastructure creation, should improve performance of the domestic steel producers.

Coming to subsidiary performances for Q2, Monocon our UK subsidiary reported an income of £14.05 million Profitability was impacted due to one-time provision in Q2. Provision as I mentioned has been due to the SIS of UK British Subsidiary of Thai Steel going into liquidation. Due to this Monocon UK made a provision of £0.64 million comprising of receivables of £0.51 and stocks of £0.13 million.

Hoffman Ceramics our German business reported an income of €5.35 million. For H1 FY16 EBITDA has been €0.61 million with margin of 11.47%, an improvement of 91 basis points year-on-year. PAT was recorded at Euro 0.38 million with margin of 7.18%.

EI Ceramics our USA business reported an income of $7.67 million for H1, EBITDA was $0.61 million with margin of 8%. EBITDA was recorded at $ 0.25 million. Lower domestic production of steel in U.S. owing to increased import from China mainly impacted the performance.

IFGL Exports our subsidiary in Kandla SEZ reported income of Rs 23.28 crores for H1 FY16, EBITDA was Rs 6.1 crores with a margin of 26% while PAT was recorded at Rs 3.48 crores with a margin of 14.95%. Favorable currencies also led to better realization. Phase-II expansion will now be completed in FY2017. I should now leave the floor for any question-and-answers. Thank you.

Moderator: Thank you very much. We will now begin with a question-and-answer session. The first question is from the line of Shubhankar Ojha from SKS Capital & Research. Please go ahead.

Shubhankar Ojha: Sir, in terms of the provision that you have made for the UK unit, is it full and final or is there anything left to be provided for?

Kamal Sarda: No, this is full and final.

Shubhankar Ojha: Okay. And if you can give me the number again sir, what was the provision? What was the total and the bifurcation of the same?

Kamal Sarda: The amount was about £640,000 comprising of receivable of £510,000 and stock £130,000.

Shubhankar Ojha: Okay. And sir, looking at the scenario, is there anything like this which could happen going forward? This is obviously a one-off event nothing that you could do but is there anything that you foresee going forward?

Kamal Sarda: Giorgio, would you like to add on this?

Giorgio Cappelli: Yes, I will. So at every moment if you take in consideration Europe it is really a tough situation to monitor. We really monitor whole of outstanding balance sheet of our customers. If you see overseas in America we monitor all customers, we monitor really very tough situation that means if we see some problem we will not wait to react but at a moment our situation is tough we do not see any major problem like this kind.

Shubhankar Ojha: Okay, great, sir. In terms of the performance of your domestic unit what is the outlook look like?

Kamal Sarda: Domestic H1 has been quite stable if you see the performances and see as I mentioned in the speech the Steel Industry in India is also under stress due to one, low demand and second, cheap imports coming from China and third point is the overall liquidity issue within the Steel Industry is very-very poor. Okay, we can improve our top-line and the bottom-line but the question is how will we get the money back from the Steel Industry? So we are a bit cautious and we want to be cautious, we want to recover the money first. So I do not see a dramatic change from the H1, we hope things would be stable and if we can at least perform the same way as H1 in H2 I think we should be happy.

Moderator: Thank you. The next question is from the line of Dipesh Shah, he is an Individual Investor. Please go ahead.

Dipesh Shah: Sir, I would like to ask questions mainly two questions I have. One is on the how is our Kandla Phase-II SEZ project going on? Are we seeing any specific delay?

Kamal Sarda: As I mentioned in the speech that it is almost on-stream now. We just got delayed by finalizing the order for the equipment's. The price of the equipment's we are negotiating with the suppliers. I think we should be finalizing this within a month and hopefully in Q2 of the next financial year the expansion should be over.

Dipesh Shah: Okay. Just going on the Kandla thing are we planning to increase our stake in that SEZ Company?

Kamal Sarda: Pardon, can you come again?

Dipesh Shah: Do we have any plans to increase the stake in Kandla?

Kamal Sarda: No, plans as of yet that I know at least.

Dipesh Shah: Okay. And just one last question, recently we announced the provision of around approximately Rs 6 crores due to closure SIS UK unit. So what would be the revenue that will be coming from that unit?

Kamal Sarda: Giorgio, what could be the annual revenue for SSI?

Giorgio Cappelli: It was roughly £1.5 million.

Kamal Sarda: Okay.

Dipesh Shah: Okay. And do we expect any more of our clients to be under stress in that particular geography or something of that sort might come up again?

Kamal Sarda: As of now I think this is what we have.

Moderator: Thank you. The next question is from the line of Abhisar Jain from Centrum Broking. Please go ahead.

Abhisar Jain: My question is related to U.S. subsidiary EI Ceramics sir, that has been one of our best overseas subsidiaries in terms of margins and we had completed the expansion also. Now obviously because the U.S. production in the steel side came under pressure we had last two quarters being tough but I just wanted to understand from you that how are the operations now shaping up there and how are they placed over the next one and half year to two years based on the expansion also that we had. And we had plans of maybe going into some more markets in that region to increase the presence of overall EI Ceramics and also get the revenue growth so, how are we placed on EI side now?

Kamal Sarda: Giorgio.

Giorgio Cappelli: Okay. So our situation in EI Ceramics really not so bad, as you know we are one of a few producers of Isostatically pressed products in U.S. and we are growing our market share because we were earlier not present in integrated plant and now we are growing in integrated plant which in market situation is softer but we see for EI Ceramics enough space to grow in USA and the Sub-Con region it is not easy because this is tough situation. Another thing is that the China production, if you look at the China production their producing roughly 70% long product and 30% flat product. In America we have more production of flat product so, we are staying under pressure because of imports from China, imports of Brazil but we are growing our presence in the integrated plants. So I see that the growth will be stable and we are taking really care about all the cost and outstanding of our customers. So I do not think there is problem for EI Ceramics in this year and also in the next year in the future, I mean we are taking care of cost, we are taking care about everything then we are developing a new product we have also a good research lab and good working together with our Indian operations and so we are growing in some markets that give us a possibility to improve our performance.

Abhisar Jain: Sure, sir. But sir, can you also indicate a little bit more in terms of the growth potential of that subsidiary taking a base case wherein the U.S. Steel production recovers and at least be back to its normalized level last two quarters it has been substantial fall year-on-year but is it on the base case side what kind of revenue growth can we expect from EI Ceramics?

Giorgio Cappelli: The best case is not to say what is in base case because now it is implemented some Anti-Dumping Duty. . The base case is how stable within the market. If a market will be stable we will be stable. This means it is normally very tough to define what is stable in steel industry. Never mind we are trying to grow if everything runs well about 5%-10% per year at least for the next two to - three years. But I think in the stable situation nobody knows what means here at the moment.

Abhisar Jain: Yes, sure, sir, understood. And Kamal sir, just one thing on the Indian side of operations, as of now if we see the IFGL Kandla as well as on the IFGL standalone we are seeing overall exports remaining healthy so, what is the outlook there are you seeing increased competition from the Chinese guys in terms of whatever material that we have been sending from here to Europe? Or is that more or less stable still?

Kamal Sarda: I think the competition remains very-very similar except to the fact that in some geographies the steel production is down otherwise the refractory requirement and the competition scenario is more or less same, the steel industry is under stress obviously it is there almost worldwide phenomena. That had its own impact but as of today we feel that it does not so much affected but I think we should be prepared rather we are prepared that the next few quarters will be bit more challenging then the first-half.

Moderator: Thank you. The next question is from the line of Lakshmi Narayanan from Catamaran. Please go ahead.

Lakshmi Narayanan: A couple of things, I joined the call a bit late so pardon me if I am repeating the question. Just trying to understand your exposure to Indian market and the steel sector in particular? I see that last year the consolidated revenue it shows that around 22% of your consolidated turnover from India, right. If you can just help me understand the last six months what has been the new client wins and what is taking place in the industry? Yes, you mentioned that industry is having a slowdown but if you can just help me understand in terms of specific broadly in terms of your leading clients what has been the scenario have they changed their production plan et cetera? Yesterday or day before I also saw that the Steel Ministry is looking for trebling India's capacity from where it is now? So there is a clear direction from the government saying when you want to increase the steel production capacity but on the ground things are there so, I just want to hear your view on both the short-term and long-term view.

Kamal Sarda: See the major phase is today, okay. This the steel policy tripling the capacity that is a good thing for the refractory industry and I am sure that will happen and will be very good for us and that is where all the refractory companies have planned their expansions and all other things. But f in the last six months I do not see a major improvement in the steel industry in fact there has been a bit of a down turn in their liquidity issues. So as far as IFGL is concerned we have a very strict policy that we would not like to go into whole rather aggressively into the market and just sell for the sake of making a top-line and the bottom-line. We are a bit cautious wherever we feel that we can supply and get the money back maybe the margins are lower but that is our policy. It is not that we have not had the some issues in the past but we are becoming too cautious in this field. In the last six months I do not think we have added any major because there is no change in the steel industry in the last six months. So major new client addition has been there barring that we are in the existing clients only we are trying to strengthening our relationship.

Lakshmi Narayanan: You mentioned liquidity issues, can you just elaborate on what has been the stretch in the days' receivable broadly whether it is increased by like how many days for your refractory?

Kamal Sarda: Yes, I think it has increased by about 10 days - 15 days in the last one year and one and half years. And just to give you an example even Tata Steel is facing problems that 15 days - 30 days' time I think today they are also finding it difficult to maintain that 30 days' time. Jindal Steel Raigarh which used to pay in 30 days' time which have gone which have extended into 60 days. So those big clients are also extending their credit period. So I think it means that there is liquidity issue overall.

Lakshmi Narayanan: Okay. And I guess our turnover from refractory market is close to 20% of 800 it is around 160 to 180 crores, right?

Kamal Sarda: Yes, in the India market about 150 crores.

Lakshmi Narayanan: Yes. And if you can just broadly break that into some of the segments where we play and what is our competitive position there?

Kamal Sarda: I think Laxmi, you can just pass on this question to Shogun and we can sit down separately.

Lakshmi Narayanan: Okay, sir.

Moderator: Thank you. The next question is from the line of Dixit Doshi from Whitestone Financial. Please go ahead.

Dixit Doshi: Sir, on a consolidated basis even if I add back Rs 6.5 crores provision to EBITDA, still our margins have came down from around 13.5%-14% to 11% or something so what could be the scenario you are looking going forward. Can we come back to (+13.5%) margins in next couple of quarters or maybe two quarters - three quarters - four quarters or it will be in the range of 11% to 12% only?

Kamal Sarda: As I mentioned in I think couple of questions before. That I see a stress in the Steel Industry continuing for the next couple of quarters or so if not more, until and unless the individual countries come out with their own strategies how to counter and protect their local industries. I see some steps taken by U.S. still I do not see major step taken by any of the European countries even the UK has not taken any major step despite the closure of SSI. So once they take I think they all very aggressively and actively will pursue this but unless and until they take the step, the overall scenario in the Europe and UK and U.S. also is going to remain under pressure from the cheap imports of China. I see that if the current trend can be maintained it would be good for us.

Dixit Doshi: Okay. And just one question, sir, can you just give us the capacity utilization in your all these four subsidiaries?

Kamal Sarda: It should be around 50% at all subsidiaries barring Hofmann which should be doing better.

Dixit Doshi: Okay. Other than that all could be around 50%?

Kamal Sarda: Yes.

Dixit Doshi: And on a standalone basis?

Kamal Sarda: Standalone in IFGL one of the product groups could be about 80%, Kandla is doing almost 90% and rest of the product group it would be about 50%.

Dixit Doshi: Okay. And sir you earlier in con-call's mentioned that we are always open for any acquisition globally. So in this tough time are you seeing anything there?

Kamal Sarda: See we are still open.

Moderator: Thank you. The next question is from the line of Ruchi Shah, she is an Individual Investor. Please go ahead.

Ruchi Shah: I just wanted to understand on a broad global sense you have motioned how the Anti-Dumping might give us a better outlook in the U.S. markets but how are the other markets what is our outlook there?

Kamal Sarda: I think the scenario of U.S. has to be replicated in all other countries, as I mentioned in the previous question that the measures in the Europe and the other countries are yet to be taken on the protecting their own domestic industry. So once they are taken I think they much be aggressively, I will just ask Giorgio to speak on this. But once they are taken things should improve from here. Giorgio, can you just on if you add on the European and the other Steel Industries what is happening there?

Giorgio Cappelli: Yes, in Europe at the moment I mean quite a tight control about imports of steel over China that the main problem in Europe is very long product as you know Europe is producing especially in countries like Turkey and Italy a lot of long product. Here we have really big impact of import of billet from China. Here I do not see at any moment any gross interest in Anti-Dumping Duty because refinery consumer will like to have cheap price I mean in the flat product there is where we do not have so many problems in Europe because we have Chinese competitor is not importing a lot of flat product, it is more a problem of American with Brazilian and South America but in case, in America there is an Anti-Dumping Duty but in Europe at moment that is more local action against the China..

Ruchi Shah: Okay. So overall Europe also should be looking up but you are saying that Anti-Dumping might not be a driver there?

Giorgio Cappelli: At this moment we will not able to describe it because I mean they are getting I mean in the AU 27 it is not that we are seeing much talking to protect their own market.

Ruchi Shah: Okay, thanks a lot. I just had a one question especially if I can look at our balance sheet, our debt profile is pretty low we are currently having we are currently still having around 50 crores of cash in the books. So what are the prospects what are we looking at in terms of investments? Are we looking at any inorganic expansion plus any acquisitions?

Kamal Sarda: That I mentioned, we are open to that, I think we come across good opportunity we will definitely look at it.

Moderator: Thank you. The next question is from the line of Rukun Tarachandani from Kotak Asset Management. Please go ahead.

Rukun Tarachandani: Sir, sorry, I joined the call a bit late but just wanted to know what was the reason for the margin decline this quarter? Is it that the pricing is under pressure that had laid to those declines?

Kamal Sarda: As I mention I think it is there in the published results also there is a write-off of about Rs. 6 crores.

Rukun Tarachandani: No, no even ex the write-off, even if you add back the write-off to the EBITDA even then the margins has come down if you see the quarter-on-quarter numbers.

Kamal Sarda: Basically yes, the other reason is the overall steel industry both in the U.S. and Europe also affected the productivity there in Steel Industry factored the overall profitability scenario in our U.S. subsidiary, in the UK subsidiary other than that write-off also. The slowdown has impacted that part of our business.

Rukun Tarachandani: Right. And sir, about two quarters - three quarters back we felt that the situation in Europe has stabilized, but now it appears that the Europe is one thing sliding back the situations is no longer stable and it is declining so, what is staying in the past let us say one quarter or two quarters in Europe?

Kamal Sarda: See there is the Europe overall Steel Industry is not that bad if we look at the world steel figure. It is just the overall imports which is overall impacting the price the U.S. is getting affected the most where the average capacity utilization has gone down significantly. Once that improves I think things should improve.

Rukun Tarachandani: On the Kandla expansion are we on track or are we delayed?

Kamal Sarda: Yes, from our original plan to complete by March 2016 yes, it is delayed now it is going to extent to Q2 FY17.

Moderator: See we seem, we have lost his line. We will move to our next question. The next question is a follow-up from the line of Dipesh Shah, he is an Individual Investor. Please go ahead.

Dipesh Shah: Sir on question on specifically on German subsidiary so, what is exactly driving the improvements in margin there as we have seen a little bit stress in the European environment on the cash flow side, so are we able to get better realizations from there or is it more on the cost side that we are controlling it.

Kamal Sarda: It is primarily the product mix which has changed in the German subsidiary. I mentioned in a couple of calls back that we have added some product in our German subsidiary. We use to buy that in the past, we are now making it, we are trying to improve our margins by making it in-house and doing some obviously some cost rationalization and continuing.

Dipesh Shah: Okay, so, can you if possible can you give a break-up between let us say what would be the improvement due to cost rationalization and because of the newer product that we have introduced?

Kamal Sarda: I do not have the figure readily, we can discuss separately.

Dipesh Shah: Okay, no problem.

Moderator: Thank you. The next question is from the line of Aditya Wagle from Aquitus. Please go ahead.

Aditya Wagle: Sir, a couple of questions. First is what utilizations are we operating in various units? And second is how the debtors over the last quarter and last year?

Kamal Sarda: Utilization level I mentioned in, IFGL is again flat one of our major product group we are operating at about 80%-90% and rest of the places we are operating at about 50%. Hofmann should be operating at about 80% level.

Aditya Wagle: Okay. And debtors days?

Kamal Sarda: Debtors the number of days has increased, I do not have the figure right now but I can give it to you later.

Moderator: Thank you. As there are no further questions, I would now like to hand the floor over to Mr. Kamal Sarda for closing comments.

Kamal Sarda: Yes, thank you. Thank you, gentlemen, I think it was wonderful session and I hope I have been able to answer most of your queries. Some queries which are there which we can discuss offline. We look forward to your participation in the next quarter. For any other queries you may contact our Investor Relation Advisors, SGA. Thank you very much. Have a nice day.

Moderator: Thank you. On behalf of IFGL Refractories Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.