



# IFGL REFRACTORIES LIMITED

## Head & Corporate Office :

3, Netaji Subhas Road, Kolkata - 700 001, India  
Phone : +91 33 40106100, Fax : +91 33 22430886  
E-mail : ifgl.ho@ifgl.in, Websites : www.ifglref.com

18<sup>th</sup> July, 2020

National Stock Exchange of India Ltd  
'Exchange Plaza', C-1, Block – G  
Bandra – Kurla Complex  
Bandra (E), Mumbai 400 051  
Code : IFGLEXPOR

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001  
Code: 540774

Dear Sirs,

**Re: Disclosure under Regulation 33 of SEBI LODR Regulations, 2015 - Audited financial results for year ended on 31<sup>st</sup> March, 2020**

The Board of Directors of the Company in their meeting held to-day have approved and taken on record financial results, both on stand alone and consolidated basis, for year ended on 31<sup>st</sup> March, 2020 audited by the Company's Statutory Auditors, M/s S R Batliboi & Co. LLP and reviewed by Company's Audit Committee in their meeting also held earlier today.

In accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), Text of the following along with copy each of Report dated 18<sup>th</sup> July, 2020 thereon of Statutory Auditors, without any modified opinion, are submitted herewith for your perusal, necessary action and record.

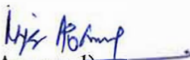
- Audited stand alone financial results for year ended on 31<sup>st</sup> March, 2020. - Annexure 'A'
- Audited consolidated financial results for year ended on 31<sup>st</sup> March, 2020. - Annexure 'B'
- Extract of audited consolidated financial results for year ended on 31<sup>st</sup> March, 2020 being published in newspapers following Regulation 47(1)(b) of LODR - Annexure 'c'

The Board in their meeting also recommended Interim Dividend of 25% on Equity Shares of Rs 10 each i.e. Rs. 2.50 per Equity Share already paid in February, 2020, as Final Dividend, subject to necessary approvals/permissions including that of Company's Shareholders at their ensuing AGM.

This disclosure as well as documents forming part thereof, are also being hosted on Company's Website: [www.ifglref.com](http://www.ifglref.com).

Thanking you,

Yours faithfully,  
For IFGL Refractories Ltd.

  
(R Agarwal)  
Company Secretary

Encl: As above

Formerly known as IFGL EXPORTS LIMITED

Registered Office & Kalunga Works :

Sector 'B', Kalunga Industrial Estate  
P.O. Kalunga - 770 031, Dist. Sundergarh, Odisha, India  
Phone : +91 661 2660195, Fax : +91 661 2660173  
E-mail : ifgl.works@ifgl.in, CIN : L51909OR2007PLC027954



**Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
IFGL Refractories Limited

**Report on the audit of the Standalone Financial Results**

**Opinion**

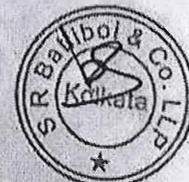
We have audited the accompanying statement of quarterly and year to date standalone financial results of IFGL Refractories Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income / loss and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion:



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

## **Emphasis of Matter**

- a. We draw attention to Note 3 of the standalone financial results, relating to amalgamation of the erstwhile IFGL Refractories Limited with the Company (the amalgamated entity was thereafter renamed as IFGL Refractories Limited) with effect from April 01, 2016 following Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal, Kolkata Bench, vide its Order date August 03, 2017, under the provisions of sections 230 and 232 of the Companies Act, 2013 (the "Scheme"). Pursuant to the Scheme, the aforesaid business combination was recognized under the 'Purchase Method' as defined under Accounting Standard (AS) 14, Accounting for Amalgamations, and Goodwill arising on such amalgamation aggregating Rs. 26,699 lakhs had been recognized. Based on management's assessment, such Goodwill is being amortised over a period of ten years with a charge of Rs. 667 lakhs per quarter and Rs. 2,670 lakhs per year. As per Indian Accounting Standard (Ind AS) 103, Business Combinations, the aforesaid amalgamation had to be recognized under 'Pooling of Interest Method' since these were entities under common control.
  
- b. We draw attention to Note 4 to the standalone financial results regarding Company's writ petition challenging the 'Explanation' to Section 10AA(1) of the Income Tax Act, 1961 inserted on and from assessment year beginning April 01, 2018, which was admitted by the Hon'ble High Court at Calcutta. Pending decision by the Hon'ble High Court, uncertainty exists as regards realisability of resultant recognized deferred tax assets of Rs. 1,164 lakhs.

Our opinion is not modified in respect of the above matters.

## **Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income/loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Other Matter**

The comparative Ind AS financial information of the Company for the corresponding quarter and year ended March 31, 2019, included in these standalone financial results, were audited by the predecessor auditor who expressed an unmodified opinion on those financial information on May 11, 2019.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Bhaswar Sarkar

Partner

Membership No: 055596

UDIN: 20055596AAAACH7257

Kolkata

July 18, 2020



IFGL REFRACTORIES LIMITED						
Registered Office: Sector B, Kalunga Industrial Estate, P.O. Kalunga 770031, Dist. Sundergarh, Odisha. Head & Corporate Office: 3, Netaji Subhas Road, Kolkata 700001 CIN: L51909OR2007PLC027954; E-mail: ifgl.ho@ifgl.in; Website: www.ifglref.com						
STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020						
Sr. No.	Particulars	(₹ in lakhs except as otherwise stated)				
		Quarter ended			Year ended	
		31-03-2020 (Audited) Refer Note 8	31-12-2019 (Unaudited)	31-03-2019 (Audited) Refer Note 8	31-03-2020 (Audited)	31-03-2019 (Audited)
1.	Revenue from Operations	11,601	12,142	13,216	49,861	48,895
2.	Other Income	174	178	100	808	300
3.	<b>Total Income (1 + 2)</b>	<b>11,775</b>	<b>12,320</b>	<b>13,316</b>	<b>50,669</b>	<b>49,195</b>
4.	<b>Expenses</b>					
a.	Cost of Materials Consumed	5,233	4,861	5,422	21,069	24,080
b.	Purchase of Stock-in-Trade	1,146	970	1,238	4,063	3,876
c.	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(828)	522	614	485	(2,877)
d.	Employee Benefit Expenses	1,139	1,151	971	4,425	4,158
e.	Finance Costs	61	71	81	296	334
f.	Depreciation and Amortisation Expenses	1,018	967	1,007	3,937	3,887
g.	Other Expenses	3,324	2,954	3,054	12,817	12,482
5.	<b>Total Expenses 4(a) to 4(g)</b>	<b>11,093</b>	<b>11,296</b>	<b>12,587</b>	<b>47,092</b>	<b>45,940</b>
6.	<b>Profit before Tax (3-5) #</b>	<b>682</b>	<b>1,024</b>	<b>729</b>	<b>3,577</b>	<b>3,255</b>
7.	<b>Tax Expense</b>					
a.	Current Tax	115	184	184	628	714
b.	Deferred Tax (Credit) / Charge	(59)	112	(189)	(24)	(55)
8.	<b>Profit for the year / period (6-7)</b>	<b>626</b>	<b>728</b>	<b>754</b>	<b>2,973</b>	<b>2,596</b>
9.	<b>Other Comprehensive Income / (Loss)</b>					
a.	Items that will not be reclassified to profit or loss	27	(2)	(95)	(4)	(58)
b.	Income tax relating to items that will not be reclassified to profit or loss	(10)	1	33	1	20
10.	<b>Total Other Comprehensive Income / (Loss) for the year / period</b>	<b>17</b>	<b>(1)</b>	<b>(62)</b>	<b>(3)</b>	<b>(38)</b>
11.	<b>Total Comprehensive Income for the year / period</b>	<b>643</b>	<b>727</b>	<b>692</b>	<b>2,970</b>	<b>2,558</b>
12.	Paid up Equity Share Capital (Face value ₹ 10/- each)	3,604	3,604	3,604	3,604	3,604
13.	Other Equity				47,797	46,998
14.	<b>Earnings Per Share (of ₹ 10/- each) *</b>					
	Basic & Diluted (₹)	1.74	2.02	2.09	8.25	7.20

# There are no Exceptional and Extra-ordinary items. \* Figures for quarters not annualised.

**STATEMENT OF STANDALONE ASSETS AND LIABILITIES**

Sr. No.	Particulars	(₹ in lakhs)	
		As at	
		31-03-2020 (Audited)	31-03-2019 (Audited)
<b>A</b>	<b>ASSETS</b>		
1.	<b>Non-Current Assets</b>		
(a)	Property, Plant and Equipment	8,069	7,349
(b)	Right to Use Asset	1,623	-
(c)	Capital work-in-progress	389	580
(d)	Goodwill	18,020	18,690
(e)	Other Intangible assets	7	34
(f)	<b>Financial Assets</b>		
(i)	Investments	5,877	5,877
(ii)	Loans and Deposits	220	173
(iii)	Others	-	29
(g)	Deferred tax assets (net)	529	503
(h)	Income Tax Assets (net)	145	1,314
(i)	Other non-current assets	100	874
	<b>Total Non - Current Assets</b>	<b>32,788</b>	<b>35,223</b>
2.	<b>Current Assets</b>		
(a)	Inventories	7,375	8,672
(b)	<b>Financial Assets</b>		
(i)	Investments	8,321	4,534
(ii)	Trade receivables	12,505	14,058
(iii)	Cash and cash equivalents	777	30
(iv)	Bank balances other than (iii) above	108	875
(v)	Others	208	38
(c)	Other current assets	596	652
	<b>Total Current Assets</b>	<b>30,890</b>	<b>28,877</b>
	<b>Total Assets (1+2)</b>	<b>63,678</b>	<b>64,100</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1.	<b>Equity</b>		
(a)	Equity Share capital	3,604	3,604
(b)	Other Equity	47,797	48,998
	<b>Total Equity</b>	<b>51,401</b>	<b>50,602</b>
	<b>Liabilities</b>		
2.	<b>Non-Current Liabilities</b>		
(a)	<b>Financial Liabilities</b>		
(i)	Lease Liabilities	867	-
(b)	Income Tax Liabilities (net)	41	41
(c)	Provisions	-	49
	<b>Total Non - Current Liabilities</b>	<b>908</b>	<b>90</b>
3.	<b>Current Liabilities</b>		
(a)	<b>Financial Liabilities</b>		
(i)	Borrowings	3,179	6,547
(ii)	Lease Liabilities	77	-
(iii)	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	259	246
	Total outstanding dues of creditors other than micro enterprises and small enterprises	5,979	5,895
(iv)	Other financial liabilities	478	544
(b)	Other current liabilities	1,371	150
(c)	Provisions	28	26
	<b>Total Current Liabilities</b>	<b>11,369</b>	<b>13,408</b>
	<b>Total Equity and Liabilities (1+2+3)</b>	<b>63,678</b>	<b>64,100</b>



*Signature*

STANDALONE CASH FLOW STATEMENT	₹ in lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
	(Audited)	(Audited)
Particulars		
<b>Cash Flows from Operating Activities</b>		
Profit before tax for the period	3,577	3,255
Adjustments for:		
Finance costs	298	334
Interest income	(215)	(84)
Provision for unspent liabilities reversed	(158)	(1)
Loss / (Gain) on disposal of property, plant and equipment	29	(6)
Profit on sale of Investments in Mutual Fund (net)	(398)	(88)
Net gain arising on financial assets measured at fair value through profit or loss	(38)	(142)
Sundry debit balances/advances written off	476	16
Impairment loss / (reversal) recognised on trade receivables / advances	83	(118)
Depreciation and amortisation expense	3,937	3,887
Unrealised foreign exchange (gain) / loss	(209)	39
	7,382	7,111
Change in working capital:		
Decrease in trade and other receivables	1,156	7,241
Decrease / (Increase) in inventories	1,297	(3,823)
Increase / (Decrease) in trade, other payables and provisions	1,521	(854)
<b>Cash generated from Operations</b>	11,356	9,875
Income taxes paid (net of refunds)	541	(804)
<b>Net cash generated from operating activities (1)</b>	11,897	9,071
<b>Cash Flows from Investing Activities</b>		
Investments in Mutual Funds & bonds	(25,378)	(6,474)
Proceeds from sale of Mutual Funds	21,044	3,333
Proceeds from maturity of term deposits with banks	2,326	(225)
Payment for term deposits with banks	(1,515)	-
Interest received	244	140
Payments for property, plant and equipment, other intangibles and capital work-in-progress	(1,718)	(2,552)
Proceeds from disposal of property, plant and equipment	3	152
<b>Net cash used in Investing activities (2)</b>	(4,994)	(5,626)
<b>Cash Flows from Financing Activities</b>		
Dividend on Equity share and Dividend Distribution Tax there on	(2,172)	(869)
Repayment of long-term borrowings	(188)	(253)
Repayment from short-term borrowings (net)	(3,504)	(2,012)
Payments of Lease Liabilities	(74)	-
Interest paid	(218)	(408)
<b>Net Cash used in financing activities (3)</b>	(6,156)	(3,543)
<b>Net Increase / (decrease) in Cash and Cash Equivalents (1+2+3)</b>	747	(98)
Cash and Cash Equivalents at the beginning of the year	30	128
<b>Cash and Cash Equivalents at the end of the year</b>	777	30



*Rajona*



**NOTES :**

1. Above financial results have been reviewed by the Audit Committee at its meeting held on July 18, 2020 and approved by the Board of Directors (Board) at their meeting held on that date. The statutory auditor have audited the same.
2. The above audited financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2018. The Company adopted Ind AS from April 01, 2017 and accordingly, these financial results have been prepared in accordance with the recognition and measurement principles of Ind AS - 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
3. A scheme of amalgamation of erstwhile IFGL Refractories Ltd. with the Company with effect from April 01, 2016 was approved by the Hon'ble National Company Law Tribunal, Kolkata vide order dated August 03, 2017. Goodwill of Rs. 26,699 lakhs arose on such merger which was accounted for under "Purchase Method" as defined under erstwhile Accounting Standard 14 - Accounting for Amalgamation. Useful life of such Goodwill was estimated to be 10 years and it is being amortised accordingly.
4. The Company's Writ Petition No. 544 of 2019 challenging vires of the Explanation to Section 10AA(1) of the Income Tax Act, 1961 inserted on and from assessment year beginning April 1, 2018, on grounds that such explanation denies the benefit that was intended to be provided under the said section, was admitted by the Hon'ble High Court at Calcutta on November 7, 2019. Supported by a legal opinion obtained in this regard, management believes that the Company has a good case on merit in this matter and the resultant deferred tax assets of Rs. 1,164 lakhs are considered as recoverable in future.
5. The Company operates in a single segment and is engaged in the business of manufacture, trading and sale of refractories based on customer specifications.
6. The Ministry of Corporate affairs has notified Indian Accounting standard 116 ("Ind AS 116"), Leases, with effect from April 01, 2019. The Company has adopted the standard with effect from the date of initial application i.e. April 1, 2019 using the modified retrospective method under the transitional provisions of the standard. As a result, the Company has recognized right of use asset and corresponding lease liability of Rs 1,623 lakhs and Rs 944 lakhs respectively as on March 31, 2020. Further, expense towards lease is now recorded as depreciation on right of use assets and finance costs on lease liability, instead of rent. On account of adoption of Ind AS 116, profit before tax for the year ended March 31, 2020 is lower by Rs 54 lakhs.
7. Operations of the Company were partially impacted in March 2020 due to temporary disruptions following nationwide lockdown on and from March 25, 2020 enforced by the Government of India because of pandemic COVID-19 outbreak. However, operations at reduced levels were continued at Company's Kalunga (Odisha) manufacturing facilities. Based on situation hitherto prevailing particularly of likely impact on overall economic environment and especially on steel industry, the Company's management expects demand for its products and services to stabilise in due course, as also driven by measures taken / expected to be taken by the Government; and further, does not anticipate any challenge in the Company's ability to continue as a going concern or meeting its financial obligations. However, the above evaluations are based on scenario analysis of internal and external information available upto the date of approval of these financial statements.
8. The figures of the last quarter March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the financial year ended March 31, 2020 and March 31, 2019 and the unaudited published year to date figures up to December 31, 2019 and December 31, 2018, being the date of the end of the third quarter of that financial year which were subjected to Limited Review.
9. The figures of previous periods for the quarter and for the year ended on March 31, 2019, were reviewed / audited by a firm of Chartered Accountants other than S. R. Batliboi & Co. LLP.



On behalf of the Board  
of IFGL Refractories Limited

*P Bajoria*  
P Bajoria  
Managing Director  
(DIN : 00084031)

Kolkata  
July 18, 2020

COMMITTED TO CLEAN METAL



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

22, Camac Street  
3rd Floor, Block 'B'  
Kolkata - 700 016, India  
Tel : +91 33 6134 4000

## **Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
IFGL Refractories Limited

### **Report on the audit of the Consolidated Financial Results**

#### **Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of IFGL Refractories Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements of the subsidiaries, the Statement:

- i. includes the results of the entities as mentioned in Annexure I;
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the



## **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

- a. We draw attention to Note 4 of the consolidated financial results, relating to amalgamation of the erstwhile IFGL Refractories Limited with the Holding Company (the amalgamated entity was thereafter renamed as IFGL Refractories Limited) with effect from April 01, 2016 following Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal, Kolkata Bench, vide its Order date August 03, 2017, under the provisions of sections 230 and 232 of the Companies Act, 2013 (the "Scheme"). Pursuant to the Scheme, the aforesaid business combination was recognized under the 'Purchase Method' as defined under Accounting Standard (AS) 14, Accounting for Amalgamations, and Goodwill arising on such amalgamation aggregating Rs. 26,699 lakhs had been recognized. Based on management's assessment, such Goodwill is being amortised over a period of ten years with a charge of Rs. 667 lakhs per quarter and Rs. 2,670 lakhs per year. As per Indian Accounting Standard (Ind AS) 103, Business Combinations, the aforesaid amalgamation had to be recognized under 'Pooling of Interest Method' since these were entities under common control.
- b. We draw attention to Note 5 to the consolidated financial results regarding the Holding Company's writ petition challenging the 'Explanation' to Section 10AA(1) of the Income Tax Act, 1961 inserted on and from assessment year beginning April 01, 2018, which was admitted by the Hon'ble High Court at Calcutta. Pending decision by the Hon'ble High Court, uncertainty exists as regards realisability of resultant recognized deferred tax assets of Rs. 1,164 lakhs.
- c. We draw attention to Note 8 of the consolidated financial results which describes the uncertainties and impact of COVID-19 pandemic on the operations of the Group and management assessment thereof.

Our opinion is not modified in respect of the above matters.

### **Management's Responsibilities for the Consolidated Financial Results**

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant



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rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act,



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we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group of which we are the independent auditors, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.



# **S.R. BATLIBOI & Co. LLP**

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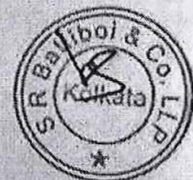
## **Other Matter**

The accompanying Statement includes the audited financial statements and other financial information, in respect of seven (7) subsidiaries (including step-down subsidiaries), whose financial statements include total assets of Rs 53,731 lakhs as at March 31, 2020, total revenues of Rs 12,332 lakhs and Rs 48,464 lakhs, total net loss after tax of Rs. 1,704 lakhs and Rs. 755 lakhs, total comprehensive loss of Rs. 1,704 lakhs and Rs. 755 lakhs, for the quarter and the year ended on that date respectively, and net cash inflows of Rs. 2,319 lakhs for the year ended March 31, 2020, as considered in the Statement which have been audited by their respective independent auditors. The independent auditor's report on the financial statements of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Aforesaid subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

The accompanying Statement includes unaudited financial statements and other unaudited financial information in respect of six (6) subsidiaries (including step-down subsidiaries), whose financial statements and other financial information reflect total assets of Rs 18,862 lakhs as at March 31, 2020, and total revenues of Rs 154 lakhs and Rs 764 lakhs, total net loss after tax of Rs. 73 lakhs and Rs. 103 lakhs, total comprehensive loss of Rs. 92 lakhs and Rs. 103 lakhs, for the quarter and the year ended on that date respectively and net cash inflows of Rs. 25 lakhs for the year ended March 31, 2020. These unaudited financial statements have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.



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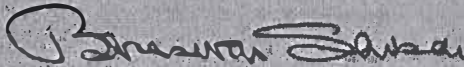
The comparative Ind AS financial information of the Group for the corresponding quarter and for the year ended March 31, 2019, included in these consolidated financial results, were audited by the predecessor auditor who expressed an unmodified opinion on those consolidated financial information on May 11, 2019.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Bhaswar Sarkar

Partner

Membership No.: 055596

UDIN: 20055596AAAACI5545

Kolkata

July 18, 2020



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

## **Annexure I**

### **List of Subsidiaries (including stepdown subsidiaries)**

<b>Sl. No.</b>	<b>Name</b>
1	IFGL Worldwide Holdings Limited
2	Tianjin Monocon Aluminous Refractories Company Limited
3	Tianjin Monocon Refractories Company Limited
4	Monotec Refratarios Ltd
5	IFGL Monocon Holdings Limited
6	Monocon International Refractories Limited
7	IFGL GmbH
8	Hofmann Ceramic GmbH
9	Hofmann Ceramic CZ s.r.o.
10	Monocon Overseas Limited
11	Mono Ceramics Inc.
12	IFGL Inc.
13	EI Ceramics LLC
14	Goricon Metallurgical Services Limited



**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020**

Sr. No.	Particulars	(₹ in lakhs except as otherwise stated)				
		Quarter ended			Year Ended	
		31-03-2020 (Audited) Refer Note 9	31-12-2019 (Unaudited)	31-03-2019 (Audited) Refer Note 9	31-03-2020 (Audited)	31-03-2019 (Audited)
1.	Revenue from Operations	22,209	21,760	25,149	91,739	95,041
2.	Other Income	319	179	134	1,090	503
3.	<b>Total Income (1+2)</b>	<b>22,528</b>	<b>21,939</b>	<b>25,283</b>	<b>92,831</b>	<b>95,544</b>
4.	<b>Expenses</b>					
a.	Cost of Materials Consumed	10,638	8,820	10,153	39,080	41,628
b.	Purchase of Stock-in-Trade	536	1,162	2,388	5,700	9,391
c.	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(448)	659	1,034	1,125	(3,307)
d.	Employee Benefit Expenses	3,731	3,819	3,553	15,045	14,816
e.	Finance Costs	113	75	93	361	368
f.	Depreciation and Amortisation Expenses	1,363	1,155	1,168	4,834	4,832
g.	Other Expenses	5,772	4,908	5,470	21,622	21,850
5.	<b>Total Expenses (4(a) to 4(g))</b>	<b>21,704</b>	<b>20,857</b>	<b>23,859</b>	<b>87,773</b>	<b>89,139</b>
6.	<b>Profit before exceptional items and tax (3 - 5)</b>	<b>824</b>	<b>1,082</b>	<b>1,424</b>	<b>5,058</b>	<b>6,405</b>
7.	Exceptional Items (refer note 7)	2,061	-	-	2,061	-
8.	<b>Profit before Tax (6-7)</b>	<b>(1,237)</b>	<b>1,082</b>	<b>1,424</b>	<b>2,997</b>	<b>6,405</b>
9.	<b>Tax Expense</b>					
a.	Current Tax	157	242	441	969	1,456
b.	Deferred Tax (Credit) Charge	(1)	113	(322)	83	(137)
10.	<b>Profit for the year/period (8-9)</b>	<b>(1,393)</b>	<b>727</b>	<b>1,083</b>	<b>1,945</b>	<b>5,046</b>
11.	Profit for the year/period attributable to: Equity holders of the Company Non Controlling Interest	(1,393) -	727 -	1,083 -	1,945 -	5,046 -
12.	<b>Other Comprehensive Income / (Loss)</b>					
A	Other Comprehensive Income not be recycled to profit or loss					
i.	Re-measurement Gain / losses on Defined Benefit Plans	8	5	(69)	(4)	(32)
ii.	Income tax relating to above item	(3)	(6)	33	1	20
B	Other Comprehensive Items that will be reclassified to profit or loss					
	Exchange differences in translating the financial statements of foreign operations	472	1,858	82	1,668	100
13.	<b>Total Other Comprehensive Income / (Loss) for the year/period</b>	<b>477</b>	<b>1,857</b>	<b>46</b>	<b>1,665</b>	<b>88</b>
14.	<b>Total Comprehensive Income / (Loss) for the year/period</b>	<b>(916)</b>	<b>2,584</b>	<b>1,351</b>	<b>3,610</b>	<b>5,134</b>
	Total Comprehensive income for the year/period attributable to: Equity holders of the Company Non Controlling Interest	(916) -	2,584 -	1,351 -	3,610 -	5,134 -
15.	Paid up Equity Share Capital (Face value ₹ 10/- each)	3,604	3,604	3,604	3,604	3,604
16.	Other Equity	-	-	-	77,291	75,860
17.	<b>Earnings Per Share (of ₹ 10/- each) - Basic &amp; Diluted</b>	<b>(3.87)</b>	<b>2.02</b>	<b>3.62</b>	<b>5.40</b>	<b>14.00</b>

\* Figures for quarters are not annualised.

**STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES**

Sr. No.	Particulars	(₹ in lakhs)	
		As at	
		31-03-2020 (Audited)	31-03-2019 (Audited)
<b>A</b>	<b>ASSETS</b>		
1.	<b>Non-Current Assets</b>		
(a)	Property, Plant and Equipment	15,238	14,390
(b)	Right to Use Asset	2,189	-
(c)	Capital work-in-progress	691	631
(d)	Goodwill (on consolidation)	10,362	12,892
(e)	Other Intangible Assets	16,251	18,939
(f)	<b>Financial Assets</b>		
(i)	Investments	52	52
(ii)	Loans and Deposits	220	173
(iii)	Others	-	28
(g)	Deferred tax assets (net)	562	503
(h)	Income Tax Assets (net)	299	1,218
(i)	Other Non-Current Assets	192	1,134
	<b>Total Non - Current Assets</b>	<b>46,058</b>	<b>49,149</b>
2.	<b>Current Assets</b>		
(a)	Inventories	14,175	15,851
(b)	<b>Financial Assets</b>		
(i)	Investments	9,321	4,554
(ii)	Loans and Deposits	88	70
(iii)	Trade receivables	21,053	22,862
(iv)	Cash and cash equivalents	10,565	7,634
(v)	Bank balances other than (iv) above	108	1,153
(vi)	Others	208	39
(c)	Other current assets	966	1,311
	<b>Total Current Assets</b>	<b>56,862</b>	<b>59,271</b>
	<b>Total Assets (1+2)</b>	<b>1,02,920</b>	<b>1,02,420</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1.	<b>Equity</b>		
(a)	Equity Share capital	3,604	3,604
(b)	Other Equity	77,291	75,860
	<b>Equity attributable to the owners</b>	<b>80,895</b>	<b>79,464</b>
	Non controlling interest	-	-
	<b>Total Equity</b>	<b>80,895</b>	<b>79,464</b>
	<b>Liabilities</b>		
2.	<b>Non-Current Liabilities</b>		
(a)	<b>Financial Liabilities</b>		
(i)	Borrowings	1,352	1,558
(ii)	Lease Liabilities	1,086	-
(b)	Income Tax Liabilities (Net)	47	41
(c)	Provisions	-	49
(d)	Deferred Tax Liabilities (Net)	1,174	958
	<b>Total Non - Current Liabilities</b>	<b>3,659</b>	<b>2,604</b>
3.	<b>Current Liabilities</b>		
(a)	<b>Financial Liabilities</b>		
(i)	Borrowings	3,506	6,893
(ii)	Lease Liabilities	201	-
(iii)	Trade payables	-	-
	Total Outstanding dues of Micro Enterprises and Small Enterprises	259	246
	Total Outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises	12,163	12,192
(iv)	Other financial liabilities	800	843
(b)	Other Current Liabilities	1,409	152
(c)	Provisions	26	26
	<b>Total Current Liabilities</b>	<b>18,364</b>	<b>20,357</b>
	<b>Total Equity and Liabilities (1+2+3)</b>	<b>1,02,920</b>	<b>1,02,420</b>





CONSOLIDATED CASH FLOW STATEMENT		₹ In lakhs	
		For the year ended March 31, 2020	For the year ended March 31, 2019
Particulars		(Audited)	(Audited)
<b>Cash Flows from Operating Activities</b>			
Profit before tax for the period		2,997	5,405
Adjustments for:			
Finance costs		361	369
Interest income		(285)	(84)
Provision for unspent liabilities reversed		(395)	(14)
Loss on disposal of property, plant and equipment		38	71
Profit on sale of investments in Mutual Fund (net)		(396)	(66)
Net gain arising on financial assets measured at fair value through profit or loss		(38)	(142)
Sundry debit balances/advances written off		476	18
Impairment of Goodwill		2,661	-
Impairment loss / (reversal) recognised on trade receivables/advances		659	(85)
Depreciation and amortisation expense		4,834	4,602
Amortisation of Prepaid Rent		-	23
Unrealised foreign exchange gain/(loss)		(209)	38
Effect of change in Foreign Exchange Translation		324	(1)
		<b>10,447</b>	<b>13,130</b>
Change in working capital:			
Decrease in trade and other receivables		1,317	8,226
Decrease / (increase) in inventories		1,697	(4,818)
Increase / (Decrease) in trade payables and other liabilities		1,567	(81)
<b>Cash generated from Operations</b>		<b>15,028</b>	<b>12,457</b>
Income taxes paid		(41)	(1,520)
<b>Net cash generated by Operating Activities (1)</b>		<b>14,987</b>	<b>10,937</b>
<b>Cash flows from Investing Activities</b>			
Investments in Mutual Funds & GOI Bond		(25,378)	(6,405)
Proceeds from sale of Mutual Funds		21,044	3,333
Proceeds from maturity of term deposits with banks		2,605	(416)
Payment for term deposits with banks		(1,515)	-
Interest received		294	160
Payments for property, plant and equipment, other intangibles and Capital Work in Progress		(2,495)	(3,939)
Proceeds from disposal of property, plant and equipment		75	154
<b>Net cash used in Investing Activities (2)</b>		<b>(5,370)</b>	<b>(7,114)</b>
<b>Cash flows from Financing Activities</b>			
Dividend on Equity share and Dividend Distribution Tax thereon		(2,172)	(865)
Repayment of long-term borrowings		(425)	(424)
Repayment of short-term borrowings (net)		(3,533)	(1,843)
Payments of Lease Liabilities		(217)	-
Interest Paid		(269)	(445)
<b>Net cash used in financing activities (3)</b>		<b>(6,616)</b>	<b>(3,651)</b>
Exchange Differences On Translation Of Foreign Currency		330	89
<b>Net Increase in Cash and Cash Equivalents (1+2+3)</b>		<b>3,331</b>	<b>261</b>
Cash and cash equivalents at the beginning of the year		7,634	7,373
<b>Cash and cash equivalents at the end of the year</b>		<b>10,965</b>	<b>7,634</b>

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED ON CONSOLIDATED BASIS		₹ In lakhs				
		Quarter ended			Year ended	
Particulars	31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019	
	(Audited) Refer Note 9	(Unaudited)	(Audited) Refer Note 9	(Audited)	(Audited)	
<b>Segment Revenue (Gross Sales / Income from Operations)</b>						
India	11,558	11,923	12,964	48,694	47,662	
Outside India						
Asia excluding India	432	380	481	1,578	1,814	
Europe	4,988	4,547	7,001	20,957	26,415	
Americas	5,233	4,910	4,703	20,308	19,350	
<b>Gross Sales / Income from Operations</b>	<b>22,209</b>	<b>21,760</b>	<b>25,149</b>	<b>91,735</b>	<b>95,041</b>	
<b>Segment Results (Profit(+)/ Loss(-) before Tax and Finance Costs)</b>						
India	717	1,119	811	3,875	3,590	
Outside India						
Asia excluding India	109	49	89	366	603	
Europe	(2,366)	(401)	274	(2,538)	685	
Americas	418	390	343	1,655	1,695	
<b>Total</b>	<b>(1,124)</b>	<b>1,157</b>	<b>1,517</b>	<b>3,358</b>	<b>6,774</b>	
Add(less) : Finance Costs	(113)	(75)	(93)	(361)	(369)	
<b>Profit before Tax</b>	<b>(1,237)</b>	<b>1,082</b>	<b>1,424</b>	<b>2,997</b>	<b>6,405</b>	
<b>Segment Assets</b>						
India	58,495	57,399	58,979	58,495	58,979	
Outside India						
Asia excluding India	2,880	2,423	2,581	2,880	2,561	
Europe	17,908	18,286	10,031	17,908	10,031	
Americas	13,271	12,805	11,893	13,271	11,893	
Unallocated	10,364	12,090	9,958	10,364	9,958	
<b>Total Segment Assets</b>	<b>1,02,918</b>	<b>1,03,013</b>	<b>1,02,420</b>	<b>1,02,918</b>	<b>1,02,420</b>	
<b>Segment Liabilities</b>						
India	12,207	11,242	7,956	12,207	7,956	
Outside India						
Asia excluding India	1,360	493	552	1,360	552	
Europe	5,742	5,841	4,884	5,742	4,884	
Americas	2,714	2,732	2,210	2,714	2,210	
Unallocated	-	-	7,354	-	7,354	
<b>Total Segment Liabilities</b>	<b>22,023</b>	<b>20,108</b>	<b>22,956</b>	<b>22,023</b>	<b>22,956</b>	



*Rajan*

**NOTES :**

1. Above financial results have been reviewed by the Audit Committee at its meeting held on July 18, 2020 and approved by the Board of Directors (Board) at their meeting held on that date. The statutory auditor have audited the same.
2. The above audited financial results of the Group (IFGL Refractories Limited and fourteen subsidiaries) have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Group adopted Ind AS from April 01, 2017 and accordingly, these financial results have been prepared in accordance with the recognition and measurement principles of Ind AS - 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
3. The Group predominantly operates in a single segment and is engaged in the business of manufacture, trading and sale of refractories and is managed organisationally as a single unit. The Group has adopted geographical location of its operations (where its products are produced or service rendering activities are based) as its operating segment in terms of Ind AS 108 'Operating Segments'.
4. A scheme of amalgamation of erstwhile IFGL Refractories Ltd. with the Holding Company with effect from April 01, 2016 was approved by the Hon'ble National Company Law Tribunal, Kolkata vide order dated August 03, 2017. Goodwill of Rs. 28,689 lakhs arose on such merger which was accounted for under "Purchase Method" as defined under erstwhile Accounting Standard 14 - Accounting for Amalgamation. Useful life of such Goodwill was estimated to be 10 years and it is being amortised accordingly.
5. The Holding Company's Writ Petition No. 544 of 2019 challenging vires of the Explanation to Section 10AA(1) of the Income Tax Act, 1981 inserted on and from assessment year beginning April 1, 2018, on grounds that such explanation denies the benefit that was intended to be provided under the said section, was admitted by the Hon'ble High Court at Calcutta on November 7, 2019. Supported by a legal opinion obtained in this regard, management believes that the Holding Company has a good case on merit in this matter and the resultant deferred tax assets of Rs. 1,164 are considered as recoverable in future.
6. The Ministry of Corporate Affairs has notified Indian Accounting standard 116 ("Ind AS 116"), Leases with effect from April 01, 2019. The Group has adopted the standard with effect from the date of initial application i.e. April 1, 2019 using the modified retrospective method under the transitional provisions of the standard. As a result, the Group has recognized right of use asset and corresponding lease liability of Rs 2,199 lakhs and Rs 1,287 lakhs respectively as on March 31, 2020. Further, expense towards lease is now recorded as depreciation on right of use assets and finance costs on lease liability, instead of rent. On account of adoption of Ind AS 116, profit before tax for the year ended March 31, 2020 is lower by Rs 66 lakhs.
7. During the year, the Group has recognised impairment loss amounting to Rs 2,061 lakhs, which is disclosed as an exceptional item in these consolidated financial results. This impairment loss represents the write-down of carrying value of goodwill to the recoverable amount pertaining to German operations (IFGL GmbH and its step-down subsidiaries). The recoverable amount is based on value in use calculations using present value of future cash flows estimated by the management and is determined at the level of CGU which consists of the assets of IFGL GmbH and its step-down subsidiaries.
8. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activities. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown and uncertainties pertaining to future operations of their businesses.

The COVID-19 pandemic and its disruption of industrial production have adversely impacted metals production in certain markets including the United Kingdom (UK). This was preceded by slowdown in demand of metal products from end users that had also impacted tariffs in UK. The Group's component in that geography has, however, been able to manage the challenges faced by it due to the pandemic with retention of most of its production staff and has been able to fulfil its sales orders, procure raw materials and keep its operations running during the period of lockdown in April and May 2020. Though there has been some reduction in orders and delays in shipments due to customers reducing their production, the sales and despatches during the aforesaid months has been in line with those achieved in the last quarter of 2019-20.

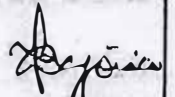
The auditors of the component in the UK have included in their audit report on the financial statements of the component, a paragraph highlighting material uncertainty relating to going concern emanating from the Covid 19 pandemic. The Board of Directors of the Group's UK component (the UK Board) has assessed the forecasts for the period till June 2021, the current order book and trade receivable position as well as the uncertainties caused by the pandemic. Based on such assessment, the UK Board believes that even with a potential 20% drop in sales the component will be able to continue to trade profitably. Given the forecasted performance and a strong cash position, the Board believes that the component does not have any going concern issue.

The Group resumed its business activities after a brief disruption in certain components. Managements of all components have assessed their operations till date, liquidity position and developed business plans which have been tested for sensitivity. Based on such assessment, the Group management is confident of dealing with the capex and working capital requirements for the next twelve months and does not anticipate any challenge to the components of the Group to continue as a going concern or meeting its financial obligation.

9. The figures of the last quarter March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the financial year ended March 31, 2020 and March 31, 2019 and the unaudited published year to date figures up to December 31, 2019 and December 31, 2018, being the date of the end of the third quarter of that financial year which were subjected to Limited Review.
10. The figures of previous periods for the quarter and for the year ended on March 31, 2019, were reviewed / audited by a firm of Chartered Accountants other than S. R. Ballibol & Co. LLP.



On behalf of the Board  
of IFGL Refractories Limited

  
Bajorla  
(DIN : 00084031)  
Managing Director

Kolkata  
July 18, 2020

COMMITTED TO CLEAN METAL

**IFGL REFRACTORIES LIMITED**

Registered Office : Sector B, Kalunga Industrial Estate, P.O. Kalunga 770031, Dist: Sundergarh, Odisha.

Head & Corporate Office : McLeod House, 3, Netaji Subhas Road, Kolkata 700001

CIN: L51909OR2007PLC027954; E-mail : ifgl.ho@ifgl.in; Website : www.ifglref.com

(₹ In lakhs except as otherwise stated)

**EXTRACT OF STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020**

Particulars	Quarter ended			Year ended	
	31-Mar-20 (Audited)	31-Dec-19 (Unaudited)	31-Mar-19 (Audited)	31-Mar-20 (Audited)	31-Mar-19 (Audited)
Total Income	22,528	21,939	25,283	92,831	95,544
Net Profit before Tax from Ordinary Activities	824	1,082	1,424	5,058	6,405
Net Profit / (Loss) before Tax after exceptional item	(1,237)	1,082	1,424	2,997	6,405
Net Profit / (Loss) after Tax and exceptional item	(1,393)	727	1,305	1,945	5,046
Total Comprehensive Income [Comprising profit for the period after tax and other comprehensive income after tax]	(916)	2,584	1,351	3,610	5,134
Paid up Equity Share Capital (Face Value ₹ 10/- per Share)	3,604	3,604	3,604	3,604	3,604
Other Equity	-	-	-	77,291	75,860
Earnings Per Share (of ₹ 10 /- each) Basic and Diluted #	(3.87)	2.02	3.62	5.40	14.00

# Figures for the quarter are not annualised.

**Note :-**

1. Above audited financial results for the Quarter and Year ended 31st March, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on Saturday, July 18, 2020.

2. Key Stand-alone financial information are as follows :

(₹ in Lakhs)

Particulars	Quarter ended			Year ended	
	31-Mar-20 (Audited)	31-Dec-19 (Unaudited)	31-Mar-19 (Audited)	31-Mar-20 (Audited)	31-Mar-19 (Audited)
Total Income	11,775	12,320	13,316	50,669	49,195
Net Profit before Tax from Ordinary Activities	682	1,024	729	3,577	3,255
Net Profit after Tax from Ordinary Activities	626	728	754	2,973	2,596
Total Comprehensive Income [Comprising profit for the period after tax and other comprehensive income after tax]	643	727	692	2,970	2,558

3. The figures of the last quarter 31st March, 2020 are the balancing figures between the audited figures in respect of the financial year ended 31st March 2020 and the unaudited published year to date figures up to the third quarter of that financial year which were subject to Limited Review.

4. This is an extract of the detailed format of audited Consolidated and Stand-alone Financial Results for the quarter and year ended 31st March, 2020 filed with the Stock Exchanges under Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. Detailed format of the audited Consolidated and Stand-alone Financial Results are available on the Websites of BSE (www.bseindia.com), NSE(www.nseindia.com) and Company's Website (www.ifglref.com).



On behalf of the Board  
of IFGL Refractories Limited

*P Bajoria*

P Bajoria  
(DIN : 00084031)  
Managing Director

Kolkata  
18th July 2020

**COMMITTED TO CLEAN METAL**