



# 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

29<sup>th</sup> August, 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: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

- Please find attached soft copy of Company's Annual Report for the Financial Year 2019-2020 along with Notice relating to 13<sup>th</sup> Annual General Meeting of the Shareholders (AGM Notice) to be held on Saturday, 26<sup>th</sup> September, 2020 at 11 AM through Video Conferencing/Other Audio Visual Means. The Annual Report along with Notice of AGM are in the process of being sent today, i.e. Saturday, 29<sup>th</sup> August, 2020 by email to all members whose Email ID's are registered with the Company/Depository Participants for communication purposes, also in compliance of relevant Circulars of Ministry of Corporate Affairs.

Thanking you,

Yours faithfully,  
For IFGL Refractories Ltd.

(R. Agarwal)  
Company Secretary

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





Corporate Identification Number (CIN) : L51909OR2007PLC027954

**Registered Office :** Sector 'B', Kalunga Industrial Estate  
P.O. Kalunga 770 031, Dist. Sundergarh, Odisha  
Tel : +91 661 2660195 Fax : +91 661 2660173  
E-mail : ifgl.works@ifgl.in, investorcomplaints@ifgl.in

**Head & Corporate Office :** McLeod House  
3, Netaji Subhas Road, Kolkata 700 001  
Tel : +91 33 40106100 Fax : +91 33 22430886  
E-mail : ifgl.ho@ifgl.in

Website : [www.ifglref.com](http://www.ifglref.com)

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 13th Annual General Meeting (AGM) of the Members of IFGL Refractories Limited will be held on Saturday, 26th September 2020 at 11 AM through Video Conferencing (VC)/Other Audio Visual Means (OAVM) for which purpose Registered Office situated at Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh, Odisha shall be deemed as venue for the meeting and proceedings of the AGM shall be deemed to be made thereat, to transact following :

### Ordinary Business

1. To receive, consider and adopt both Standalone and Consolidated Audited Financial Statements of the Company for year ended on 31st March 2020, Reports of the Board of Directors and Auditors thereon.
2. To confirm payment of Interim Dividend of 25% i.e. ₹ 2.50 per Equity Share already paid during Financial Year 2019-2020 as Final Dividend for Financial Year 2019-2020.
3. To consider and if thought fit and desirable, to pass with or without modification(s), resolution under Section 152 and other applicable provision of the Companies Act, 2013 for re-appointment of Mr Shishir Kumar Bajoria (DIN : 00084004), to the extent he is required to retire by rotation at ensuing Annual General Meeting and who being eligible, has offered himself for re-appointment for further period liable to retire by rotation and such re-appointment has been recommended by the Nomination and Remuneration Committee and Board of Directors of the Company.

### Special Business

4. To consider and if thought fit, to pass with or without modification(s), following resolution as an Ordinary Resolution.  
"Resolved that pursuant to provisions of Sections 149 and 152 and any other applicable provisions of the Companies Act 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr Tetsuo Tsuzuki (DIN: 08557222), Director of the Company who cease to hold his office of Additional Director at this Annual General Meeting and whose appointment has been recommended by the Nomination and Remuneration Committee and Board of Directors of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."
5. To consider and if thought fit, to pass with or without modification(s), following resolution as an Ordinary Resolution.  
"Resolved that pursuant to provisions of Section 148 of the Companies Act, 2013 (the Act) read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions and subject to necessary approvals, if any, remuneration, not exceeding ₹ 300,000/- only, excluding reimbursement of expenses, out of pocket or otherwise, approved by the Board of Directors at the recommendation of the Audit Committee, of the Cost Auditor, M/s Mani & Co., Practicing Cost Accountants of 111, Southern Avenue, Kolkata 700 029 for Financial Year 2020-2021, be and is hereby ratified, with further authority to the Board of Directors to alter and/or vary the same in manner, as they may deem fit, proper and desirable, in best interest of the Company, at the recommendation of the Audit Committee and also that the Board is authorised to do all acts and take all such steps, as may be necessary, in this connection."
6. To consider and if thought fit, to pass with or without modification(s), following resolution as a Special Resolution.  
"Resolved that following provisions of Sections 196, 197, 203 and other applicable provisions, including Schedule V of the Companies Act, 2013 (the Act) and the Rules made thereunder including any statutory modification(s) and re-enactment thereof for the time being in force, re-appointment of Mr Shishir Kumar Bajoria (DIN : 00084004) as Executive Chairman (Whole-time Director) of the Company, within the meaning of Section 203 of the Act, liable to retire by rotation, for the period of 3 (three) years i.e. from 1st April 2020 to 31st March 2023 made by the Board of Directors in their meeting held on Saturday, 8th February 2020 on the recommendation of Nomination and Remuneration Committee, more fully stated in the Agreement executed on 16th March 2020 between the Company and Mr Bajoria, brief particulars whereof are given in the Explanatory Statement appearing hereinafter, be and is hereby approved, with power to the Board of Directors to vary, alter and modify terms of appointment and remuneration of Mr Bajoria by mutual agreement except that remuneration approved will ordinarily not exceed limits specified in said Schedule V of the Act, but in the event of loss or inadequate profit in any financial year during term of office of Mr Bajoria, aggregate of his entitlement of remuneration including perquisites for said financial year will be the 'minimum remuneration'

notwithstanding that said aggregate remuneration exceed individual limit of 5% and overall limit of 10% of eligible Net Profit specified at Section 197 read with Section I of Part II of said Schedule V of the Act.

Resolved further that the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To consider and if thought fit, to pass with or without modification(s), following resolution as a Special Resolution.

“Resolved that following provisions of Sections 196, 197, 203 and other applicable provisions, including Schedule V of the Companies Act, 2013 (the Act) and the Rules made thereunder including any statutory modification(s) and re-enactment thereof for the time being in force, re-appointment of Mr Pradeep Bajoria (DIN : 00084031) as Managing Director of the Company, within the meaning of Section 203 of the Act, liable to retire by rotation, for the period of 3 (three) years i.e. from 1st April 2020 to 31st March 2023 made by the Board of Directors in their meeting held on Saturday, 8th February 2020 on the recommendation of Nomination and Remuneration Committee, more fully stated in the Agreement executed on 16th March 2020 between the Company and Mr Bajoria, brief particulars whereof are given in the Explanatory Statement appearing hereinafter, be and is hereby approved, with power to the Board of Directors to vary, alter and modify terms of appointment and remuneration of Mr Bajoria by mutual agreement except that remuneration approved will ordinarily not exceed limits specified in said Schedule V of the Act, but in the event of loss or inadequate profit in any financial year during term of office of Mr Bajoria, aggregate of his entitlement of remuneration including perquisites for said financial year will be the ‘minimum remuneration’ notwithstanding that said aggregate remuneration exceed individual limit of 5% and overall limit of 10% of eligible Net Profit specified at Section 197 read with Section I of Part II of said Schedule V of the Act.

Resolved further that the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To consider and if thought fit, to pass with or without modification(s), following resolution as a Special Resolution.

“Resolved that following provisions of Sections 196, 197, 203 and other applicable provisions, including Schedule V of the Companies Act, 2013 (the Act) and the Rules made thereunder, including any statutory modification(s) and re-enactment thereof for the time being in force, re-appointment of Mr Kamal Sarda (DIN : 03151258) as Director and Chief Financial Officer of the Company, within the meaning of Section 203 of the Act, liable to retire by rotation, for the period of three years beginning 1st October 2020 to 30th September 2023 made by the Board of Directors in their meeting held on Saturday, 18th July 2020 on the recommendation of Nomination and Remuneration Committee, brief particulars whereof are given in the Explanatory Statement appearing hereinafter, be and is hereby approved, with power to the Board of Directors to vary, alter and modify terms of appointment and remuneration of Mr Sarda by mutual agreement except that remuneration approved will ordinarily not exceed limits specified in said Schedule V of the Act, but in the event of loss or inadequate profit in any financial year during term of office of Mr Sarda, aggregate of his entitlement of remuneration including perquisites for said financial year will be the ‘minimum remuneration’ notwithstanding that said aggregate remuneration exceed individual limit of 5% and overall limit of 10% of eligible Net Profit specified at Section 197 read with Section I of Part II of said Schedule V of the Act.

Resolved further that the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“Resolved that authority is hereby delegated to the Board of Directors of the Company to enter into transactions, including those repetitive in nature and in ordinary course of business at arms length, with related parties following provisions of Section 188 of the Companies Act, 2013 (the Act) read with Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, also those in Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in connection therewith, the Board may take such steps as may be necessary for and on behalf of the Company.”

Kolkata  
18th July 2020

By Order of the Board  
For IFGL Refractories Limited  
**R Agarwal**  
Company Secretary

## NOTES:

1. In view of COVID-19 pandemic and following Circular No. 14/2020 dated 8th April 2020, Circular No. 17/2020 dated 13th April 2020 and Circular No. 20/2020 dated 5th May 2020 issued by the Ministry of Corporate Affairs, physical attendance of the Members at the AGM venue is not required. Moresoever, AGM will be held through Video Conferencing (VC)/Other Audio Visual Means (OAVM) whereat Members can attend and participate through VC/OAVM.
2. Pursuant to Circular No. 14/2020 dated 8th April 2020 issued by the Ministry of Corporate Affairs, facility to appoint proxy to attend and cast vote for the members will not be available for the ensuing AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join AGM in VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Facility of participation at the AGM through VC/OAVM will be made available to 1000 members on first come first served basis. However, this number does not include the Large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc, who are allowed to attend the AGM without restriction on account of first come first served basis.
4. Attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the Quorum under Section 103 of the Companies Act, 2013 (the Act).
5. Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI LODR, 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated 8th April 2020, 13th April 2020 and 5th May 2020, the Company is providing facility of remote e-voting to its Members in respect of business to be transacted at the AGM. For this purpose, the Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by NSDL. Instructions and other information relating to remote e-voting are given at Note No. 29.
6. Notice calling AGM has been uploaded on website [www.ifglref.com](http://www.ifglref.com) of the Company in Investor Relations Section. Complete Annual Report is also available on Company's website. Notice can also be accessed from websites of the Stock Exchanges i.e. BSE Ltd and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. AGM Notice is also available on website of NSDL (agency for providing the remote e-voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. Electronic copy of complete Annual Report and Notice of AGM are also being sent to all the members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes.
8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April 2020 and MCA Circular No. 17/2020 dated 13th April 2020 and MCA Circular No. 20/2020 dated 5th May 2020.
9. Recorded transcript of the AGM on 26th September 2020 shall also be made available on Company's website in Investor Relations Section soon after conclusion of said meeting.
10. All documents referred to in the accompanying Notice & the Explanatory Statement and Annual Accounts of Subsidiary Companies shall be made available for inspection through electronic mode on receipt of request by the Company at [investorcomplaints@ifgl.in](mailto:investorcomplaints@ifgl.in).
11. The scanned copies of Register of Directors and Key Managerial Personnel and their Shareholding, Register of Contracts and Arrangements in which directors are interested and the relevant documents referred to in this Notice will be available electronically for inspection by the members during the AGM.
12. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act), relating to Business at Serial Nos. 4 to 9 to be transacted at the AGM form part of Notice.
13. Members holding shares in Electronic Form are hereby informed that Bank particulars registered against their respective Demat Accounts are used by the Company for payment of Dividend. Hence members are requested to intimate any change in their Bank mandates to their Depository Participants with whom they are maintaining their Demat Account. Members holding shares in Physical Form and desirous of either registering Bank particulars or changing Bank particulars already registered against their respective Folios for payment of Dividend are requested to write to the Company or its Registrar and Share Transfer Agent.
14. **Section 88 of the Act read with Rules framed thereunder provide for maintenance of Members Register having details like e-mail ID, Income Tax Permanent Account Number (PAN), Unique Identification Number, Corporate Identity Number, Father's/Mother's/Spouse's Name, Status, Occupation and Nationality etc.** Form for furnishing these information may be downloaded from Company's website [www.ifglref.com](http://www.ifglref.com) and sent to the Company or its Registrar and Share Transfer Agent. Registration of e-mail ID will also facilitate receipt of all communication including Annual Report, Notices and Circulars etc electronically from the Company.

Even after registration for e-communication, members will continue to be entitled to receive such documents in physical form, upon making a request for the same, by post free of cost.

15. Brief Resume of Directors proposed to be appointed/re-appointed having details such as nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of the Board Committees, shareholding and relationships between Directors inter-se required by Regulation 36(3) of the SEBI LODR, 2015 is annexed hereto. The Directors have furnished requisite declarations for their appointment/re-appointment.
16. Saturday, 19th September 2020 has been fixed as 'Cut off Date' for determining Members entitled to facility of voting by remote e-voting and for e-voting at said AGM following Regulation 44 of the SEBI LODR, 2015.
17. The Register of Members and Share Transfer Register of the Company will remain closed from Monday, 21st September 2020 to Saturday, 26th September 2020, both days inclusive, in connection with ensuing AGM.
18. Regulation 12 and Schedule I of SEBI LODR, 2015 require all Companies to use the facility of Electronic Clearing Services for payment of Dividend. In compliance with these Regulations and SEBI circulars, the Company will whenever necessary effect payment of Dividend by electronic mode only directly into the Bank Accounts of Members and no Dividend Warrants will be issued without Bank particulars. Members are thus requested to submit their Bank details along with original cancelled cheque to Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited to enable them to update records, in case shares are held in Physical Form and to Depository Participant in respect of shares held in Dematerialised Form.
19. On 14th October 2019, the Company transferred unclaimed/unpaid dividend declared for payment by erstwhile IFGL Refractories Limited (Transferor Company - merged with the Company on and from 1st April 2016), for FY 2011-2012 to Investor Education and Protection Fund (IEPF) following provisions of Section 124(5) of the Act read with Rule 5 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 (IEPF Rules). Details of such unclaimed/unpaid dividend transferred have been hosted on Company's website [www.ifglref.com](http://www.ifglref.com) and claims in respect thereof may be lodged online on [www.iepf.gov.in](http://www.iepf.gov.in) following requisite procedures.

Unclaimed/unpaid dividend declared by the Transferor Company for FY 2012-2013 will fall due for transfer to IEPF in October 2020, details whereof are appearing in Corporate Governance Report forming part of Directors Report. Particulars of persons entitled to said unclaimed/unpaid dividend is appearing on Company's website [www.ifglref.com](http://www.ifglref.com) and claims in respect thereof be either sent to the Company or its Registrar and Share Transfer Agent. Particulars of dividends declared by the Company and estimated dates, unclaimed/unpaid amount whereof are likely to be transferred to IEPF are also given in Corporate Governance Report forming part of Directors Report.

20. Equity Shares of the Company are available for dematerialisation both with NSDL and CDSL. ISIN is INE133Y01011.
21. Members holding shares in Physical Form are requested to notify/send following to the Registrar and Share Transfer Agent of the Company to facilitate better service :
  - i) Any change in their address/mandate/bank details.
  - ii) Share Certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.

Members holding shares in Demat Form are requested to give all instructions directly to their Depository Participants.

22. Members holding shares in physical form are once again being informed that as per Regulation 40 of SEBI LODR, 2015, shares are transferable only if held in dematerialised form with effect from 1st April 2019. Hence, Company will not give effect to transfer of shares lodged in physical form except in cases involving transmission or transposition and where transfer documents were lodged prior to 1st April 2019 and could not be given effect to due to deficiencies therein.
23. Members are requested to quote Folio No. or Client ID and DP ID Nos. in all communications with the Company.
24. Equity Shares of the Company are listed both on the BSE Limited (Code : 540774) and National Stock Exchange of India Limited (Code : IFGLEXPOR) and regularly traded thereon.
25. Pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble National Company Law Tribunal, Kolkata Bench by passing an Order on 3rd August 2017, the Company issued and allotted on 18th September 2017, one Equity Share of ₹ 10/- fully paid up for one Equity Share of ₹ 10/- fully paid up held in Transferor Company on the record date, 15th September 2017. Equity Shares issued were either credited to Demat Accounts of members entitled thereto or they were issued certificate for their entitlement of Equity Shares. Queries if any relating to aforesaid of the members may either be sent to the Company [investorcomplaints@ifgl.in](mailto:investorcomplaints@ifgl.in) or its Registrar and Share Transfer Agent [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
26. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website [www.ifglref.com](http://www.ifglref.com) under the 'Investor Relations' Section.
27. Following provisions of Section 124(6) of the Act read with Rule 6 of IEPF Rules, the Company on 23rd October 2019 transferred

38,994 Equity Shares of ₹ 10/- each fully paid up of the Company of 264 holders thereof who did not claim dividend for seven consecutive years including FY 2011-2012, to Demat Account of IEPF Authority. Relevant particulars of Equity Shares transferred have been hosted on Company's website [www.ifglref.com](http://www.ifglref.com). Procedure for re-claiming said Equity Shares from the IEPF Authority has also been hosted on Company's website. Equity Shares with respect to which Dividend remain unpaid or unclaimed for seven consecutive Financial Years including (FY) 2012-2013, will fall due for transfer to Demat Account of IEPF in October 2020.

28. Since the AGM will be held through VC/OAVM facility, the route map is not annexed herewith.

29. **Voting through electronic means :**

In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI LODR, 2015 and circulars issued by the Ministry of Corporate Affairs on 8th April 2020, 13th April 2020 and 5th May 2020, the Company is pleased to provide to the Members the facility to exercise their right to vote at the 13th AGM by electronic means and the business mentioned in Notice relating thereto may be transacted through the e-voting services provided by NSDL.

Your DP ID/Client ID/Folio No. has been enrolled by the Company for your participation in remote e-voting on resolutions placed by the Company on e-voting system.

**The instructions for E-voting are as follows :**

Step 1 : Login to NSDL's e-voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-voting system.

**Details on Step 1 is mentioned below :**

How to Login to the NSDL e-voting website?

1. Visit the e-voting website of NSDL by opening your web browser and typing the following URL either on a desktop computer/laptop or on a mobile : <https://www.evoting.nsdl.com/>
2. Once the homepage of the e-voting system is launched, click on the icon, 'Login', which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, If you are registered for NSDL e-services i.e. IDeAS, you can login at <https://eservices.nsdl.com/> with your existing IDeAS Login details. Once you Login to NSDL e-services using your Login credentials, click on 'e-voting' and proceed to Step 2, i.e. cast your vote electronically.

4. Your User ID details are given below :

Manner of holding Shares, i.e. Demat (NSDL or CDSL) or Physical	Your User ID is :
a) For members who hold Shares in Demat Account with NSDL	8 character DP ID followed by 8 digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****
b) For members who hold Shares in Demat Account with CDSL	16 digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your User ID is 12*****
c) For members holding Shares in Physical Form.	EVEN, followed by Folio Number registered with the Company For example, if your EVEN is 101456 and Folio Number is 001*** then your User ID is 101456001***

5. Your password details are given below :

- a. If you are already registered for e-voting, then you can use your existing password to Login and cast your vote.
- b. If you are using the NSDL e-voting system for the first time, you will need to use the 'initial password' which was communicated to you. You need to enter the 'initial password' and change your password, as prompted by the system.
- c. How to retrieve your 'initial password'.
  - i) If your e-mail ID is registered in your Demat Account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you by NSDL from your mailbox. Open the e-mail and open the attachment (it will be a pdf file). Open the file. The password to open the file is your 8 digit client ID for your NSDL account or the last 8 digits of your CDSL client ID or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
  - ii) If your e-mail ID is not registered, please follow steps mentioned below.

6. If you have not received the 'initial password' or are unable to retrieve it or have forgotten your password :

- a. Holding shares in Demat Accounts with NSDL or CDSL : Click on the 'Forgot User Details/Password?' option available on <https://www.evoting.nsdl.com/>

- b. Holding shares in Physical Mode : 'Physical User Reset Password?' option is also available on <https://www.evoting.nsdl.com/>
  - c. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
  - d. If you are still unable to get your password following the aforesaid options, you can send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, agree to the terms and conditions by checking the box.
  8. Next, click on the 'Login' button.
  9. After you click on the 'Login' button, the homepage of e-voting will open.

**Details on Step 2 is mentioned below :**

How to cast your vote electronically on the NSDL e-voting system?

1. After successfully Login in following Step 1, you will be able to see the e-voting homepage. Click on 'e-voting'. Then, click on 'Active Voting Cycles'.
2. Upon clicking on 'Active Voting Cycles', you will be able to see the 'EVEN' of all the companies in which you hold shares and whose voting cycles are in 'active' status.
3. Select the 'EVEN' of the Company for which you wish to cast your vote.
4. Now you are on the voting page and ready for e-voting.
5. Cast your vote by selecting appropriate options, i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit'. Also click on 'Confirm' when prompted.
6. Upon confirmation, the message, 'Vote cast successfully' will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Please remember that you are not allowed to modify your vote once you confirm your vote on a resolution.

**General instructions/information for Members for voting on the Resolutions :**

- a) Voting period will begin on Wednesday, 23rd September 2020 (9.00 AM) and end on Friday, 25th September 2020 (5.00 PM). During this period Members of the Company, holding shares either in physical form or in dematerialised form, as on Saturday, 19th September 2020 ("Cut-off Date") may cast their vote(s) electronically. Remote e-voting module shall be disabled by NSDL for voting thereafter.
- b) Voting rights of Members (for voting through remote e-voting) shall be in proportion to their share of the paid up equity share capital of the Company as on Saturday, 19th September 2020 ("Cut-off Date"). A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- c) Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the AGM Notice and holds shares as on the Cut-off Date, i.e. Saturday, 19th September 2020 may obtain the Login ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if the Member is already registered with NSDL for remote e-voting then Member can use his/her existing User ID and Password for casting your vote. If Member has forgotten his/ her password, he/she may reset password by using "Forgot User Details/Password" option available on <https://www.evoting.nsdl.com/>.
- d) Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority Letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to [smguptaandco@yahoo.com](mailto:smguptaandco@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- e) In case of any queries, Member(s) may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available in the download section of <https://www.evoting.nsdl.com/> or call on the toll free no. : 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Pallavi Mhatre, Manager, NSDL, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.
- f) It is strongly recommended that Member(s) do not share their password with any other person and take utmost care to keep password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, Members will need to go through the 'Forgot User Details/Password?' or the 'Physical User Reset Password?' option available on <https://www.evoting.nsdl.com/> to reset the password.
- g) Mr S M Gupta, Partner of M/s S M Gupta & Co., Company Secretaries, (Membership No. FCS 896, CP No. 2053) has been appointed by the Board of Directors of the Company as Scrutinizer for scrutinizing the e-voting process in a fair and transparent manner.
- h) Chairman shall, at the AGM, at the end of discussion on the resolutions, allow the voting with the assistance of scrutinizer for all those members who are present at the AGM and have not cast their votes by then availing remote e-voting facility.
- i) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting, in the presence of at least two (2) witnesses not in the employment of the Company.

- j) The Scrutinizer will collate the votes cast at the AGM and votes downloaded from the e-voting system and make, not later than two days from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- k) The Chairman or the person authorised by him in writing forthwith on receipt of consolidated Scrutinizer's Report, declare results of the voting. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website [www.ifglref.com](http://www.ifglref.com) and on the website of NSDL <https://www.evoting.nsdl.com/> immediately after their declaration and communicated to the Stock Exchanges where the Company is listed viz. BSE Limited and National Stock Exchange of India Limited.
- l) Subject to receipt of requisite number of votes, the Resolution(s) set out in the Notice shall be deemed to be passed on the date of the AGM.

**Process for those Members whose email IDs are not registered with the Company/Depositories for procuring User ID and password and registration of Email IDs for e-voting for the resolutions set out in this Notice :**

- 1. In case shares are held in physical mode please provide Folio No., Member's name, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investorcomplaints@ifgl.in](mailto:investorcomplaints@ifgl.in).
- 2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit Beneficiary ID), Name, Client Master or copy of Consolidated Account Statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investorcomplaints@ifgl.in](mailto:investorcomplaints@ifgl.in).
- 3. Alternatively, members may send e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password for providing the details mentioned in point (1) or (2) as the case may be.

**INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER :**

- 1. Procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 2. Only those Members who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- 3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- 4. Details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER :**

- 1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com/> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-voting system of NSDL.
- 2. Members are encouraged to join the Meeting through Laptops for better experience.
- 3. Further Members will be required to allow Camera and use internet with a good speed to avoid any disturbance during the meeting.
- 4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/Folio Number, PAN, Mobile Number at least 48 hours before the start of the AGM at [investorcomplaints@ifgl.in](mailto:investorcomplaints@ifgl.in). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013 IN RESPECT OF BUSINESS AT SERIAL NOS 4 TO 9 OF THE NOTICE**

**Serial No. 4**

Mr Tetsuo Tsuzuki (DIN: 08557222) was appointed as an Additional Director of the Company on 9th September 2019 following provisions of Section 161 of the Companies Act, 2013 (the Act) and he hold said office upto conclusion of ensuing 13th AGM of the Company.

Mr Tsuzuki having more than two decades of experience in areas of Sales, Dispatch, Technical Service, Production, Planning etc. is Head of Flow Control Department of Krosaki Harima Corporation, Japan (KHC), being Foreign Promoter of the Company holding 15.51% of total issued, subscribed and paid up Equity Share Capital of the Company. Transactions are also entered into in ordinary course of business at arms length by the Company with said KHC.

Brief resume of Mr Tsuzuki, natures of his expertise, names of Companies in which he hold directorship and membership/chairmanship of Board Committees, shareholding and relationship between Directors inter se as stipulated under Regulation 36 of the SEBI LODR, 2015 are provided in the statement appearing hereinafter.

Proposed resolution is for appointment of Mr Tsuzuki as a Director of the Company liable to retire by rotation following provisions of Sections 149 and 152 and any other applicable provisions of the Act and Rules framed thereunder, immediately after conclusion of ensuing AGM. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director of the Company.

Nomination and Remuneration Committee and Board of Directors of the Company have also recommended appointment of Mr Tsuzuki as a Director of the Company for further period. Mr Tsuzuki is interested in proposed resolution. Save and except him and Mr Kiyotaka Oshikawa, who is also a Senior Executive of KHC, none of other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise in proposed resolution. Your Directors commend passing of said proposed ordinary resolution as is in interest of your Company.

**Serial No. 5**

Your Company is required to maintain cost records and have the same audited by a Cost Auditor following provisions of Section 148 of the Act read with Companies (Cost Records and Audit) Rules 2014. Your Directors accordingly at the recommendation of the Audit Committee has re-appointed M/s Mani & Co., Cost Accountants, at a remuneration not exceeding ₹ 300,000/- only, for FY 2020-2021. Rule 14 of the Companies (Audit and Auditors) Rules, 2014 inter-alia provide for ratification of remuneration of the Cost Auditor by the Members and hence, the proposed resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in proposed resolution. Your Directors commend passing of proposed Ordinary Resolution set out at Serial No. 5 of the Notice.

**Serial Nos. 6 and 7**

Following passing of Special Resolutions at 10th AGM of the Members held on Saturday, 23rd December 2017, tenure of Mr Shishir Kumar Bajoria (DIN : 00084004) and Mr Pradeep Bajoria (DIN : 00084031) as Executive Chairman and Managing Director of the Company respectively has ended on 31st March 2020. The Board of Directors of the Company in their meeting held on Saturday, 8th February 2020 based on the recommendation of Nomination and Remuneration Committee (Committee) in their meeting also held on that date and following provisions of Sections 196, 197 and 203 and other applicable provisions including Schedule V of the Companies Act, 2013 (the Act) and the Rules framed thereunder have re-appointed them as Chairman and Managing Director respectively of the Company for another period of three years beginning on 1st April 2020 and ending on 31st March 2023. In this connection, Agreements have been executed on 16th March 2020, brief particulars whereof are given herein below and copies thereof will be made available for inspection electronically to the members during working hours on working days (excluding Saturday) provided prior request therefor is sent at [investorcomplaints@ifgl.in](mailto:investorcomplaints@ifgl.in).

<b>Particulars</b>	<b>Mr Shishir Kumar Bajoria</b>	<b>Mr Pradeep Bajoria</b>
Basic Salary (per month)	₹ 13 lacs plus yearly increment not exceeding 25%	₹ 22 lacs plus yearly increment not exceeding 25%
House Rent Allowance (per month)	Not entitled	20% of Basic Salary
Company leased rent free furnished accommodation	At actual	Nil
Reimbursement of Electricity, Gas, Water and Furnishings	At actual	
Reimbursement of Medical Expenses for self and family	At actual	
Leave Travel Concession for self and family once in a year	At actual	
Fees of clubs (excluding Admission and Life Membership Fees)	At actual	

Particulars	Mr Shishir Kumar Bajoria	Mr Pradeep Bajoria
Personal Accident/Medical Insurances	As per Company's Scheme	
Provident Fund, Superannuation and Gratuity Benefits	Not entitled	
Contribution of ₹ 60,000 per month u/s 80CCD(2) of the Income Tax Act, 1961	Entitled	
Commission	1% per annum of eligible Net Profit	

In addition to salary, perquisites and allowances mentioned hereinbefore, Mr Shishir Kumar Bajoria and Mr Pradeep Bajoria shall be entitled to receive remuneration based on Net Profit of each of the relevant year, as may be approved by the Board, on recommendation of the Committee. Total remuneration including allowances, perquisites and additional remuneration, if any, based on Net Profits will however be within individual limit of 5% and overall limit of 10% of eligible Net Profit of each of the respective year.

One of the terms and conditions of aforesaid appointments is that in the event of loss or inadequate profit in any financial year during term of their office, aggregate each of their entitlement of remuneration including perquisites will be the 'minimum remuneration', notwithstanding that said remuneration individually and collectively exceed individual limit of 5% and overall limit of 10% of eligible Net Profit specified at Section 197 read with Section I of Part II of said Schedule V of the Act.

The Board of Directors at the recommendation of the Committee and in consultation with the appointees shall have the authority to increase, reduce, alter or vary their remuneration and perquisites including monetary value thereof at any time and from time to time in such manner as the Board of Directors may, in their absolute discretion, deem fit, proper and necessary.

In addition to remuneration including perquisites and allowances, the appointees shall be entitled to reimbursement of expenses incurred for travelling, boarding and lodging during business trips, provision of car and telephone at residence for use on the Company's business and such expenses shall not be considered as perquisites.

The Chairman and Managing Director will perform their respective duties as such with regard to all work of the Company and they will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and functions of the Managing Director will be under the overall authority of the Chairman.

The Chairman and Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors.

The Chairman and Managing Director shall adhere to the Company's Code of Conduct for Board of Directors and Senior Management Personnel.

The Office of the Chairman and Managing Director shall be terminable by the Company or the concerned Director by 3 (three) months prior notice in writing to the other.

Mr Shishir Kumar Bajoria and Mr Pradeep Bajoria satisfy all the conditions set out in Part I of Schedule V to the Act and also conditions set out under sub section (3) of Section 196 of the Act for being eligible for their appointment. They are not disqualified from being appointed as the Chairman and Managing Director in terms of Section 164 of the Act.

Aforesaid may be treated as a written memorandum setting out the terms of re-appointment of Mr Shishir Kumar Bajoria and Mr Pradeep Bajoria under Section 190 of the Act and relevant Regulation(s) of the SEBI LODR, 2015.

Brief resume of Mr Shishir Kumar Bajoria and Mr Pradeep Bajoria, nature of their expertise in specific functional areas, names of companies in which they hold directorships and Memberships/Chairmanships of Board Committees, shareholding and relationships amongst Directors inter-se as stipulated under relevant Regulation 36 of SEBI LODR, 2015, are provided in the statement appearing hereinafter.

Mr Shishir Kumar Bajoria and Mr Pradeep Bajoria are interested in the resolutions set out respectively at Serial Nos. 6 and 7 of the Notice, which pertain to their respective re-appointments and remuneration payable to each of them.

Relatives of Mr Shishir Kumar Bajoria and Mr Pradeep Bajoria may be deemed to be interested in the resolutions set out respectively at Serial Nos. 6 and 7 of the Notice, to the extent of their interest including shareholding, if any, in the Company.

Save and except above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. Your Directors commend passing of the proposed Special Resolutions set out at Serial Nos. 6 and 7 of the Notice.

#### **Serial No. 8**

Following passing of Special Resolution at 10th AGM of the Members held on Saturday, 23rd December 2017, tenure of Mr Kamal Sarda (DIN : 03151258) as Whole-time Director of the Company will come to an end on 30th September 2020. The Board of Directors of the Company in their meeting held on 18th July 2020 based on the recommendation of Nomination and Remuneration Committee

(Committee) in their meeting also held on that date and following provisions of Sections 196, 197 and 203 and other applicable provisions including Schedule V of the Act and the Rules framed thereunder have re-appointed him as Whole-time Director of the Company for another period of three years beginning on 1st October 2020 and ending on 30th September 2023, at a remuneration hitherto in force and effect with yearly increment including perquisites and other retiral benefits and on such terms and conditions broadly set out in the Agreement to be executed between Mr Sarda and the Company, draft whereof is available for inspection electronically to the members during working hours on working days (excluding Saturday) provided prior request therefor is sent at [investorcomplaints@ifgl.in](mailto:investorcomplaints@ifgl.in). Mr Sarda has also been designated as Chief Financial Officer of the Company on and from 8th February 2020 within the meaning of Section 203 of the Act.

One of the terms and conditions of aforesaid appointment is that in the event of loss or inadequate profit in any financial year during term of his office, aggregate of Mr Sarda's entitlement of remuneration including perquisites will be the 'minimum remuneration' notwithstanding that said remuneration individually and collectively exceed individual limit of 5% and overall limit of 10% of eligible Net Profit specified at Section 197 read with Section I of Part II of said Schedule V of the Act.

The Board of Directors at the recommendation of the Committee and in consultation with Mr Sarda shall have the authority to increase, reduce, alter or vary his remuneration and perquisites including monetary value thereof at any time and from time to time in such manner as the Board of Directors may, in their absolute discretion, deem fit, proper and necessary.

In addition to remuneration including perquisites and allowances, Mr Sarda shall be entitled to reimbursement of expenses incurred for travelling, boarding and lodging during business trips, provision of car for use on the Company's business and such expenses shall not be considered as perquisites.

Mr Sarda will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and functions of the Whole-time Director and Chief Financial Officer will be under the overall authority of the Chairman and Managing Director of the Company.

Mr Sarda shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors.

Mr Sarda shall adhere to the Company's Code of Conduct for Board of Directors and Senior Management Personnel.

Office of the Whole-time Director and Chief Financial Officer may be terminated by the Company or Mr Sarda by giving 3(three) months prior notice in writing to the other.

Mr Sarda satisfy all conditions set out in Part I of Schedule V of the Act and also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as the Whole-time Director and Chief Financial Officer in terms of Section 164 of the Act.

Aforesaid may be treated as a written memorandum setting out the terms of re-appointment of Mr Sarda under Section 190 of the Act and relevant Regulation(s) of SEBI LODR, 2015.

Brief resume of Mr Sarda, nature of his expertise in specific functional areas, names of companies in which he hold directorships and memberships/chairmanships of Board Committees, shareholding and relationship amongst directors inter se as stipulated under relevant Regulation 36 of SEBI LODR, 2015, are provided in the statement appearing hereinafter.

Mr Sarda is interested in the resolution set out at Serial No. 8 of the Notice, which pertain to his re-appointment and remuneration payable to him.

Relatives of Mr Sarda may be deemed to be interested in the resolution set out at Serial No. 8 of the Notice, to the extent of his interest including shareholding, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. Your Directors commend passing of the proposed Special Resolution set out at Serial No. 8 of the Notice.

#### **Serial No. 9**

Your Company enter into transactions including contracts and/or arrangements, repetitive in nature and in ordinary course of business at arms length with related parties from time to time with regard to sale, purchase or supply of goods or materials, availing or rendering of services, appointment to/holding of office or place of profit etc. Based on transactions hitherto undertaken with related parties in India, transactions likely to be undertaken for FY 2020-2021 are given in Table below, in respect whereof Audit Committee of Directors of your Company have accorded Omnibus approval following provisions of Section 177 of the Act.

	Name of Related Party/Relationship/Nature of Transactions	Aggregate Maximum Amount (₹ in lacs)	
I)	<b>Bajoria Financial Services Private Limited, Holding Company</b>		
	Rent for Office Premises	50.00	
	Reimbursement of Expenses	20.00	
	Recovery of Expenses	5.00	
II)	<b>Bajoria Enterprises Limited, Fellow Subsidiary</b>		
	Reimbursement of Expenses	30.00	
	<b>Ganges Art Gallery Private Limited, Fellow Subsidiary</b>		
	Reimbursement of Expenses	30.00	
III)	<b>Key Management Personnel Remuneration</b>		
	Shishir Kumar Bajoria (Chairman)	As may be approved by members	
	Pradeep Bajoria (Managing Director)	As may be approved by members	
	Kamal Sarda (Director & Chief Financial Officer)	As may be approved by members	
	Rajesh Agarwal (Company Secretary)	As may be approved by the Board	
	<b>Director's Commission</b>		
	Shishir Kumar Bajoria (Chairman)	As may be approved by members	
	Pradeep Bajoria (Managing Director)	As may be approved by members	
	IV)	<b>Relative of Key Management Personnel Remuneration</b>	
		Akshay Bajoria	As may be approved by the Board

Although in respect of aforesaid related party transactions, not being related parties referred to at fifth proviso of Section 188(1) of the Act, your approval is strictly not required, your Directors recommend passing of proposed Ordinary Resolution as an abundant precaution and corporate governance practices followed by your Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except to the extent disclosed hereinbefore, are concerned or interested, financially or otherwise, in proposed resolution. Your Directors commend passing of proposed Ordinary Resolution set out at Serial No. 9 of the Notice.

**Brief Resume of Directors proposed to be appointed/re-appointed at the AGM :**

Name of the Directors	TETSUO TSUZUKI	SHISHIR KUMAR BAJORIA
Serial No of the Notice	4	3 and 6
DIN	08557222	00084004
Date of Birth	21/07/1970	19/02/1957
Expertise in Specific Functional Area	<ul style="list-style-type: none"> <li>More than 27 years of experience in areas of Sales, Dispatch, Technical Service, Production Planning etc.</li> <li>Head of Flow Control Department of Krosaki Harima Corporation, Japan (KHC).</li> </ul>	<ul style="list-style-type: none"> <li>Well known Industrialist and promoter of diversified S K Bajoria Group.</li> <li>In early eighties, promoted Indo Flogates Limited with technical and financial collaboration of Flogates Limited, UK.</li> <li>Associated with erstwhile IFGL Refractories Limited merged with the Company, on and from 1st April 2016, right from its inception and has intricate knowledge and wide experience of handling business of manufacturing of Specialized Refractories.</li> <li>Chairman of the Indian Institute of Management, Shillong.</li> <li>Was Honorary Vice Consul of Denmark in Kolkata, President of the Indian Chamber of Commerce, Director of West Bengal Industrial Development Corporation Ltd and Industrial Promotion &amp; Investment Corporation of Orissa Ltd.</li> <li>Was decorated by Knighthood from Denmark and Italy.</li> </ul>
Qualification	Bachelor, Faculty of Engineering, Japan	B.Com (Hons)
Board Membership of other Companies as on 31st March 2020	<ol style="list-style-type: none"> <li>S N Refractory Tokai Co. Ltd</li> <li>Wuxi Krosaki Sujiya Refractories Co. Ltd</li> </ol>	<ol style="list-style-type: none"> <li>Bajoria Enterprises Ltd</li> <li>Bajoria Financial Services Pvt Ltd</li> <li>Bajoria Holdings Pvt Ltd</li> <li>Essentially Healthy Pvt Ltd</li> <li>Ganges Art Gallery Pvt Ltd</li> <li>Heritage Health Insurance TPA Pvt Ltd</li> <li>Heritage Health Knowledge Services Pvt Ltd</li> <li>IFGL Worldwide Holdings Ltd</li> </ol>
Chairman/Member of the Committee of the Board of Directors of the Company as on 31st March 2020	None	<b>Chairman in:</b> Investment Committee <b>Member in:</b> CSR Committee
Chairman/Member of the Committee of Directors of other public Company of which he is Director as on 31st March 2020	None	None
Shareholding as on 31st March 2020	Nil	1,481,642
Relationship between Directors inter-se	None	None

Name of the Directors	<b>PRADEEP BAJORIA</b>	<b>KAMAL SARDA</b>
Serial No of the Notice	7	8
DIN	00084031	03151258
Date of Birth	23/03/1960	06/02/1963
Expertise in Specific Functional Area	<ul style="list-style-type: none"> <li>Associated with erstwhile IFGL Refractories Limited (IFGL), merged with the Company, right from its inception and has a wide knowledge and intricate experience of more than 43 years in Refractory business.</li> <li>Has been Director &amp; Chief Executive of erstwhile Indo Flogates Limited and Managing Director of IFGL.</li> <li>Was involved in various capacities in Indian Refractory Makers Association.</li> </ul>	<ul style="list-style-type: none"> <li>Has three decades of experience in the field of Finance, Accounts, Commercial and Operations with more than 23 years of hands on working experience in Refractory Industry.</li> <li>Was Chairman of the Indian Refractory Makers Association (IRMA).</li> <li>Was Chief Operating Officer of erstwhile IFGL Refractories Limited.</li> </ul>
Qualification	B.Com (Hons)	B.Com (Hons), LLB, FCA
Board Membership of other Companies as on 31st March 2020	<ol style="list-style-type: none"> <li>Bajoria Enterprises Limited</li> <li>Birdie Trading Private Limited</li> <li>Heritage Insurance Brokers Private Limited</li> </ol>	1. Indian Refractory Makers Association
Chairman/Member of the Committee of the Board of Directors of the Company as on 31st March 2020	<b>Member in :</b> <ol style="list-style-type: none"> <li>Investment Committee</li> <li>Stakeholders Relationship Committee</li> </ol>	<b>Member in :</b> <ol style="list-style-type: none"> <li>Investment Committee</li> <li>Stakeholders Relationship Committee</li> </ol>
Chairman/Member of the Committee of Directors of other public Company of which he is Director as on 31st March 2020	None	None
Shareholding as on 31st March 2020	61,270	2,000
Relationship between Directors inter-se	None	None

**Statement having details as per Section II of Part II of Schedule V of the Act in respect of Special Resolutions at Serial Nos 6 to 8 of the Notice:**

**1. General Information**

Nature of Industry	The Company is primarily engaged in manufacture of Specialized Refractories and Operating Systems therefor for use by producers of Iron and Steel.			
Date or expected date of commencement of commercial production	01.05.2012			
In case of new Companies, expected date of commencement of activities as per project approved by the Financial Institutions appearing in the Prospectus	Not Applicable			
Financial Performance for Financial Year 2019-2020 based on given indicators		Total Income (₹ in lacs)	Profit before Tax (₹ in lacs)	Profit after Tax (₹ in lacs)
	Standalone	50,669.08	3,576.71	2,973.33
	Consolidated	92,830.42	2,996.81	1,945.67
Export Performance	FOB Value of Exports : ₹ 23,826.77 lacs for Financial Year 2019-2020.			
Foreign investments or collaborations, if any	Krosaki Harima Corporation (KHC), Japan hold 5,590,156 Equity Shares of ₹ 10/- each fully paid up of the Company. KHC, being subsidiary of Nippon Steel Corporation, Japan, is also Company's Foreign Promoter.			

**2. Information about the Appointees, Messrs Shishir Kumar Bajoria, Pradeep Bajoria and Kamal Sarma**

- Background, job profile, justification for suitability, recognition and awards conferred, details of past and present remuneration etc of the appointees are given in the Notice and Explanatory Statement forming part thereof and Directors' and Management Discussion and Analysis Report on audited financial statements for FY 2019-2020 of the Company. For the sake of brevity, all said Information have not being repeated herein.
- The Company is Indian multinational with multiple facilities in India and abroad for manufacture of highly specialised products. Hence remuneration of the appointees is strictly not comparable with other Indian Companies including those engaged in manufacture of comparable similar products. Remuneration including perquisites payable are commensurate to stature and profile of the appointees, their role and responsibilities and modest and comparable with that paid by other Companies at large.

**3. Other Information**

**1) Reasons of loss or inadequate profits :**

The Company has been operating satisfactorily. The Company however is engaged in manufacturing and thus susceptible to several micro and macro factors beyond its control including disruptions related to COVID-19. As a result the Company may incur losses or have inadequate profits for payment of 'minimum remuneration' to the appointees.

**2) Steps taken or proposed to be taken for improvement :**

It will be continued endeavour of the Company to improve its performance.

**3) Expected increase in productivity and profits in measurable terms:**

The Company expect to have significantly improved financial and operational performances going forward including for Financial Years 2020-2021 and thereafter. Thus, the Company is likely to have sufficient profits for payment of managerial remuneration.

# COMMITTED TO CLEAN METAL



**IFGL Refractories Limited**

ANNUAL REPORT 2019 - 2020



### Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This Report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion on future performance.

We can not guarantee that these forward-looking statements will be realized, although we believe, we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# CORPORATE INFORMATION

## **Board of Directors**

D K Banerji  
Y Kawatsu\*  
S Khasnobis  
Prof S Munshi\*  
K Oshikawa  
D G Rajan  
Prof B Ray  
K S B Sanyal  
T Tsuzuki  
(Appointed w.e.f. 9.09.2019)

## **Chairman**

S K Bajoria

## **Managing Director**

P Bajoria

## **Director and Chief**

### **Financial Officer#**

K Sarda

## **Company Secretary**

R Agarwal

## **Auditors**

S. R. Batliboi & Co. LLP  
Grant Thornton UK LLP  
Crowe LLP

## **Internal Auditor**

Rupa & Co.

## **Cost Auditor**

Mani & Co.

## **Secretarial Auditor**

S M Gupta & Co.

\*Ceased w.e.f. 10.08.2019

#Designated as CFO w.e.f. 8.02.2020

## **Principal Bankers**

State Bank of India  
DBS Bank India Limited  
ICICI Bank Limited  
Yes Bank Limited

## **Registered Office & Kalunga Works**

Sector 'B', Kalunga Industrial Estate  
P.O. : Kalunga 770 031  
Dist. : Sundergarh, Odisha  
Tel : +91 661 2660195  
Fax : +91 661 2660173  
E-mail : ifgl.works@ifgl.in  
Website : www.ifglref.com

## **Head & Corporate Office**

McLeod House, 3, Netaji Subhas Road  
Kolkata 700 001  
Tel : +91 33 40106100  
Fax : +91 33 22430886  
E-mail : ifgl.ho@ifgl.in,  
investorcomplaints@ifgl.in

## **Kandla SEZ Works**

Plot Nos. 638-644,  
Kandla Special Economic Zone,  
P.O. : Gandhidham 370 230  
Dist. : Kutch, Gujarat  
Tel/Fax : +91 2836 253900  
E-mail : ifglexports@ifgl.in

## **Visakhapatnam Works**

(under Construction)  
Industrial Park, APIIC-Denotified Area,  
Atchutapuram, APSEZ, Visakhapatnam  
District, Andhra Pradesh

## **Overseas Branch**

RAS Al Khaimah FTZ, UAE

## BETWEEN THE COVERS

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# Directors' cum Management Discussion and Analysis Report

*Dear Shareholders,*

Your Directors present Statement of Accounts, both on Consolidated and Standalone basis, for Financial Year (FY) 2019-2020 together with Report of the Auditor's forming part thereof.

## Financial Results

Summary of Financial Results achieved for FY 2019-2020 is as follows :

(₹ in Millions)

	Consolidated	Standalone
Revenue from Operations	9,173.47	4,986.11
Other Income	109.57	80.79
<b>Total Income</b>	<b>9,283.04</b>	<b>5,066.90</b>
Profit before Depreciation, Interest and Tax (PBDIT)	1,025.37	780.97
Depreciation and Amortisation	483.43	393.69
Finance Cost	36.12	29.61
<b>Profit before Exceptional Items and Tax</b>	<b>505.82</b>	<b>357.67</b>
Exceptional Items	206.14	-
<b>Profit before Tax</b>	<b>299.68</b>	<b>357.67</b>
Tax Expense	105.11	60.34
<b>Profit for the year after Tax</b>	<b>194.57</b>	<b>297.33</b>
Other Comprehensive Income/(Loss) for the year, Net of Tax	166.56	(0.25)
<b>Total Comprehensive Income for the year</b>	<b>361.13</b>	<b>297.08</b>
<b>Basic and Diluted Earnings per Share</b>	<b>5.40</b>	<b>8.25</b>
<b>Disclosures under Regulation 34 (3) read with Clause B of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015)</b>		
i) Debtors Turnover Ratio	4.2:1	3.8:1
ii) Inventory Turnover Ratio	3.1:1	3.2:1
iii) Interest Coverage Ratio	9.3:1	13.1:1
iv) Current Ratio	3.1:1	2.7:1
v) Debt Equity Ratio	0.1	0.1
vi) Operating Profit Margin (%)	4.7%	6.1%
vii) Net Profit Margin (%)	2.1%	6.0%
viii) Return on Net Worth (%)	2.4%	5.8%

In the opinion of your Directors, aforesaid Financial Results are satisfactory, more particularly because of disruptions from March, 2020 onwards leading to truncated operations on and from 23rd March 2020 at Company's manufacturing facility at Kalunga, Odisha and total shutdown effective that date at manufacturing facility situated at Kandla Special Economic Zone, Gujarat, which got resumed on 21st April 2020.

Compared to FY 2018-2019, Total Income, Profit before Exceptional Items and Tax and Profit after Tax on Consolidated basis for FY 2019-2020 are lower by 2.84%, 21.03% and 61.44% respectively. Profit after Exceptional Items but before Tax is lower by 53.21%. Fall of almost 32% forming part thereof is on account of Exceptional Items being impairment more fully explained at Note 41 forming part of Consolidated Statement of Accounts. On Standalone basis, Total Income, Profit before Tax and Profit after Tax for FY 2019-2020 are higher by 3%, 9.87% and 14.52% respectively. Both on Consolidated and Standalone basis, your Company continued to be Net Debt Free during FY 2019-2020. As on 31st March 2020, Cash and Cash Equivalents including Current Investments on Consolidated and Standalone basis aggregated to ₹ 2,028.63 millions and ₹ 1,009.82 millions respectively.

# Directors' cum Management Discussion and Analysis Report *(Contd.)*

## Dividend

For FY 2019-2020 your Directors have effected payment of Interim Dividend @ 25% i.e. ₹ 2.50 per Equity Share in February 2020 involving a payout, including Dividend Distribution Tax, of ₹ 108.62 millions. Your Directors have recommended no further payment of Dividend for reasons mentioned hereinafter and sought your approval to Interim Dividend paid as Final Dividend for FY 2019-2020 at your ensuing Annual General Meeting (AGM).

## Industry Review, Future Outlook and Expansion Plans and Impact of COVID-19

Your Company has manufacturing facilities in India as well as abroad in China (PRC), Germany, UK and USA. During FY 2019-2020 all manufacturing facilities except that in Germany operated satisfactorily barring disruptions caused due to the pandemic COVID-19 initially in China and later spread worldwide. Countries took various measures like lockdown, social distancing, work from home. The performance of your Company for FY 2019-2020 largely remained unaffected. However during April – June 2020 period both micro and macro factors for businesses have been affected substantially. COVID-19 has unleashed an unprecedented scenario worldwide affecting businesses. The fiscal stimulus injected by the Governments from time to time have helped to bolster the economies and save jobs.

All the establishments of your Company worldwide have adopted the prescribed safety measures in letter and spirit.

Customers of your Company including Subsidiaries are largely Steel Plants and Foundries which during April – June 2020 were negatively impacted. Gradually they are resuming operations amongst after affects of COVID-19 pandemic namely piling of finished goods, non-availability of manpower, liquidity crunch, supply chain disruption etc. To tide over this unprecedented period of time and achieve pre COVID-19 level of operations at the earliest, yet maintaining safety of the people, your Directors are taking several measures, some of those being encourage work from home, restriction on travel unless absolutely necessary, improve supply chain, conservation and optimum utilization of resources, better liquidity management.

Your Directors are however optimistic about fortunes of your Company in the medium and long term as we are linked with the Steel Industry which is the core of economic activity. This is supported by the International Monetary Fund (IMF) projection of a V shaped recovery. Bhoomi Pujan was conducted on 24th May 2020 at your Company's freehold land of about 10 Acres at Vishakhapatnam, India where facilities for manufacturing of products including Monolithics and Precast shapes are going to be set up.

## Subsidiaries

In view of the background mentioned hereinbefore, performance of your Company's subsidiaries for FY 2019-2020 was subdued too inasmuch as Total Revenue and PBT on consolidated basis for FY 2019-2020 of your Company's immediate subsidiary IFGL Worldwide Holdings Ltd, is lower by 11.83% and 111.02% respectively than those of immediately preceding FY 2018-2019. Performance was also impacted because of performance of German subsidiary significantly below than budgeted because of several factors including recessionary like conditions in Germany and other Euro Zone countries. This has also led to Holding Company thereof, Monocon International Refractories Ltd, UK providing for GBP 1,966,827 (about ₹ 177.31 millions) towards part impairment of Investments therein.

## Business Responsibility Report

Provisions relating to Business Responsibility Report (BRR) specified at Regulation 34(2)(f) of SEBI LODR, 2015 have become applicable to your Company for the first time based on Market Capitalization as on 31st March 2020. Accordingly, your Directors adopted Business Responsibility Policy at their meeting held today, 18th July 2020, a copy of which is hosted on Company's website: [www.ifglref.com](http://www.ifglref.com). BRR having details of initiatives taken by your Company from Environmental, Social and Governance perspectives in format specified is also annexed and form part hereof as **Annexure 'A'**.

## Corporate Governance/Vigil Mechanism etc

Report on Corporate Governance (CG Report) and related Report of the Statutory Auditors form part of this Report and are annexed as **Annexure 'B'**. CG Report is in conformity with provisions of Regulation 34 of the SEBI LODR, 2015, amended to date and notifications, circulars, clarifications etc issued by SEBI from time to time for implementation.

Several Policies including Vigil Mechanism (Whistle Blower), Prevention of Sexual Harassment, Insider Trading and Risks Management etc commensurate to nature and size of business of your Company are in place. They are reviewed and updated from time to time.

## Directors' cum Management Discussion and Analysis Report *(Contd.)*

These Policies have been hosted on your Company's website [www.ifglref.com](http://www.ifglref.com). No complaint and or alert was received either under Vigil Mechanism (Whistle Blower) or for Sexual Harassment during FY 2019-2020. Internal Complaints Committees following provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are also in place and functioning.

### Disclosures

Extract of Annual Return, being Form MGT 9, form part of this Report as **Annexure 'C'**, which has also been hosted on your Company's website [www.ifglref.com](http://www.ifglref.com). Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in **Annexure 'D'**. During FY 2019-2020, your Company entered into transactions with related parties in ordinary course of its business at arms length. Accordingly, Form AOC-2 has not been annexed herewith with details of those transactions. During FY 2019-2020, your Company did not give loans, guarantees or investments under Section 186 of the Companies Act, 2013 (the Act). Evaluation of performance of your Company's Board of Directors and its Committees and Individual Directors including Independent Directors and Chairman of Board has been carried out. Outcome of such evaluation is that the Board and its Committees continued to function satisfactorily and flow of information has been commensurate to the nature of business and size of your Company. From time to time, Directors received briefings on key matters including regulatory, which furthered their performance.

Following Announcement of Quarterly and Annual Results, your Company made quarterly presentations, conference calls and interactions, resulting in enhanced confidence of Investors in your Company. As on 31st March 2020, 16.67% of your Company's shares was held by Mutual Funds. Investor Relations Advisor of your Company is Strategic Growth Advisors Private Limited, Mumbai.

A statement in Form AOC-1 having financial information of Subsidiary Companies form part of this Report as **Annexure 'E'**. Your Company does not have any Indian Subsidiary. Shareholders of your Company who are desirous of having complete Statement of Accounts and related detailed information of Subsidiary Companies, may send their request therefor to your Company's Registered Office. They are available for inspection electronically to the members during working hours on working days (excluding Saturday) provided prior request therefor is sent at [investorcomplaints@ifgl.in](mailto:investorcomplaints@ifgl.in) and are also available on Company's website: [www.ifglref.com](http://www.ifglref.com).

Information including those to be provided following Section 134(3) of the Act read with relevant provisions of the Companies (Accounts) Rules, 2014 and Regulations 34 and 53 of SEBI LODR, 2015 have been included in Annexures hereto including Audited Financial Statements and notes and have not been reproduced herein again. During FY 2019-2020 your Company neither invited nor accepted Deposits.

Particulars of meetings of the Board of Directors and Committees held during FY 2019-2020 and attendance are given in CG Report. Gap between two meetings of your Directors did not exceed one hundred twenty days. Between end of FY 2019-2020 and date of this Report, there has been no material changes and commitments, in financial position of your Company except those emanating from COVID 19 and leaving marginal affect. There have also not been Orders, save those mentioned in Audited Statements and Report of the Statutory Auditors, passed by the Regulators or Courts or Tribunals likely to impact going concern status or operations in future of your Company.

Following Regulation 17(8) read with Part B of Schedule II of SEBI LODR, 2015, Certificate on Financial Statements has been received from Managing Director and Director and Chief Financial Officer of your Company.

In view of spate of instances of hacking and other breaches reported in public domain, the Company reviewed checks and balances for IT security and have further strengthened the same.

### Directors Responsibility Statement

Your Directors state that :

- a) in preparation of Annual Accounts, applicable Accounting Standards have been followed.
- b) Accounting Policies selected and applied are consistent and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the FY and of the Profit and Loss of your Company for that period.
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of your Company and for preventing and detecting fraud and other irregularities.

## Directors' cum Management Discussion and Analysis Report (Contd.)

- d) the Annual Accounts have been prepared on a Going Concern basis.
- e) Internal Financial Controls i.e. policies and procedures for ensuring orderly and efficient conduct of business, including adherence to Company's Policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information, have been laid down and that such controls are adequate and operating effectively.
- f) Proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.

Financial Statements for FY 2019-2020 have been audited in accordance with Generally Accepted Accounting Principles as indicated in Report of the Statutory Auditors.

### CSR, Human Resource and Industrial Relations

CG Report include details of your Company's CSR Committee and Annual Report in compliance of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is forming part of this Report as **Annexure 'F'**.

Particulars of Nomination and Remuneration Committee (NRC) have also been included in CG Report. Nomination and Remuneration Policy adopted by your Directors based on recommendation of the Committee is hosted on your Company's website [www.ifglref.com](http://www.ifglref.com). Said Policy inter-alia provide for matters concerning Directors appointment and remuneration including criteria for determining qualifications, positive attributes, Independence of Directors and those provided in Section 178(3) of the Act. For the sake of brevity the Policy has not been reproduced here.

An Annexure having information following provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report as **Annexure 'G'**. This Annexure as per provisions of Section 136 of the Act is not being circulated amongst Shareholders. However, Shareholders desirous of having the Annexure may write to the Company Secretary of your Company at [rajesh.agarwal@ifgl.in](mailto:rajesh.agarwal@ifgl.in)/ [investorcomplaints@ifgl.in](mailto:investorcomplaints@ifgl.in) to obtain copies.

During FY 2019-2020, 3 (three) persons (including Executive Directors) employed with your Company received remuneration of ₹ 102 lacs per annum or more or ₹ 8.50 lacs per month or more. As on 31st March 2020, your Company had employed 954 people worldwide including 685 in India.

During FY 2019-2020, Industrial Relations in your Company remained cordial. Working environment provided to employees was conducive. Trainings were imparted, which helped employees achieve skills befitting their roles and responsibilities ultimately resulting in increased productivity. Compensation packages and benefits provided have been comparable with those of the peers and continued to motivate employees at large.

### Consolidated Financial Statements

In accordance with IND AS 110 and other relevant provisions particularly Section 129(3) of the Act, Consolidated Financial Statements duly audited by Statutory Auditors, M/s S R Batliboi & Co. LLP (Regd No. 301003E/E300005) form part of this Annual Report. Consolidated Financial Statements have been prepared considering Financial Statements of Subsidiary Companies and Reports of Auditors relating thereto.

### Directors and Key Managerial Personnel (KMP's)

Following provisions of Section 203 of the Act, particulars of your Company's Key Managerial Personnel, are appearing at Note 36 of Audited Statement of Accounts. All the Independent Directors have given their Statement of Declaration under Section 149(7) of the Act and continue to fulfil independence criteria and all other conditions specified in the Act and SEBI LODR, 2015.

Tenure of Mr S K Bajoria (DIN : 00084004) and Mr P Bajoria (DIN : 00084031) as Chairman and Managing Director respectively of your Company ended on the close of business hours on 31st March 2020. Accordingly, your Directors at their meeting held on Saturday, 8th February 2020, based on recommendation of NRC, have re-appointed them as Chairman and Managing Director respectively of your Company for three years beginning 1st April 2020 and ending on 31st March 2023 at remuneration and other terms and conditions following relevant provisions of the Companies Act 2013 and Rules framed thereunder, subject to your approval at ensuing AGM. Similarly, subject to your approval at ensuing AGM, your Directors have

## Directors' cum Management Discussion and Analysis Report *(Contd.)*

re-appointed Mr K Sarda (DIN: 03151258) as Whole-time Director of your Company for three years beginning 1st October 2020 and approved his remuneration and other terms and conditions, following provisions of said Act and Rules based on recommendation of NRC at their meeting held today, 18th July 2020. At ensuing AGM of your Company, Chairman, Mr S K Bajoria (DIN : 00084004) will retire by rotation and being eligible, has offered himself for re-appointment for further period also liable to retire by rotation. Office of Mr Tetsuo Tsuzuki (DIN : 08557222) as Additional Director of your Company will come to an end on conclusion of ensuing AGM. He being eligible, has offered himself for appointment as a Director of your Company liable to retire by rotation. Your Board and NRC have recommended the appointment of Mr Tsuzuki. Resolutions for aforesaid re-appointment/appointment and Explanatory Statement thereon wherever necessary and other details form part of Notice of ensuing AGM. Your Directors recommend passing of said resolutions proposed being in the interest of your Company.

All of your Directors and Senior Management Personnel as on 31st March 2020 have confirmed having complied with Code of Conduct for Board of Directors including Independent Directors and Senior Management Personnel of your Company. This Code has continued to help your Company maintain standard of ethics and ensure compliance of legal requirements applicable.

### Cost Auditor

For FY 2019-2020, your Company has maintained accounts and records to the extent provisions of Section 148 of the Act were applicable. Your Directors have re-appointed M/s Mani & Co., as Cost Auditors of your Company for FY 2020-2021 and are seeking your approval for payment of remuneration not exceeding ₹ 3 lacs to them. In this regard your Directors recommend passing of Ordinary Resolution proposed and included in Notice of forthcoming AGM.

### Secretarial Auditor

Secretarial Audit Report in Form MR 3 following provisions of Section 204 of the Act of M/s S M Gupta & Co., Practicing Company Secretaries form part hereof as **Annexure 'H'**. Following Regulation 24A of SEBI LODR, 2015 they have also carried out Secretarial Compliance Audit for FY 2019-2020. Both of said Report and Certificate are free of qualifications, reservations or adverse remarks.

### Auditors' Report and Auditors

Report of the Statutory Auditors, M/s S R Batliboi & Co. LLP (Regd No. 301003E/E300005), Chartered Accountants on statement of Accounts for FY 2019-2020 on Standalone and Consolidated basis are self-explanatory. They have except emphasizing few matters made no qualification, reservation or adverse remark or disclaimer in their Reports. They have not reported any frauds under Section 143(12) of the Act. Statutory Auditors whose period of appointment will come to an end on conclusion of 17th AGM, have confirmed to your Directors that they continue to comply with all requirements and criteria specified and are qualified to act as Auditors of your Company.

### Acknowledgement

Your Directors thank all concerned particularly you the Shareholders and all Stakeholders for your continued support.

On behalf of the Board of Directors

Kolkata  
18th July 2020

**S K Bajoria**  
*Chairman*  
(DIN : 00084004)

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

## Annexure 'A' to Directors' Report - Business Responsibility Report

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L51909OR2007PLC027954										
2.	Name of the Company	IFGL Refractories Limited										
3.	Registered Address	Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770031 Dist. Sundergarh, Odisha										
4.	Website	<a href="http://www.ifglref.com">www.ifglref.com</a>										
5.	E-mail Id	<a href="mailto:ifgl.works@ifgl.in">ifgl.works@ifgl.in</a>										
6.	Financial Year reported	1 April 2019 to 31 March 2020										
7.	Sector(s) that the Company is engaged in (Industrial Activity Code-Wise)											
	<table border="1"> <thead> <tr> <th>Group</th> <th>Class</th> <th>Sub-class</th> <th>Description</th> <th>Sector</th> </tr> </thead> <tbody> <tr> <td>239</td> <td>2391</td> <td>23911, 23913</td> <td>Manufacturing of Refractory Products</td> <td>Refractory</td> </tr> </tbody> </table>	Group	Class	Sub-class	Description	Sector	239	2391	23911, 23913	Manufacturing of Refractory Products	Refractory	
Group	Class	Sub-class	Description	Sector								
239	2391	23911, 23913	Manufacturing of Refractory Products	Refractory								
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	Manufacturing of Specialized Refractories, Mortars, Monolithics etc for use by producers of Iron and Steel and Foundry Ceramics and provision of Services in relation therewith.										
9.	Total Number of Locations where Business Activity is undertaken by the Company											
	(a) Number of International Locations (Provide details of major 5)	Through Step down operating Subsidiaries in China (PRC), Germany, UK and USA. The Company also has a branch at RAS AL Khaimah FTZ, UAE										
	(b) Number of National Locations	a) 3, Netaji Subhas Road, Kolkata 700001 b) Sectors 'A' & 'B', Kalunga Industrial Estate P.O. Kalunga 770031, Dist. Sundergarh, Odisha c) Plot Nos. 638-644, Kandla Special Economic Zone P.O. Gandhidham 370230, Dist. Kutch, Gujarat d) Industrial Park, APIIC – Denotified Area Atchutapuram APSEZ, Visakhapatnam District, Andhra Pradesh										
10.	Markets served by the Company	Throughout World										

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	₹ 3603.93 lacs
2.	Total Turnover	₹ 49,861.13 lacs
3.	Total Profit After Taxes	₹ 2,973.33 lacs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	1.88%
5.	List of activities in which expenditure in 4 above has been incurred	Details given in Corporate Social Responsibility (CSR) Report being <b>Annexure 'F'</b> to Directors' Report

## Annexure 'A' to Directors' Report - Business Responsibility Report (Contd.)

### SECTION C : OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the Parent Company?	Yes
3.	Do any other entity/entities (e.g. Suppliers, Distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes, More than 60%

### SECTION D: BR INFORMATION

#### 1. Details of Director/Directors responsible for BR

##### a. Details of the Director/ Directors responsible for implementation of the BR policy/policies

1.	DIN	00084031
2.	Name	Mr P Bajoria
3.	Designation	Managing Director

##### b. Details of the BR Head

1.	DIN (if applicable)	03151258
2.	Name	Mr K Sarda
3.	Designation	Director & Chief Financial Officer
4.	Telephone Number	+91 33 40106119
5.	E-Mail Id	kamal.sarda@ifgl.in

#### 2. Principle-wise (as per NVGs) BR Policy/Policies

##### a. Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
i.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
ii.	Has the policy being formulated in consultation with the relevant Stakeholders?	Yes								
iii.	Does the policy conform to any National/ International Standards?	Yes, the policy is conforming to applicable National/ International Standards.								
iv.	Has the policy been approved by the Board? Is yes, has it been signed by MD/Owner/CEO/ appropriate Board of Directors?	Yes, it has been signed by Managing Director, Mr P Bajoria								
v.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Yes								
vi.	Indicate the link for the policy to be viewed online?	<a href="http://www.ifglref.com/download/Business_Responsibility_Policy.pdf">http://www.ifglref.com/download/Business_Responsibility_Policy.pdf</a>								
vii.	Has the policy been formally communicated to all relevant Internal and External Stakeholders?	Yes								
viii.	Does the Company have in-house structure to implement the policy/policies?	Yes								

## Annexure 'A' to Directors' Report - Business Responsibility Report (Contd.)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
ix.	Does the Company have a Grievance Redressal Mechanism related to the policy/policies to address Stakeholders' grievances related to the policy/ policies?	Yes								
x.	Has the Company carried out Independent Audit/ evaluation of the working of this policy by an Internal or External agency?	No. Provisions relating to Business Responsibility (BR) initiatives taken from Environmental, Social and Governance perspective have become applicable to the Company from FY 2020-2021 only.								

**b. If answer to the question at serial number (i) against any principle, is 'No', please explain why: (Tick up to 2 options)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
i.	The Company has not understood the Principles	Not Applicable								
ii.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
iii.	The Company does not have financial or manpower resources available for the task									
iv.	It is planned to be done within next 6 months									
v.	It is planned to be done within the next 1 year									
vi.	Any other reason (please specify)									

### 3. Governance related to BR

**a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The Board of Directors (BOD) approved and adopted BR Policy at its meeting held on Saturday, 18th July 2020 only. Assessment will be a continuous process and will be undertaken from time to time whenever thought to be necessary by the BOD, Committee of Board or MD or CEO or Business Heads or Functional Heads or others concerned as the case may be.

**b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes, provision relating to publication of BRR has become applicable to the Company from FY 2020-2021 only. A copy thereof will be hosted on Company's Website: [www.ifglref.com](http://www.ifglref.com).

### SECTION E : PRINCIPLE-WISE PERFORMANCE

#### Principle 1

#### Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

**1. Does the policy relating to Ethics, Bribery and Corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

No. Company's Policy on Ethics, Bribery, Corruption etc extend to its Subsidiaries, Suppliers, Contractors and other concerned too.

**2. How many Stakeholder Complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the Management?**

The Company did not receive any Complaint during FY 2019-2020.



## Annexure 'A' to Directors' Report - Business Responsibility Report (Contd.)

### Principle 2

**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

- 1. List upto 3 of your products or services whose design has incorporated Social or Environmental concerns, risks and/ or opportunities.**

The Company is engaged in manufacture of specialized products and providing services used by the producers of Iron and Steel. Products are tailor made conforming to specifications made out by the customers. The Company being aware of the conditions under which its products and services are used, take utmost care that they are not only safe and sustainable but also discharge its responsibilities towards Society as well as environment. Following these, the Company has developed several products, prominent ones being Starter Tube, Chrome Oxide free Refractory jointing mass and Anti Splash Box.

- 2. For each such product, provide the following details in respect of resource use (Energy, Water, Raw Material etc) per unit of product(optional) :**

- a. Reduction during sourcing /production /distribution achieved since the previous year throughout the value chain?**

By modification of design appropriately leading to optimum use of resources including reduced time for drying and firing cycles of Starter Tube and Anti Splash Box, reduced and or lowered energy requirement for pyrolysis thereof.

Due to higher performance and lower bulk density, consumption of Chrome Oxide free Refractory jointing mass has been reduced.

- b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

These products are pre-formed. Reduced weight will require lower energy and water in their application by the Customer(s).

- 3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

The Company have procedures in place for sustainable sourcing of most of its input materials. Provisions relating to BRR have become applicable to the Company from FY 2020-2021 only. Hence, percentage of inputs sourced sustainably will be given for Financial Year 2020-2021 onwards.

- 4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes. This will be further strengthened from FY 2020-2021 onwards.

- 5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%,>10%).**

It is the endeavour of the Company to generate minimum waste while manufacturing products. Accordingly, processes have been adopted and put in place for recycling of wastes, some of those processes being effluent treatment plant for waste water, recharge well for conservation of water, crushing and grinding facilities for in-process rejects, kiln for removal of volatiles including carbon.

### Principle 3

**Businesses should promote the well being of all employees.**

1.	Total number of employees.	685
2.	Total number of employees hired on temporary/ contractual/ casual basis.	448
3.	Number of permanent women employees.	8
4.	Number of permanent employees with disabilities	Nil
5.	Do you have an employee association that is Recognized by Management?	Yes, IFGL Mazdoor Manch at Kalunga, Odisha

## Annexure 'A' to Directors' Report - Business Responsibility Report (Contd.)

6.	What percentage of your permanent employees is Members of this recognized employee association?	100% i.e. all permanent workers of Kalunga manufacturing facility
7.	Number of complaints relating to Child Labour, Forced Labour, Involuntary Labour, Sexual Harassment in the last Financial Year and pending, as on the end of the Financial Year.	
	<b>Category</b>	<b>No of complaints filed during the Financial Year</b>
	Child Labour /Forced Labour /Involuntary Labour	Nil
	Sexual Harassment	Nil
	Discriminatory Employment	Nil
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
	100% of the employees of the Company are subjected to training on safety and skill upgradation. This is however done on rotation with varying degrees depending upon nature of work profile and other relevant factors.	

### Principle 4

**Businesses should respect the interests of, and be responsive towards all Stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

**1. Has the Company mapped its Internal and External Stakeholders?**

Yes. Identification of Internal and External Stakeholders is done regularly by the Company.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized Stakeholders?**

Yes

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized Stakeholders?**

CSR initiatives of the Company are largely focused on uplifting health including preventive care, education, sanitation and hygiene of less privileged including dis-advantageous, vulnerable and marginalized section of the Society neighbouring Company's manufacturing facilities.

### Principle 5

**Businesses should respect and promote human rights**

**1. Does the policy of the Company on Human Rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?**

The Company's policy on human rights extend to all with which Company has direct or indirect dealings.

**2. How many Stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the Management?**

Nil

### Principle 6

**Business should respect, protect and make efforts to restore the Environment**

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/ others?**

Extend to all with which the Company has direct or indirect dealings.

## Annexure 'A' to Directors' Report - Business Responsibility Report *(Contd.)*

**2. Does the Company have strategies/ initiatives to address Global Environmental issues such as Climate Change, Global Warming etc.?**

The Company being conscious of its responsibilities towards environment has in place Policy on Environment, Health and Safety and obtained ISO 14001 Certificate for Environment Management System, OHSAS 18001 Certificate for Safety and Occupational Health Management System and ISO 9001 for Quality Management System.

The Company also undertake initiatives from time to time for improvement of environment particularly areas neighbouring its manufacturing facilities including as a part of CSR programmes.

**3. Does the Company identify and assess potential Environmental Risks?**

Yes. Identification of potential Environmental Risks and the mitigation plan thereon is done regularly.

**4. Does the Company have any project related to Clean Development Mechanism?**

No. It is however continued endeavour of the Company to improve environment and thus take remedial measures wherever and whenever required.

**5. Has the Company undertaken any other initiatives on—clean Technology, Energy Efficiency, Renewable Energy etc ?**

Yes, this is done on regular basis. Please refer **Annexure 'D'** of the Directors' Report for details on Energy Conservation initiatives undertaken by the Company.

**6. Are the Emissions/ Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the Financial Year being reported?**

Yes

**7. Number of Show Cause/Legal Notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

### Principle 7

**Businesses, when engaged in influencing Public and Regulatory Policy, should do so in a responsible manner**

**1. Is your Company a member of any Trade and Chamber or Association? If Yes, name only those major ones that your business deals with :**

Yes

- Indian Refractory Makers Association
- Indian Chamber of Commerce, Kolkata
- Rourkela Chamber of Commerce
- World Refractory Association

**2. Have you advocated/lobbied through above Associations for the advancement or improvement of public good?**

No. The Company however as a responsible Corporate support recommendations and/or representations made by these associations for advancement and/or improvement of public good.

### Principle 8

**Businesses should support inclusive growth and equitable development**

**1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?**

No, the Company does not have any specified programmes/initiatives/projects in pursuit of this Policy. However, the Company amongst others through its Corporate Social Responsibility initiatives propagate this.

## Annexure 'A' to Directors' Report - Business Responsibility Report *(Contd.)*

2. Are the programmes/projects undertaken through in-house team/Own Foundation/External NGO/Government structures/ any other organization?

The Corporate Social Responsibility initiatives of the Company are implemented through IFGL Refractories Welfare Trust, a Charitable Trust registered and having recognition for the purpose of Section 80G of the Income Tax Act 1961.

3. Have you done any Impact Assessment of your initiative?

No

4. What is your Company's direct contribution to Community Development Projects?

Reference is drawn to Annexure 'F', being Corporate Social Responsibility Report forming part of Directors Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes. CSR initiatives of the Company are largely aimed to improve Health, Hygiene, Sanitation, Education etc of people of weaker section neighbouring Company's manufacturing facilities.

### Principle 9

#### Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of Financial Year?

Nil, except those received from customers in usual course on products and services related matters.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Yes, to the extent necessary only as Company's products and services are for Industrial uses.

3. Is there any case filed by any Stakeholder against the Company regarding Unfair Trade Practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as on end of financial year?

No

4. Did your Company carry out any Consumer Survey/Consumer Satisfaction trends?

No, since the Company deals in Products and Services for Industrial uses only and feedbacks thereon are collected regularly from customers.

On behalf of the Board of Directors

Kolkata  
18th July 2020

**S K Bajoria**  
*Chairman*  
(DIN: 00084004)

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

## Annexure 'B' to Directors' Report - Report on Corporate Governance

1. The Company's philosophy on Corporate Governance continues to apply best management practices, compliance of law in true letter and spirit, adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

The Report on Compliance of conditions of the Corporate Governance in accordance with Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015) amended to date read with relevant provision of the Companies Act, 2013 (the Act) & Rules framed thereunder, is given below.

2. **Board of Directors (Board)** of the Company comprise of the following :

Category	No. of Directors	%
Executive Directors	3	30
Non-Executive Non Independent Directors	2	20
Non-Executive Independent Directors	4	40
Non-Executive Independent Woman Director	1	10
<b>Total</b>	<b>10</b>	<b>100</b>

Composition, Category, Directorship and Committee Membership in other Companies of the Board of the Company as on 31st March 2020 have been as follows :

Director's Name	Director's Category	Members of the Board of Public Limited Companies incorporated in India (including IFGL Refractories Limited)		Total Number of Committee (d) Membership held in Public Limited Companies [including IFGL Refractories Limited but excluding Private Limited Companies, Foreign Companies and Companies of Section 8 of the Companies Act, 2013 (the Act)]	
		Listed	Unlisted	As Chairman	As Member
P Bajoria	Executive	1	1	–	1
S K Bajoria	Executive (a)	1	1	–	–
D K Banerji	Non-Executive (b)	1	–	–	1
S Khasnobis	Non-Executive (b)	1	–	–	–
K Oshikawa	Non-Executive (c)	1	1	–	–
D G Rajan	Non-Executive (b)	2	3	4	1
Prof B Ray	Non-Executive (b)	2	–	–	1
K S B Sanyal	Non-Executive (b)	3	1	2	3
K Sarda *	Executive	1	–	–	1
T Tsuzuki (appointed w.e.f. 9th September 2019)	Non- Executive (c)	1	–	–	–

\* Also designated as Chief Financial Officer on and from 8th February 2020.

Y Kawatsu and Prof S Munshi ceased to be Director of the Company on and from 10th August 2019.

None of the Directors is related inter-se.

- Also Promoter
- Also Independent
- Senior Executives of Krosaki Harima Corporation, Japan, being Foreign Promoter of the Company.
- Only 2 (two) Committees i.e. Audit Committee and Stakeholders Relationship Committee have been considered.

None of the Directors of the Company held office of Director in more than permissible number of Companies under Section 165 of the Act. Also, the Committee Chairpersonships/Memberships held are within limits laid down in Regulation 26(1) of SEBI LODR, 2015. All Executive and Non-Executive (except Independent) Directors are liable to retire by rotation. Appointment of Executive Directors, including tenure and terms of remuneration have been approved by the Members of the Company. Appointment of Non-Executive Directors, save as otherwise expressly provided in the Act, have been made at the Company's General Meeting.

## Annexure 'B' to Directors' Report - Report on Corporate Governance (Contd.)

Following Directors only hold Directorship in other Listed Companies and relevant particulars thereof is summarised in Table below :

Listed Entity Name	Director's Name	Directorship Category
Phillips Carbon Black Limited	K S B Sanyal	Independent Director
Cimmco Limited	K S B Sanyal	Independent Director
Balaji Telefilms Limited	D G Rajan	Independent Director
International Combustion (India) Limited	Prof B Ray	Independent Director

Non-Executive Directors did not have any pecuniary relationship and/or transaction with the Company other than receiving Sitting Fees and/or reimbursement of out-of-pocket expenses for attending meetings of the Board and/or Committee(s) thereof. Your Board is of the opinion that Independent Directors fulfill conditions specified in SEBI LODR, 2015 and are independent of management of the Company. Prof S Munshi, Non Executive Independent Director, resigned before the expiry of his tenure, due to his apprehension that association of his son-in-law, Mr Karan Bhatia with Ernst & Young, of which M/s S. R. Batliboi & Co. LLP, Chartered Accountants form part and which has been appointed as Statutory Auditors of the Company, may lead to conflict of interest.

During Financial Year (FY) 2019-2020, 4 (four) meetings of the Board were held and details thereof are as follows :

Board Meeting dates	No. of Directors present
11th May 2019	9
10th August 2019	9
11th November 2019	7
8th February 2020	6

Gap between two Board Meetings did not exceed 120 days prescribed under Section 173(1) of the Act and Regulation 17 of the SEBI LODR, 2015.

In the Board Meeting held on 10th August 2019, the Board constituted a Committee comprising of Mr S K Bajoria, Mr P Bajoria and Mr K S B Sanyal and authorized them to approve release and or disclosure of unaudited financial results both on Consolidated and Standalone basis for three months ended on 30th June 2019 on receipt of Limited Review Report thereon from Statutory Auditors, M/s S. R. Batliboi & Co LLP. Following this, said Committee at its meeting held on 13th August 2019 approved release and or disclosure of said unaudited results.

The Company effected payment of ₹ 20,000/- towards Sitting Fees for attending each meeting of the Board. AGM of the Company was last held on Saturday, 27th July 2019. Attendance of the Directors at Board Meetings and at AGM held during FY 2019-2020 has been as follows :

Director's Name	Number of Board Meetings held	Number of Board Meetings attended	Attended last AGM held on 27th July 2019
P Bajoria	4	4	Yes
S K Bajoria	4	3	No
D K Banerji	4	4	No
Y Kawatsu	2	0	No
S Khasnobis	4	4	No
Prof S Munshi	2	2	No
K Oshikawa	4	1	No
D G Rajan	4	4	No
Prof B Ray	4	4	No
K S B Sanyal	4	1	Yes
K Sarda	4	4	Yes
T Tsuzuki	2	0	No

Bajoria Financial Services Private Limited (BFSPL), 100% shareholding whereof is held by Mr S K Bajoria and his family members, is Holding Company of the Company. BFSPL throughout FY 2019-2020 held 18,454,353 Equity Shares, being 51.21% of total issued, subscribed and paid up share capital of the Company.

## Annexure 'B' to Directors' Report - Report on Corporate Governance (Contd.)

Krosaki Harima Corporation (KHC), Japan being foreign promoter of the Company throughout FY 2019-2020 held 5,590,156 Equity Shares, being 15.51% of total issued, subscribed and paid up share capital of the Company.

Particulars of shareholding of Non-Executive Directors of the Company (both own or held by/for other person(s) on beneficial basis), as on 31st March 2020, are as follows :

Director's Name	No. of Shares held
D K Banerji	–
S Khasnobis	–
K Oshikawa	–
D G Rajan	490
Prof B Ray	–
K S B Sanyal	–
T Tsuzuki	–

The Company primarily is a manufacturer of specialized refractories for producers of Iron and Steel. Hence, core skills, expertise and competencies identified to function effectively amongst others are managerial, technical and administrative including knowledge of legal, human management, public relations, finance, banking, IT, training domains. All of those are available with each of the Board member in as much as they are from diverse fields and have said competencies individually as well as collectively. Table below give summary of said competencies each of the Directors of the Company have.

Director's Name	Qualifications	Skill/Expertise/Competence			
		Managerial	Technical	Administrative	Others @
P Bajoria	B.Com (Hons)	✓	✓	✓	✓
S K Bajoria	B.Com (Hons)	✓	✓	✓	✓
D K Banerji	Bachelors Degree in Mathematics (Hons), Masters Degree in Mathematics, Masters Degree in Law (Cambridge University, UK)	✓	✓	✓	✓
S Khasnobis	Mechanical Engineer Graduate	✓	✓	✓	✓
K Oshikawa	Bachelor of Political Science and Economics (Japan)	✓	✓	✓	✓
D G Rajan	Fellow Member of ICAI (India), Fellow Member of ICAI (England & Wales), Fellow Member of Institute of Management Consultants of India, Associate Member of the Institute of Internal Auditors	✓	✓	✓	✓
Prof B Ray	BA (History Hons), MA (History Hons), Ph. D in History and Education	✓	✓	✓	✓
K S B Sanyal	MA (English), Companion of British Institute of Management and Fellow of Institute of Petroleum, London	✓	✓	✓	✓
K Sarda	B.Com (Hons), LLB, Fellow Member of ICAI (India)	✓	✓	✓	✓
T Tsuzuki	Bachelor, Faculty of Engineering (Japan)	✓	✓	✓	✓

@ includes Legal, Human Resource, Public Relations, Banking & Finance, Education and Training.

### Information placed before the Board

During FY 2019-2020, the Company held its meetings of the Board following requisite provisions of the Act. The Board members, with permission of the Chairman brought matters not covered in Agenda for consideration of the Board. All major Agenda items were backed by comprehensive background information to enable the Board members to take informed decisions.

## Annexure 'B' to Directors' Report - Report on Corporate Governance (Contd.)

### 3. Board Committees

The Company have five Board level Committees :

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Investment Committee

Terms of reference of the Board Committees are determined by the Board from time to time. Minutes of Board Committee Meetings are placed in subsequent Board Meetings for the information of the Board. Role & composition of these Committees and dates on which meeting thereof were held, attendance of Committee Members thereat, their role and responsibility etc are given below.

#### i) Audit Committee

The Company has an Audit Committee comprising of following three Non-Executive Independent Directors, all financially literate and having accounting or related Financial Management expertise.

Director's Name	Position	No. of Meetings	
		Held	Attended
K S B Sanyal	Chairman	4	1
D K Banerji	Member	4	4
D G Rajan	Member	4	4

4 (four) meetings of the Committee were held on 11th May 2019, 10th August 2019, 11th November 2019 and 8th February 2020 during FY 2019-2020. Gap between two meetings never exceeded one hundred and twenty days.

Chairman, Managing Director, Director and Chief Executive Officer, Chief Financial Officer, Internal Auditors and Statutory Auditors also attended said meetings as and when required by the Committee. Company Secretary, Mr R Agarwal, has been Secretary to the Committee.

Unaudited Quarterly and Audited Financial Results were reviewed, analysed and confirmed by the Committee before they were approved by the Board for submission to the Stock Exchanges and publication in newspapers in compliance of Regulation 47 of SEBI LODR, 2015.

Terms of reference of the Committee included powers and role to review information as specified in Part C of Schedule II of SEBI LODR, 2015 of the Company and its Subsidiaries.

#### ii) Corporate Social Responsibility Committee

The Company has Corporate Social Responsibility Committee, constituted in compliance of Section 135 of the Act and Rules framed thereunder, comprising of following Directors :

Director's Name	Position	No. of Meetings	
		Held	Attended
Prof B Ray	Chairperson	3	3
S K Bajoria	Member	3	2
D K Banerji	Member	3	3
K S B Sanyal	Member	3	1

During FY 2019-2020, 3 (three) meetings of the Committee were held on 11th May 2019, 10th August 2019 and 8th February 2020. The Committee following its role and responsibility formulated and recommended to the Board a Policy indicating CSR activities to be undertaken, expenditure to be incurred on account thereof and monitoring the same on an ongoing basis.

#### iii) Nomination and Remuneration Committee

As per Para A of Part D of Schedule II of SEBI LODR, 2015, role of the Nomination and Remuneration Committee (the Committee) include formulation of criteria for determining qualification, positive attributes and independence of Directors and recommend to the Board, Policy relating to Remuneration of Directors, Key Managerial Personnel and other Employees. Role also include determination



## Annexure 'B' to Directors' Report - Report on Corporate Governance (Contd.)

on behalf of the Board and on behalf of the Shareholders, Policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment and/or to recommend remuneration including perquisites payable by the Company on their appointment and/or re-appointment and remuneration, in whatever form, payable to Senior Management.

The Committee has laid down criteria for evaluation of performance of Independent Directors and the Board, which inter-alia include concern for stakeholders, contribution to setting strategy and policy, directions, knowledge and approach to issues placed before the Board and also that the Directors excluding the Director whose performance is being evaluated, at their first meeting of each FY, evaluate performance and based on such evaluations, decide whether to extend or continue term of appointment of the Independent Director concerned.

This Committee comprise of following Non-Executive Independent Directors :

Director's Name	Position	No. of Meetings	
		Held	Attended
D G Rajan	Chairman	3	3
D K Banerji	Member	3	3
K S B Sanyal	Member	3	0

3 (three) meetings of the Committee were held on 11th May 2019, 11th November 2019 and 8th February 2020 during FY 2019-2020. Remuneration paid/payable to Executive and Non-Executive Directors for FY 2019-2020 by the Company is as follows :

(₹ in lacs)

Name of Directors	Salary and other benefits				Sitting Fees	
	Salary (including House Rent Allowance)	Commission	Contribution to Provident and other Funds	Other Perquisites	Board Meetings	Committee Meetings
P Bajoria (e)*	244.80	36.92	105.64	3.29	–	–
S K Bajoria (e)*	156.00	36.92	15.60	14.93	–	–
D K Banerji	–	–	–	–	0.80	0.70
Y Kawatsu **	–	–	–	–	–	–
S Khasnobis	–	–	–	–	0.80	0.05
Prof S Munshi**	–	–	–	–	0.40	–
K Oshikawa	–	–	–	–	0.20	–
D G Rajan	–	–	–	–	0.80	0.55
Prof B Ray	–	–	–	–	0.80	0.15
K S B Sanyal	–	–	–	–	0.20	0.80****
K Sarda (f)*	90.39	–	5.16	6.38	–	–
T Tsuzuki ***	–	–	–	–	–	–

\*As per Ind AS - 24 (Refer Note 36 - Related Party Disclosures to Statement of Accounts)

\*\* Resigned w.e.f 10th August 2019

\*\*\* Appointed w.e.f 9th September 2019

\*\*\*\* As on 31st March 2020, amount outstanding to be paid - ₹ 10,000

- e) i) Service Contract valid upto 31st March 2020. (Fixed Term Contract for three year w.e.f 1st April 2020)  
ii) Notice Period and Severance Fees - 3 months Notice from either side or salary in lieu thereof.  
iii) Commission variable within - 1% of the 'Net Profit' eligible.
- f) i) Regular employment. Appointment as Whole-time Director valid upto 30th September 2020.  
ii) Notice Period and Severance Fees - 3 months Notice from either side or salary in lieu thereof.
- No stock option has been given to the Directors.

## Annexure 'B' to Directors' Report - Report on Corporate Governance (Contd.)

### iv) Stakeholders Relationship Committee

This Committee comprise of following Executive and Non-Executive Independent Directors :

Director's Name	Position	No. of Meetings	
		Held	Attended
K S B Sanyal	Chairman	13	13
P Bajoria	Member	13	8
K Sarda	Member	13	11

During FY 2019-2020, 13 (thirteen) meetings of the Committee were held on 1st April 2019, 29th April 2019, 27th May 2019, 24th June 2019, 22nd July 2019, 19th August 2019, 16th September 2019, 14th October 2019, 11th November 2019, 9th December 2019, 6th January 2020, 3rd February 2020 and 2nd March 2020 and gap between two meetings never exceeded 30 days. Due to onslaught of pandemic COVID –19, meeting of the Committee could not be held in end March 2020.

Following Para B of Part D of Schedule II of SEBI LODR, 2015, role of the Committee includes redressal of Shareholders complaints relating to transfer/transmission of shares, non-receipt of annual report, non-receipt of dividends/shares, issue of new/duplicate certificates etc. Role of the Committee also include reviewing measures taken for a) effective exercise of voting rights by Shareholders b) adherence of Company's service standards by Registrar and Share Transfer Agent c) various measures taken by the Company to reduce quantum of unclaimed dividends and ensuring timely receipt of documents by the Shareholders.

Company Secretary, Mr R Agarwal under authority vested in him following provisions of Regulation 40 of SEBI LODR, 2015 approved Share Transfers, subject to ratification at immediately succeeding meeting of the Committee.

Status of complaints received from Shareholders/Investors is as follows :

Number of complaints pending as on 1st April 2019	–
Number of complaints received during the year	11
Number of complaints resolved during the year	11
Number of complaints pending as on 31st March 2020	–

Most of complaints received related to non-receipt of a) Share Certificates b) Dividend c) Annual Report d) Shares transferred to IEPF etc.

### v) Investment Committee

This Committee comprise of following Executive and Non-Executive Independent Directors :

Director's Name	Position	No. of Meetings	
		Held	Attended
S K Bajoria	Chairman	1	1
P Bajoria	Member	1	1
S Khasnobis	Member	1	1
K Sarda	Member	1	1

During FY 2019-2020, 1 (one) meeting of the Committee was held on 11th November 2019.

Role of the Committee is to inter-alia examine and recommend measures for management of foreign currency exposures and opportunities for deployment of cash flow surpluses available with the Company.

### 4. General Body Meetings

Location and time, where last three AGMs of the Company were held

AGM	FY	Date	Time	Place
10th	2016-2017	Saturday, 23rd December 2017	11 AM	Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770031, Dist. Sundergarh, Odisha
11th	2017-2018	Saturday, 25th August 2018	11 AM	-do-
12th	2018-2019	Saturday, 27th July 2019	11 AM	-do-

## Annexure 'B' to Directors' Report - Report on Corporate Governance (Contd.)

### Special Resolutions passed at the last 3 (three) AGMs of the Company

FY	Items
2016-2017	i) For appointment and payment of remuneration of Mr S K Bajoria (DIN : 00084004) as Executive Chairman, liable to retire by rotation, of the Company for the period 5th August 2017 to 31st March 2020, being the remainder period of his appointment as Executive Chairman of Transferor Company.
	ii) For appointment and payment of remuneration of Mr P Bajoria (DIN : 00084031) as Managing Director, liable to retire by rotation, of the Company for the period 5th August 2017 to 31st March 2020, being the remainder period of his appointment as Managing Director of Transferor Company.
	iii) For re-appointment and payment of remuneration of Mr K Sarda (DIN : 03151258) as Whole-time Director and Chief Executive Officer, liable to retire by rotation, of the Company for the period 1st October 2017 to 30th September 2020.
	iv) Under Section 188 of the Act for entering into contracts/arrangements for sales, purchases etc with related parties.
	v) Under Section 188(1)(f) of the Act for consent of the Company for continued holding of office or place of profit by Mr Akshay Bajoria, son of Managing Director, Mr P Bajoria.
	vi) Under Section 94 of the Act for maintenance of Registers and Returns under Sections 88 and 92 of the Act at Company's Head and Corporate Office at 3, Netaji Subhas Road, Kolkata 700001 on and from 1st January 2018.
	vii) Under Section 14 of the Act for adoption of new set of Articles of Association of the Company.
	viii) Under Section 180(1)(c) of the Act for consent of the Company for borrowing upto maximum of ₹ 1,000 crores and create mortgage on account thereof.
2017-2018	For payment of remuneration to Managing Director, Mr P Bajoria (DIN : 00084031) for FY 2018-2019 as 'minimum remuneration'.
2018-2019	i) For payment of minimum remuneration to the Chairman, Mr S K Bajoria (DIN: 00084004) for FY 2019-2020
	ii) For payment of minimum remuneration to the Managing Director, Mr P Bajoria (DIN: 00084031) for FY 2019-2020

### Postal Ballot

The Company did not conduct any business through Postal Ballot during FY 2019-2020.

### 5. Means of Communication

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is core of good governance. The Company :

- Announced Quarterly Results and Audited Annual Results within time permissible under SEBI LODR, 2015 and Stock Exchanges were intimated immediately after the same were taken on record by the Board. Further coverage was given for the benefit of Shareholders and Investors by publication of Financial Results in English and Odia newspapers as was applicable [Business Standard (All Editions) – English and Pratidin – Odia widely circulating in the State of Odisha]. As per SEBI LODR, 2015, newspaper publications are also uploaded on websites of BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE).
- Made available Audited/Unaudited Financial Results and other pertinent information of the Company on its website i.e. [www.ifglref.com](http://www.ifglref.com), website of NSE i.e. [www.nseindia.com](http://www.nseindia.com) and website of BSE i.e. [www.bseindia.com](http://www.bseindia.com).
- Uploaded information relating to Shareholding Pattern, its Annual Report and those of Subsidiaries, Corporate Announcements/ Press Releases, Investors Presentation, Transcript of Quarterly Earnings Call with Investors on its website [www.ifglref.com](http://www.ifglref.com).

### 6. General Shareholder Information

<b>Date of AGM</b>	Saturday, 26th September 2020
<b>Time</b>	11 AM
<b>Venue</b>	Through Video Conferencing/Other Audio Visual means

## Annexure 'B' to Directors' Report - Report on Corporate Governance (Contd.)

<b>Financial Calendar 2020-2021</b> (tentative and subject to change)	<ul style="list-style-type: none"> <li>Financial Year – April to March</li> <li>First Quarter Results – by second week of August 2020</li> <li>Second Quarter Results – by second week of November 2020</li> <li>Third Quarter Results – by second week of February 2021</li> <li>Audited Results for the year ending 31st March 2021 – by last week of May 2021</li> </ul>
<b>Book Closure Period</b>	Monday, 21st September 2020 to Saturday, 26th September 2020
<b>Dividend Payment Date</b>	On 8th February 2020, the Board of Directors of the Company approved payment of Interim Dividend @ 25% i.e. ₹ 2.50 per Equity Share for FY 2019-2020. The Board has recommended to the Shareholders that said Interim Dividend be declared and approved as Final Dividend for FY 2019-2020 at ensuing AGM.

### Listing on Stock Exchanges

Equity Shares of the Company are listed both on NSE and BSE, details whereof are provided hereinbelow :

Name of the Stock Exchange	Address	Scrip Code
BSE	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	540774
NSE	Exchange Plaza', C-1, Block – G Bandra – Kurla Complex, Bandra (E), Mumbai 400 051	IFGLEXPOR

Payment of Listing Fee for FY 2020-2021 has been made to said Stock Exchanges. ISIN allotted to the Company under the Depository System is INE133Y01011. Annual Custody Fee for FY 2020-2021 has also been paid to Depositories CDSL and NSDL.

### Address for correspondence

<b>Registered Office &amp; Kalunga Works</b>	Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770031, Dist. Sundergarh, Odisha Tel : +91 661 2660195, Fax : +91 661 2660173, E-mail : <a href="mailto:ifgl.works@ifgl.in">ifgl.works@ifgl.in</a>
<b>Head &amp; Corporate Office</b>	McLeod House, 3, Netaji Subhas Road, Kolkata 700001 Tel : +91 33 40106100, Fax : +91 33 22430886 E-mail : <a href="mailto:ifgl.ho@ifgl.in">ifgl.ho@ifgl.in</a> and <a href="mailto:investorcomplaints@ifgl.in">investorcomplaints@ifgl.in</a>

### Corporate Identification Number (CIN)

CIN of the Company is L51909OR2007PLC027954.

### Market Price Data

Equity Shares of the Company have regularly been traded on BSE and NSE. Following is month-wise high/low prices of the Company's Equity Shares on BSE and NSE.

Months	BSE Limited		National Stock Exchange of India Limited	
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
April 2019	240.00	220.10	243.30	225.05
May 2019	247.70	207.20	237.00	207.30
June 2019	212.65	180.65	214.50	183.20
July 2019	207.50	139.10	194.50	138.95
August 2019	159.65	125.00	158.95	120.05
September 2019	184.80	133.00	186.75	127.95
October 2019	179.60	138.00	169.00	132.80
November 2019	164.00	137.00	168.70	135.00
December 2019	145.00	127.60	147.70	127.00
January 2020	162.50	136.00	170.50	134.00
February 2020	167.85	137.00	165.10	135.00
March 2020	145.00	64.10	150.90	69.05

Increase or decrease in the SENSEX/NIFTY is not commensurate to fluctuations in Market Price of Company's Equity Share.

## Annexure 'B' to Directors' Report - Report on Corporate Governance (Contd.)

### 7. Disclosures :

- A Statement in summary form of transactions with related parties in the ordinary course of business was placed periodically before the Board/Audit Committee. All transactions with the related parties have been on an arms length basis. A Policy on transactions with related parties has been hosted on Company's website [www.ifglref.com](http://www.ifglref.com).
- The Company have had no materially significant related party transactions, which may have potential conflict with interest of the Company.
- For disclosures of related party relationship and transactions as per Ind AS-24, "Related Party Disclosure", Note 36 to the Annual Audited Accounts of the Company for the FY ended 31st March 2020 may be referred to.
- Resume and other information of the Directors proposed to be appointed/re-appointed at ensuing AGM of the Company are given in the Notice relating thereto to the Shareholders as required under Regulation 36(3) of SEBI LODR, 2015.
- Nomination and Remuneration Committee of the Company has devised a Policy on Board Diversity, a copy whereof is hosted on Company's website [www.ifglref.com](http://www.ifglref.com).
- Management Discussion and Analysis Report and Business Responsibility Report form part of the Directors' Report to the Shareholders for FY ended 31st March 2020.
- In accordance with requirement of Corporate Governance, the Board of the Company formulated a Code of Conduct for Board including Independent Directors and Senior Management Personnel and the compliance thereof has been affirmed by all concerned. The Code provide for duties of Independent Directors as laid down in the Act. Required declaration to this effect signed by the Managing Director of the Company is appended as a separate Annexure to this Report. This Code of Conduct, adopted by the Company, has also been hosted on Company's website [www.ifglref.com](http://www.ifglref.com).
- No penalties/strictures, except fine of ₹ 10,000/- each by BSE and NSE for alleged violation of Regulation 29(2)/29(3) of SEBI LODR, 2015 were imposed on the Company by any regulatory authority on any matter related to capital markets during last three years.
- Minutes of Subsidiary Companies were placed before the Board of the Company and attention drawn to significant transactions and arrangement entered into by Subsidiary Companies. The Company has no Indian Subsidiary. Policy for determining Material Subsidiaries has been hosted on Company's website [www.ifglref.com](http://www.ifglref.com).
- The Company has laid down procedures to inform the Board Members about the risk assessment and minimisation. Said procedures were periodically reviewed to ensure that Executive Management control risks through means of a properly defined framework. These procedures have also been adopted by the Company.
- The Company has formulated the Code of Conduct for prevention of Insider Trading in securities of the Company by its Directors and Employees in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 amended to date and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information following said SEBI Insider Trading Regulations. These Codes of Conduct adopted by the Company have been hosted on Company's website [www.ifglref.com](http://www.ifglref.com). For the purposes of these Codes, Company Secretary, Mr R Agarwal is Compliance Officer and Director and Chief Executive Officer, Mr K Sarda is Chief Investor Relations Officer.
- The Company has appointed Strategic Growth Advisors Private Limited (Mr Samir Shah) of 402, Pressman House, Near Orchid Hotel, 70A, Nehru Road, Vile Parle (East), Mumbai 400099 as Investor Relations Advisors. Quarterly Results and presentation made to analysts have been hosted on Company's website [www.ifglref.com](http://www.ifglref.com). Transcripts of Quarterly Conference Calls on Financial Performance have also been hosted on said website.
- The Board of the Company has put in place a Policy for Prevention of Sexual Harassment following provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. Copy of said Policy has been hosted on Company's website [www.ifglref.com](http://www.ifglref.com). During FY 2019-2020, no complaint was received under said Policy.
- The Board of the Company have received a Certificate from the Director and Chief Executive Officer, who is also Chief Financial Officer of the Company in compliance of Regulation 17(8) of SEBI LODR, 2015.
- The Company has a Vigil Mechanism (Whistle Blower) Policy for Directors and Employees, both permanent and temporary, to report concerns about unethical conduct and improper practices or alleged fraud or violation of Code of Conduct or Ethics Policy, to the Managing Director or Compliance Officer or the Audit Committee soon after becoming aware of the same. Said Policy inter-alia provide for adequate safeguards against victimisation of persons availing mechanism of the same and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Company has adopted said Policy and hosted a copy thereof on Company's website [www.ifglref.com](http://www.ifglref.com) and no complaint thereunder was received during FY ended on 31st March 2020. During FY 2019-2020, no person was denied access to the Audit Committee with regard to aforesaid.

## Annexure 'B' to Directors' Report - Report on Corporate Governance (Contd.)

- Pursuant to Regulation 40 of SEBI LODR, 2015, Certificate, on half year basis were issued by a Company Secretary-in-Practice for due compliance of Share Transfer formalities by the Company and filed with Stock Exchanges within prescribed time.
- A Chartered Accountant in full time practice carried out Reconciliation of Share Capital Audit to reconcile total admitted capital with NSDL and CDSL and the total issued and listed capital of the Company. The Audit confirmed that the total issued/paid up capital has been in agreement with the aggregate of total number of Shares in physical form and the total number of Shares in dematerialised form (held with NSDL and CDSL).
- The Company has complied all mandatory requirements of Corporate Governance. Compliance of non mandatory requirements are dealt with at the end of the Report. Compliance Reports in format prescribed has been sent to Stock Exchanges within prescribed time.
- Independent Directors have confirmed that they meet criteria of 'Independence' as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR, 2015. The Board is of the opinion that the Independent Directors fulfil the conditions specified in SEBI LODR, 2015 and are independent of the management. None of the Independent Directors of the Company is a Non Independent Director of another Company on the Board of which Non Independent Director of the Company is an Independent Director.
- None of the Independent Directors is serving as Independent Directors in more than seven Listed Companies. Formal letters of appointment have been issued to the Independent Directors and hosted on Company's website [www.ifglref.com](http://www.ifglref.com).
- A meeting of the Independent Directors of the Company was held on 11th May 2019, whereat all of them except Mr K S B Sanyal, were present. Independent Directors following Company's Policy familiarised themselves with their roles, rights and responsibilities, nature of industry in which the Company operated, business models of the Company etc. Details of familiarisation programmes forming part of Company's Policy therefor have been hosted on Company's website [www.ifglref.com](http://www.ifglref.com).
- In a meeting recently held, Independent Directors of the Company inter-alia reviewed performance of Non Independent Directors and the Board as a whole and the Chairperson of the Company taking into account views of Executive Directors and Non-Executive Directors. Quality, Quantity and Timeliness of flow of information between the Company Management and the Board necessary for the Board to effectively and reasonably perform their duties was also assessed. These were found to be satisfactory.
- Website [www.ifglref.com](http://www.ifglref.com) of the Company is functional and provide information in accordance with Regulation 46 of SEBI LODR, 2015.
- In compliance of Regulation 7(3) of SEBI LODR, 2015, Compliance Certificate duly signed by Compliance Officer of the Company and authorised representative of Share Transfer Agent for half year ended on 30th September 2019 and 31st March 2020 have been submitted to Stock Exchanges within time prescribed.
- Regulation 21 of SEBI LODR, 2015 regarding constitution of Risk Management Committee is not applicable to the Company.
- Major currency for exports of the Company has been Euro.
- Manufacturing facilities of the Company are situated at Plot Nos 638-644, Kandla Special Economic Zone, P.O. Gandhidham 370230, Dist. Kutch, Gujarat and Sectors 'A' and 'B', Kalunga Industrial Estate, P.O. Kalunga 770031, Dist. Sundergarh, Odisha. Towards end of financial year 2018-2019, the Company also made outright purchase of land admeasuring more or less 10 Acres situated at Industrial Park, APIIC – Denotified Area Atchutapuram APSEZ, Visakhapatnam District, Andhra Pradesh from Andhra Pradesh Industrial Infrastructure Corporation Limited. Recently on 24th May 2020, Bhoomi Pujan was performed thereon following protocols specified including maintaining of social distancing by the Government authorities due to COVID 19 pandemic.
- The Company did not raise any funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of SEBI LODR, 2015.
- During FY 2019-2020, following were the changes in the Credit Ratings.
  - By CARE Ratings Limited

Facilities	Rating as on 1st April 2019	Revised Rating on 23rd August 2019
Long Term Bank Facilities	CARE AA-; Stable (Double A minus, Outlook: Stable)	CARE A+; Stable; ISSUER NOT COOPERATING (Single A Plus; Outlook: Stable)
Short Term Bank Facilities	CARE A1+ (A one plus)	CARE A1+; ISSUER NOT COOPERATING (A One Plus)

## Annexure 'B' to Directors' Report - Report on Corporate Governance (Contd.)

Facilities	Rating as on 1st April 2019	Revised Rating on 23rd August 2019
Long Term/Short Term Bank Facilities	CARE AA-; Stable/A1+ (Double A minus, Outlook: Stable/A one plus)	CARE A+; Stable/CARE A1+; ISSUER NOT COOPERATING (Single A Plus; Outlook : Stable/A One Plus)
Commercial Paper	–	CARE A1+; ISSUER NOT COOPERATING (A One Plus) [This was revised to CARE A1+; (A One Plus) on 30th September 2019

b) By ICRA Limited on 2nd January 2020

Facilities	Rating
Fund based Limits- Working Capital Limits	[ICRA]A+(Stable); Assigned
Fund based Limits- Unallocated Limits	[ICRA]A+(Stable); Assigned
Non-Fund based Limits- Letter of Credit/ Bank Guarantee	[ICRA]A1+; Assigned
Non- Fund based Limits- Letter of Credit/ Bank Guarantee	[ICRA]A1+; Assigned

- The Company has obtained Certificate from Practicing Company Secretary that none of its Directors is debarred or disqualified from being appointed or continuing as Director of the Company by the SEBI/Ministry of Corporate Affairs or any such authority and same is appended as a separate annexure to this Report.
- The Board of the Company accepted all mandatory recommendations made by its Committees during FY 2019-2020.
- Fees paid/payable for FY 2019-2020 by the Company to Statutory Auditors and their associates for services availed from them is summarised in table below :

Amounts Paid/Payable to Auditors	Amount in ₹ in lacs
<b>As Auditors</b>	
For Statutory Audit (including Limited Reviews)	30.00
For Certification work required to be done by Statutory Auditor	–
For Tax Audit	5.00
Reimbursement of Expenses	–
<b>Total</b>	<b>35.00</b>

No such fee was paid/payable by any of the Subsidiaries of the Company.

### Registrar and Share Transfer Agent for Physical and Demat Segments (RTA)

Maheshwari Datamatics Private Limited (MDPL)

Registered Office :

23, R N Mukherjee Road, 5th Floor, Kolkata 700001

Phone : +91 33 22482248, Fax No : +91 33 22484787

E-mail : [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

### Compliance Officer

Mr Rajesh Agarwal, Company Secretary

Head & Corporate Office :

McLeod House, 3, Netaji Subhas Road, Kolkata 700001

Phone : +91 33 40106114, Fax : +91 33 22430886

E-mail : [rajesh.agarwal@ifgl.in](mailto:rajesh.agarwal@ifgl.in)

All communications on matters relating to Share Transfers, Dividend etc may be sent directly to Registrar and Share Transfer Agent and Complaints, if any, on these matters may also be sent to [investorcomplaints@ifgl.in](mailto:investorcomplaints@ifgl.in) or to the Compliance Officer.

## Annexure 'B' to Directors' Report - Report on Corporate Governance (Contd.)

### Share Transfer System

Stakeholders Relationship Committee of the Directors of the Company inter-alia deal with matters relating to transfer/transmission of its Equity Shares and ensure that transfers are registered within maximum of 15 days from the date of receipt provided documents are complete in all respects. All Share Transfers were approved by the Company Secretary under the authority delegated to him.

### Distribution of Equity Shareholding

Following is the distribution of Company's Equity Shares as on 31st March 2020.

Category	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Promoter's Holding*				
- Indian Promoters	6	0.05	20,514,618	56.92
- Foreign Promoter	1	0.01	5,590,156	15.51
Financial Institutions/Banks/Mutual Funds/UTI	9	0.07	6,008,019	16.67
NRIs/Clearing Member/Trust	176	1.45	59,021	0.16
Private Body Corporate	92	0.76	394,575	1.10
Investor Education and Protection Fund Authority	1	0.01	436,405	1.21
Individuals	11,859	97.65	3,036,518	8.43
<b>Total</b>	<b>12,144</b>	<b>100.00</b>	<b>36,039,312</b>	<b>100.00</b>

\* Not pledged or otherwise encumbered in any manner.

Number of Shares	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Upto 500	11324	93.25	1,425,591	3.96
501 to 1000	396	3.26	329,312	0.91
1001 to 2000	220	1.81	332,875	0.92
2001 to 3000	82	0.68	207,640	0.58
3001 to 4000	32	0.26	117,092	0.32
4001 to 5000	22	0.18	102,193	0.28
5001 to 10000	37	0.30	268,809	0.75
10001 and above	31	0.26	33,255,800	92.28
<b>Total</b>	<b>12,144</b>	<b>100</b>	<b>36,039,312</b>	<b>100.00</b>

### Dematerialisation of Shares and Liquidity

Equity Shares of the Company having ISIN : INE133Y01011 are available for dematerialisation with Depositories, NSDL and CDSL and following is the distribution in physical and electronic mode as on 31st March 2020.

	Number of Shares	% of Total Equity Shares
In DEMAT with		
- NSDL	34,568,059	95.92
- CDSL	727,590	2.02
In Physical	743,663	2.06

### 8. Unclaimed Dividend/Shares

The Company has not declared Dividend except for FY 2016-2017, FY 2017-2018 and FY 2018-2019 on 23rd December 2017, 25th August 2018 and 27th July 2019 unclaimed/unpaid amount whereof will fall due for transfer to Investor Education and Protection Fund (IEPF) in February 2025, October 2025 and September 2026 respectively.

The Company has on 14th October 2019 transferred unclaimed/unpaid dividend declared for payment by erstwhile IFGL Refractories Limited (Transferor Company), merged with the Company on and from 1st April, 2016, for FY 2011-2012 to IEPF following provisions of Section 124(5) of the Act read with Rule 5 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and



## Annexure 'B' to Directors' Report - Report on Corporate Governance (Contd.)

Refund) Rules, 2016 (IEPF Rules). Details of such unclaimed/unpaid dividend transferred have been hosted on Company's website [www.ifglref.com](http://www.ifglref.com) and claims in respect thereof may be lodged online in [www.iepf.gov.in](http://www.iepf.gov.in) following requisite procedures.

Going forward, unclaimed/unpaid of following dividends declared by the Transferor Company will fall due for transfer to IEPF. Table below give information relating to outstanding dividends declared by the Transferor Company and dates by which are required to be transferred to IEPF. Particulars of persons entitled to said unpaid/unclaimed dividends are appearing on Company's website [www.ifglref.com](http://www.ifglref.com) and claims in respect thereof may either be sent to the Company or its Registrar and Share Transfer Agent. Unclaimed/unpaid dividend declared by the Transferor Company for FY 2012-2013 will fall due for transfer to IEPF in October 2020.

FY	Date of Declaration of Dividend	Last Date for transfer to IEPF*
2012-2013	23.08.2013	22.10.2020
2013-2014	22.08.2014	21.10.2021
2014-2015	22.08.2015	21.10.2022
2015-2016	13.03.2016	12.05.2023

\* Indicative dates. Actual dates may vary.

Following provisions of Section 124(6) of the Act read with Rule 6 of IEPF Rules, the Company has on 23rd October 2019 transferred 38,994 Equity Shares of ₹ 10/- each fully paid up of the Company of 264 holders thereof to Demat Account of IEPF Authority. Relevant particulars of Equity Shares transferred have been hosted on Company's website [www.ifglref.com](http://www.ifglref.com). Procedure for re-claiming said Equity Shares from IEPF Authority has also been hosted on Company's website. Equity Shares with respect to which dividend declared by Transferor Company for seven consecutive financial years including FY 2012-2013 remain unpaid or unclaimed, will fall due for transfer to IEPF in October 2020.

### 9. Status of Adoption of the Non Mandatory Requirements :

#### Audit Qualification

There is no qualification made by Statutory Auditors on Financial Statements of the FY under review.

#### Other Items

Text in compliance of Regulation 33 of SEBI LODR, 2015 has been published by the Company in English and Vernacular Newspapers, filed with BSE and NSE and also hosted on its website. Internal Auditor of the Company reported to Executive Directors and their Quarterly Reports mandatorily placed before the Audit Committee for discussion.

The Company has implemented relevant and applicable provisions of the Act and Rules framed thereunder and also SEBI LODR, 2015.

### 10. Auditors' Certificate on Corporate Governance

As required under Para E of Schedule V of SEBI LODR, 2015, Company's Statutory Auditors Certificate that the conditions of Corporate Governance has been complied by the Company is attached.

### Annual Certificate under Regulation 34(3) read with Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### DECLARATION

As required under Regulation 34(3) read with Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that affirmation for compliance of Code of Conduct has been received from all the Board Members and Senior Management Personnel i.e. Employees in the grades of General Manager and above of the Company for financial year ended 31st March 2020.

Kolkata  
18th July 2020

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

**Annexure 'B' to Directors' Report - Report on Corporate Governance (Contd.)****Certificate of Non-Disqualification of Directors  
(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015) as amended.**

We have examined relevant registers, records, forms, returns and disclosures received from the Directors of IFGL Refractories Limited (CIN : L51909OR2007PLC027954) and having registered office at Sector 'B', Kalunga Industrial Estate, P.O. Kalunga, Rourkela, Sundergarh, Odisha 770031 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C, Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In our opinion and to the best of our information and according to verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers (including remote audit), we hereby certify that none of the Directors mentioned below on the Board of the Company as on 31st March 2020 was debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1.	Kanwar Satyabrata Sanyal	00009497	30.03.2012
2.	Sudhamoy Khasnobis	00025497	05.08.2017
3.	Shishir Kumar Bajoria	00084004	07.09.2007
4.	Pradeep Bajoria	00084031	07.09.2007
5.	Duraiswamy Gunaseela Rajan	00303060	05.08.2017
6.	Kamal Sarda	03151258	01.04.2012
7.	Kiyotaka Oshikawa	03515516	09.12.2017
8.	Debal Kumar Banerji	03529129	05.08.2017
9.	Bharati Ray	06965340	05.08.2017
10.	Tetsuo Tsuzuki	08557222	09.09.2019

Ensuring eligibility for appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate is being issued under the conditions of lockdown due to COVID-19 with limited resources available to us.

**(S. M. Gupta)***Partner***S. M. Gupta & Co.***Company Secretaries*

Firm Registration No : P1993WB046600

FCS No : 896

CP No : 2053

Peer Review No: 718/2020

UDIN : F000896B000335956

Kolkata

11th June 2020

## Annexure 'B' to Directors' Report - Report on Corporate Governance (Contd.)

### Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

#### TO THE MEMBERS OF

#### IFGL REFRACTORIES LIMITED

1. The Corporate Governance Report prepared by IFGL Refractories Limited (hereinafter the "Company"), contains details as specified in Regulations 17 to 27, clauses (b) to (i) of sub - regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended 31st March 2020 as required by the Company for annual submission to the Stock Exchange.

#### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of Internal Control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an Opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include :
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to Executive and Non-Executive Directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on 31st March 2020 and verified that atleast one Independent Woman Director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following Committee meetings/other meetings held between 1st April 2019 to 31st March 2020 :
    - (a) Board of Directors;
    - (b) Audit Committee;
    - (c) Annual General Meeting (AGM);
    - (d) Nomination and Remuneration Committee;
    - (e) Stakeholders Relationship Committee;
    - (f) CSR Committee; and
    - (g) Investment Committee.

## Annexure 'B' to Directors' Report - Report on Corporate Governance (Contd.)

- v. Obtained necessary declarations from the Directors of the Company.
  - vi. Obtained and read the Policy adopted by the Company for Related Party Transactions.
  - vii. Obtained the schedule of Related Party Transactions during the year and balances at the year end. Obtained and read the minutes of the Audit Committee meeting wherein such related party transactions have been pre-approved prior by the Audit Committee.
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an Opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

9. Based on the procedures performed by us as referred in paragraph 7 above and according to the information and explanations given to us, we are of the Opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended 31st March 2020, referred to in paragraph 4 above.

### Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Bhaswar Sarkar**  
Partner

Membership Number : 055596  
UDIN : 20055596AAAACL9809

Kolkata  
18th July 2020

## Annexure 'C' to Directors' Report - MGT 9

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31st March 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. Registration & Other Details

1.	CIN	L51909OR2007PLC027954
2.	Registration Date	07.09.2007
3.	Name of the Company	IFGL Refractories Limited
4.	Category/Sub Category of the Company	Listed Public Limited Company
5.	Address of the Registered Office & Contact Details	Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770031, Dist. Sundergarh, Odisha Tel : +91 661 2660195, Fax : +91 661 2660173 E-mail : <a href="mailto:ifgl.works@ifgl.in">ifgl.works@ifgl.in</a>
6.	Whether Listed Company	Yes on BSE Limited and National Stock Exchange of India Limited
7.	Name, Address & Contact Details of the Registrar & Transfer Agent, if any	Maheshwari Datamatics Private Limited (MDPL) Registered Office : 23, R N Mukherjee Road, 5th Floor, Kolkata 700001 Tel : +91 33 22482248, Fax : +91 33 22484787 E-mail : <a href="mailto:mdpldc@yahoo.com">mdpldc@yahoo.com</a>

#### II. Principal Business Activities of the Company (All the Business Activities contributing 10% or more of the Total Turnover of the Company)

Sl. No.	Name and Description of Main Products/Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1.	Manufacture and Sale of Refractory Mortars, Refractory Ceramic Products etc	2391	85.85
2.	Trading	–	9.08

#### III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
1.	Bajoria Financial Services Private Limited, India	U67120WB2006PTC111974	Holding Company	51.21	2(46)
2.	IFGL Worldwide Holdings Limited, Isle of Man	NA	Subsidiary Company	100	2(87)
3.	IFGL Monocon Holdings Limited, UK	NA	Step down Subsidiary	100	2(87)
4.	Monocon International Refractories Limited, UK	NA	Step down Subsidiary	100	2(87)
5.	Monocon Overseas Limited, UK	NA	Step down Subsidiary	100	2(87)
6.	Mono Ceramics Inc., USA	NA	Step down Subsidiary	100	2(87)
7.	Monotec Refratarios Ltda, Brazil	NA	Step down Subsidiary	95	2(87)
8.	Tianjin Monocon Refractories Company Limited, PRC	NA	Step down Subsidiary	100	2(87)
9.	Tianjin Monocon Aluminious Refractories Company Limited, PRC	NA	Step down Subsidiary	100	2(87)
10.	Goricon Metallurgical Services Limited, UK	NA	Step down Subsidiary	100	2(87)
11.	IFGL GmbH, Germany	NA	Step down Subsidiary	100	2(87)
12.	Hofmann Ceramic GmbH, Germany	NA	Step down Subsidiary	100	2(87)
13.	Hofmann Ceramic CZ s.r.o., Czech Republic	NA	Step down Subsidiary	98.78	2(87)
14.	IFGL Inc., USA	NA	Step down Subsidiary	100	2(87)
15.	EI Ceramics LLC, USA	NA	Step down Subsidiary	100	2(87)

## Annexure 'C' to Directors' Report - MGT 9 (Contd.)

### IV. Shareholding Pattern (Equity Share Capital Break-up as percentage of Total Equity of the Company) :

#### (i) Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual/HUF	2,059,995	-	2,059,995	5.71	2,059,995	-	2,059,995	5.71	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	18,454,623	-	18,454,623	51.21	18,454,623	-	18,454,623	51.21	0.00
e) Banks/FI's	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>	<b>20,514,618</b>	<b>-</b>	<b>20,514,618</b>	<b>56.92</b>	<b>20,514,618</b>	<b>-</b>	<b>20,514,618</b>	<b>56.92</b>	<b>0.00</b>
<b>2. Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	5,590,156	-	5,590,156	15.51	5,590,156	-	5,590,156	15.51	0.00
d) Banks/FI's	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>	<b>5,590,156</b>	<b>-</b>	<b>5,590,156</b>	<b>15.51</b>	<b>5,590,156</b>	<b>-</b>	<b>5,590,156</b>	<b>15.51</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>26,104,774</b>	<b>-</b>	<b>26,104,774</b>	<b>72.43</b>	<b>26,104,774</b>	<b>-</b>	<b>26,104,774</b>	<b>72.43</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	5,838,512	2,030	5,840,542	16.21	6,003,384	2,030	6,005,414	16.67	0.46
b) Banks/FI's	-	2,605	2,605	0.00	-	2,605	2,605	0.00	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)									
- Foreign Portfolio Investors	69	-	69	0.00	-	-	-	-	(0.00)
<b>Sub Total (B)(1)</b>	<b>5,838,581</b>	<b>4,635</b>	<b>5,843,216</b>	<b>16.21</b>	<b>6,003,384</b>	<b>4,635</b>	<b>6,008,019</b>	<b>16.67</b>	<b>0.46</b>
<b>2. Non Institutions</b>									
a) Bodies Corporate									
i) Indian	467,756	13,260	481,016	1.34	390,350	4,225	394,575	1.10	(0.24)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding Nominal Share Capital upto ₹ 1 lac	1,880,201	820,848	2,701,049	7.49	1,922,949	734,768	2,657,717	7.37	(0.12)
ii) Individual Shareholders holding Nominal Share Capital in excess of ₹ 1 lac	435,481	-	435,481	1.21	378,801	-	378,801	1.05	(0.16)

## Annexure 'C' to Directors' Report - MGT 9 (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (Specify)									
i) Non Resident Indians	58,018	35	58,053	0.16	53,711	35	53,746	0.15	(0.01)
ii) Clearing Members	15,779	-	15,779	0.04	4,943	-	4,943	0.01	(0.03)
iii) Trusts	332	-	332	0.00	332	-	332	0.00	0.00
iv) NBFCs registered with RBI	19	-	19	0.00	-	-	-	-	(0.00)
v) Investor Education and Protection Fund Authority	399,593	-	399,593	1.11	436,405	-	436,405	1.21	0.10
<b>Sub Total (B)(2)</b>	<b>3,257,179</b>	<b>834,143</b>	<b>4,091,322</b>	<b>11.35</b>	<b>3,187,491</b>	<b>739,028</b>	<b>3,926,519</b>	<b>10.89</b>	<b>(0.46)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>9,095,760</b>	<b>838,778</b>	<b>9,934,538</b>	<b>27.57</b>	<b>9,190,875</b>	<b>743,663</b>	<b>9,934,538</b>	<b>27.57</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>35,200,534</b>	<b>838,778</b>	<b>36,039,312</b>	<b>100.00</b>	<b>35,295,649</b>	<b>743,663</b>	<b>36,039,312</b>	<b>100.00</b>	<b>0.00</b>

### (ii) Shareholding of Promoters of the Company

Sl. No.	Shareholder's Name	Shareholdings at the beginning of the year			Shareholding at the end of the Year			% Change in Shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
	<b>Indian Promoter</b>							
	<i>Individuals/HUF</i>							
1.	S K Bajoria	1,481,642	4.11	-	1,481,642	4.11	-	0.00
2.	Smita Bajoria	44,613	0.12	-	44,613	0.12	-	0.00
3.	Mihir Bajoria	218,745	0.61	-	218,745	0.61	-	0.00
4.	S K Bajoria HUF	314,995	0.87	-	314,995	0.87	-	0.00
	<b>(A)</b>	<b>2,059,995</b>	<b>5.71</b>	<b>-</b>	<b>2,059,995</b>	<b>5.71</b>	<b>-</b>	<b>0.00</b>
	<i>Bodies Corporate</i>							
5.	Bajoria Financial Services Private Limited*	18,454,353	51.21	-	18,454,353	51.21	-	0.00
6.	Bajoria Enterprises Limited	270	0.00	-	270	0.00	-	0.00
	<b>(B)</b>	<b>18,454,623</b>	<b>51.21</b>	<b>-</b>	<b>18,454,623</b>	<b>51.21</b>	<b>-</b>	<b>0.00</b>
	<b>Foreign Promoter</b>							
	<i>Bodies Corporate</i>							
7.	Krosaki Harima Corporation, Japan (C)**	5,590,156	15.51	-	5,590,156	15.51	-	0.00
	<b>Total (A+B+C)</b>	<b>26,104,774</b>	<b>72.43</b>	<b>-</b>	<b>26,104,774</b>	<b>72.43</b>	<b>-</b>	<b>0.00</b>

\* 5,532,092 Equity Shares are under lock in till 17th November 2020

\*\* 1,675,770 Equity Shares are under lock in till 17th November 2020

## Annexure 'C' to Directors' Report - MGT 9 (Contd.)

### (iii) Change in Promoters' Shareholding of the Company (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
a)	At the beginning of the year	26,104,774	72.43		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			26,104,774	72.43

### (iv) Shareholding Pattern of Top Ten Shareholders of the Company (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
<b>1.</b>	<b>HDFC Small Cap Fund</b>				
a)	At the beginning of the year	2,596,910	7.21		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			2,596,910	7.21
<b>2.</b>	<b>L&amp;T Mutual Fund Trustee Limited - L&amp;T Emerging Businesses Fund</b>				
a)	At the beginning of the year	2,030,024	5.63		
b)	Changes during the year				
	Bought during the year	2,131,997	5.91	4,162,021	11.54
	Sold during the year	(2,272,225)	(6.30)	1,889,796	5.24
c)	At the end of the year			1,889,796	5.24
<b>3.</b>	<b>Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Balanced</b>				
a)	At the beginning of the year	645,773	1.79		
b)	Changes during the year				
	Bought during the year	244,381	0.68	890,154	2.47
	Sold during the year	-	-		
c)	At the end of the year			890,154	2.47
<b>4.</b>	<b>DSP Small Cap Fund</b>				
a)	At the beginning of the year	565,805	1.57		
b)	Changes during the year				
	Bought during the year	60,719	0.17	626,524	1.74
	Sold during the year	-	-		
c)	At the end of the year			626,524	1.74
<b>5.</b>	<b>Investor Education and Protection Fund Authority Ministry of Corporate Affairs</b>				
a)	At the beginning of the year	399,593	1.11		
b)	Changes during the year				
	Transferred to the Fund	38,994	0.11	438,587	1.22
	Transferred from the Fund	(2,182)	(0.01)	436,405	1.21
c)	At the end of the year			436,405	1.21



## Annexure 'C' to Directors' Report - MGT 9 (Contd.)

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
<b>6.</b>	<b>Ithoughtwealth Analytics LLP</b>				
a)	At the beginning of the year	251,834	0.70		
b)	Changes during the year				
	Bought during the year	636	0.00	252,470	0.70
	Sold during the year	–	–		
c)	At the end of the year			252,470	0.70
<b>7.</b>	<b>Akshay Bajoria</b>				
a)	At the beginning of the year	83,000	0.23		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			83,000	0.23
<b>8.</b>	<b>Neera Handa</b>				
a)	At the beginning of the year	44,908	0.13		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			44,908	0.13
<b>9.</b>	<b>Chandurkar Investments Private Limited</b>				
a)	At the beginning of the year	36,000	0.10		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			36,000	0.10
<b>10.</b>	<b>Smart Value Equisearch Private Limited *</b>				
a)	At the beginning of the year				
b)	Changes during the year				
	Bought during the year	58,882	0.16	58,882	0.16
	Sold during the year	(28,900)	(0.08)	29,982	0.08
c)	At the end of the year			29,982	0.08
<b>11.</b>	<b>Dotch Sales Private Limited #</b>				
a)	At the beginning of the year	25,000	0.07		
b)	Changes during the year				
	Bought during the year	6,816	0.01	31,816	0.08
	Sold during the year	(31,816)	(0.08)		
c)	At the end of the year			–	–
<b>12.</b>	<b>SKS Capital &amp; Research Private Limited #</b>				
a)	At the beginning of the year	25,000	0.07		
b)	Changes during the year				
	Bought during the year	–	–		
	Sold during the year	(25,000)	(0.07)		
c)	At the end of the year			–	–

\*As on 31st March 2020

#As on 1st April 2019

Note : Datewise details of increase/decrease hosted on Company's website i.e. [www.ifglref.com](http://www.ifglref.com)

## Annexure 'C' to Directors' Report - MGT 9 (Contd.)

### (v) Shareholding of Directors and Key Managerial Personnel of the Company

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
<b>1.</b>	<b>S K Bajoria, Chairman</b>				
a)	At the beginning of the year	1,481,642	4.11		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			1,481,642	4.11
<b>2.</b>	<b>P Bajoria, Managing Director</b>				
a)	At the beginning of the year	61,270	0.17		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			61,270	0.17
<b>3.</b>	<b>K Sarda, Director and Chief Financial Officer</b>				
a)	At the beginning of the year	2,000	0.01		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			2,000	0.01
<b>4.</b>	<b>D G Rajan, Independent Director</b>				
a)	At the beginning of the year	390	0.00		
b)	Changes during the year				
	Bought during the year	-	-		
	Sold during the year	(100)	(0.00)	290	0.00
c)	At the end of the year			290	0.00
<b>5.</b>	<b>R Agarwal, Company Secretary</b>				
a)	At the beginning of the year	2,319	0.01		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			2,319	0.01

### V. Indebtedness – Indebtedness of the Company including Interest Outstanding/Accrued but not due for payment (₹ in lacs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	6,734.92	-	-	6,734.92
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.84	-	-	3.84
<b>Total (i+ii+iii)</b>	<b>6,738.76</b>	-	-	<b>6,738.76</b>
<b>Change in Indebtedness during the Financial Year</b>				
- Addition	-	-	-	-
- Reduction	3,556.85	-	-	3,556.85
<b>Net Change</b>	<b>(3,556.85)</b>	-	-	<b>(3,556.85)</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	3,179.07	-	-	3,179.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.84	-	-	2.84
<b>Total (i+ii+iii)</b>	<b>3,181.91</b>	-	-	<b>3,181.91</b>

## Annexure 'C' to Directors' Report - MGT 9 (Contd.)

(₹ in lacs)

### VI. Remuneration of Directors and Key Managerial Personnel

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		S K Bajoria, Chairman	P Bajoria, Managing Director	K Sarda, Director & CFO #	
1.	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	156.00	244.80	90.39	491.19
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	30.53*	54.29*	6.38**	91.20
	c) Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of Profit	36.92	36.92	-	73.84
	- Others, Specify	-	-	-	-
5.	Others, please specify				
	- Contribution to Provident Fund	-	24.48	4.28	28.76
	- Gratuity	-	30.16	0.88	31.04
	<b>Total</b>	<b>223.45</b>	<b>390.65</b>	<b>101.93</b>	<b>716.03</b>
	<b>Celling as per the Act</b>	Limit specified at Section II of Part II of Schedule V of the Act			

\*Including monetary value of Perquisites not taxable but excluding ₹ 0.29 on account of Motor Car.

\*\*Including monetary value of Perquisites not taxable but excluding ₹ 0.07 on account of Motor Car.

# Was designated as Director and Chief Executive Officer prior to being redesignated as Director and Chief Financial Officer on and from 8th February 2020

#### B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of the Directors						Total Amount
		D K Banerji	S Khasnobis	KSB Sanyal*	Prof S Munshi**	D G Rajan	Prof B Ray	
1.	<b>Independent Directors</b>							
	Fee for attending Board/Committee Meetings	1.50	0.85	1.00	0.40	1.35	0.95	6.05
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>1.50</b>	<b>0.85</b>	<b>1.00</b>	<b>0.40</b>	<b>1.35</b>	<b>0.95</b>	<b>6.05</b>
2.	<b>Other Non-Executive Directors</b>							
	Fee for attending Board/Committee Meetings	0.20						0.20
	Commission	-						-
	Others, please specify	-						-
	<b>Total (2)</b>	<b>0.20</b>						<b>0.20</b>
	<b>Total (1+2)</b>	<b>1.70</b>	<b>0.85</b>	<b>1.00</b>	<b>0.40</b>	<b>1.35</b>	<b>0.95</b>	<b>6.25</b>
	<b>Total Managerial Remuneration</b>							<b>6.25</b>
	Overall Ceiling as per the Act	Sitting Fee paid is within limit prescribed at Section 197 of the Act						

\*As on 31st March 2020 ₹ 10,000 was outstanding and payable.

\*\* Resigned w.e.f 10th August 2019

**Annexure 'C' to Directors' Report - MGT 9** (Contd.)

(₹ in lacs)

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Remuneration		Total Amount
		R Agarwal, Company Secretary	S Yadav, Chief Financial Officer*	
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	96.30	61.94	158.24
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	10.03**	6.79	16.82
	c) Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission			
	- as % of Profit	–	–	–
	- Others, specify	–	–	–
5.	Others, please specify			
	- Contribution to Provident Fund	2.82	0.17	2.99
	- Gratuity	2.74	–	2.74
	<b>Total</b>	<b>111.89</b>	<b>68.90</b>	<b>180.79</b>

\*Resigned from close of business hours on 14th January 2020.

\*\*Including monetary value of Perquisites not taxable but excluding ₹ 0.22 on account of Motor Car.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding Fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
<b>B. DIRECTORS</b>					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

## Annexure 'D' to Directors' Report

**Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for financial year ended on 31st March 2020**

### A. Conservation of Energy

**Steps taken or impact on conservation of energy, steps taken for utilizing alternate sources of energy and capital investment on energy conservation equipments**

During FY 2019-2020, increased thrust was placed on energy conservation and adoption and utilization of alternate energy sources in facilities of your Company. In this regard, several steps were taken including high energy consuming systems, equipments, appliances etc replaced with energy efficient ones. Also conventional illuminating fittings were replaced with LEDs, Variable Frequency Drivers installed in big induction motors and energy efficient electrical panels commissioned. All these along with implementation of Energy Management System and close monitoring of consumption and utilization have resulted in saving of electricity.

### B. Technology Absorption

**Efforts made towards technology absorption, benefits derived therefrom, details of imported technologies and expenditure incurred on Research & Development (R&D)**

During FY 2019-2020, your Company did not import any technology. In-house R&D set ups at your Company's manufacturing facilities at Kalunga Industrial Estate, Odisha (India) and those at your Company's Step down Subsidiaries at Cincinnati, USA and Breitscheid-Erdbach, Germany continued to work amongst others on development of new products, improvement of product quality and performance, upgradation, substitution and identification of raw materials, optimum utilization of capacity and other resources. Matters related to production, quality control, application etc were also referred to these R&D set ups. Your Company's moto is to have satisfied customers by providing them cost effective quality products and services. In this regard, your Company regularly brain stormed competitiveness, costs, production, quality control, application and other processes and based on outcome emanating therefrom, feedback received from on site personnel and inputs received from other stakeholders, took actions necessary to continue to be a prominent player in the products and services your Company is operating in. R&D activities undertaken by your Company are integral part of its overall activities. Hence, expenditure incurred on account thereof are not identified and captured separately.

### C. Foreign Exchange Earnings and Outgo

**Total Foreign Exchange used and earned :**

(₹ in lacs)

	31st March 2020	31st March 2019
1. Foreign Exchange Outgo		
i) CIF Value of Imports of Raw Materials, Stores and Spares, Trading Items and Capital Goods	13,394.46	12,603.50
ii) Others	1,335.70	1,711.60
2. Foreign Exchange Earnings		
FOB Value of Exports	23,826.77	25,609.80

## Annexure 'E' to Directors' Report

**Statement (Form AOC 1) Containing Salient Features of Financial Statements of Subsidiaries as at 31st March 2020**  
[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Subsidiary's Name and Currency	Financial Year ending on	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Tax	Provision for Tax	Profit/(Loss) after Tax	Proposed Dividend	% of Shareholding
<b>Subsidiary</b>												
IFGL Worldwide Holdings Limited, Isle of Man, (GBP)	31st March	5,922.01	6,563.87	6,973.06	10.01	-	-	517.10	-	517.10	-	100
<b>Step Down Subsidiaries</b>												
EI Ceramics LLC, USA (USD)	31st March	1,052.32	5,792.70	9,178.73	2,333.72	-	13,771.01	1,478.13	308.80	1,169.33	-	100
Goricon Metallurgical Services Ltd, UK (GBP)	31st March	55.96	523.50	577.63	(1.83)	-	-	(0.08)	-	(0.08)	-	100
Hofmann Ceramic CZ s.r.o. Czech Republic (Euro)*	31st March	57.02	(548.08)	239.72	730.78	-	762.21	(98.82)	0.26	(99.07)	-	98.78
Hofmann Ceramic GmbH, Germany (Euro)	31st March	41.27	3,008.84	5,299.05	2,372.33	-	6,207.43	(632.33)	41.71	(674.04)	-	100
IFGL GmbH, Germany (Euro)	31st March	5,152.42	3.72	44.16	36.27	-	-	(3.33)	-	(3.33)	-	100
IFGL Inc., USA (USD)	31st March	3,008.39	5,001.16	10.70	319.64	-	-	(25.54)	-	(25.54)	-	100
IFGL Monocon Holdings Limited, UK (GBP)	31st March	4,663.00	-	-	23.32	-	-	-	-	-	-	100
Mono Ceramics Inc., USA (GBP)	31st March	2,430.41	4,144.37	5,120.51	1,062.91	-	6,703.12	147.25	29.04	118.20	-	100
Monocon International Refractories Limited, UK (GBP)	31st March	0.09	10,842.76	12,920.59	9,201.93	-	15,472.75	(1,630.81)	63.30	(1,694.11)	-	100
Monocon Overseas Limited, UK (GBP)	31st March	0.93	7,485.03	4.23	677.86	-	-	(0.14)	-	(0.14)	-	100
Monotec Refratarios Ltda, Brazil (GBP)*	31st December	256.44	(256.44)	-	-	-	-	-	-	-	-	95
Tianjin Monocon Aluminous Refractories Company Limited, PRC (GBP)*	31st December	483.95	786.37	1,485.72	215.39	-	2,331.26	192.59	8.29	184.31	-	100
Tianjin Monocon Refractories Company Limited, PRC (GBP)*	31st December	130.56	484.31	1,420.67	805.80	-	3,818.66	171.72	5.91	165.81	-	100

\*Reporting currencies of these Subsidiaries have been converted in Euro/GBP for convenience.

**NOTES :**

- Balance Sheet figures have been converted into Indian Rupees by applying year end Foreign Exchange Closing Rate of ₹ 82.53 equivalent to 1 Euro, ₹ 93.26 equivalent to 1 GBP and ₹ 75.21 equivalent to 1 USD. Profit and Loss figure have however been converted into Indian Rupees by using Average Exchange Rate of ₹ 78.81 equivalent to 1 Euro, ₹ 90.15 equivalent to 1 GBP and ₹ 70.90 equivalent to 1 USD.
- Investment exclude investments made in Subsidiary Companies.
- The Company neither had nor have Associate/Joint Ventures.
- Reporting period of Subsidiaries is mentioned at Note 2.2 on Consolidated Financial Statements.
- During the year, Dividend amounting to ₹ 193.39 and ₹ 372.14 were received by IFGL Worldwide Holdings Limited from Tianjin Monocon Aluminous Refractories Company Limited and Tianjin Monocon Refractories Company Limited respectively.

Kolkata

18th July 2020

**Rajesh Agarwal**  
Company Secretary  
(FCS : 2825)

**Kamal Sarda**  
Director and  
Chief Financial Officer  
(DIN : 03151258)

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

**S K Bajoria**  
Chairman  
(DIN : 00084004)

## Annexure 'F' to Directors' Report

### Annual Report on Corporate Social Responsibility (CSR) activities for Financial Year 2019-2020

1 & 2.	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and composition of CSR Committee.	Following practices hitherto in place, the Company continued to pursue CSR activities mentioned in brief hereinafter in areas in vicinity of its manufacturing facilities through Implementing Agency, IFGL Refractories Welfare Trust, registered with and also having Section 80G recognition of the Income Tax Act, 1961.  Company's CSR Policy is hosted on its website <a href="http://www.ifglref.com">www.ifglref.com</a> . Details of CSR Committee including its role and responsibilities, are given at Para 3 of the Corporate Governance Report.
3.	Average Net Profit of the Company for last three Financial Years	₹ 2,635.03 lacs
4.	Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above)	₹ 52.70 lacs
5.	<b>Details of CSR spent during the Financial Year :</b>	
	a) Total amount to be spent for the Financial Year	₹ 56.00 lacs
	b) Amount unspent, if any	Not applicable
	c) Manner in which the amount spent during Financial Year	

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs 1. Local area or other 2. Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub heads : 1. Direct expenditure on projects or programs 2. Over heads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1	2	3	4	5	6	7	8
1.	a) Priyadarshini UP School	Education	P.O. Kalunga, Dist. Sundergarh, Odisha	Open	₹ 5.61 lacs	*	Through Implementing Agency
	b) Kalunga Shilpanchala Bidyalaya			Open	₹ 7.92 lacs	*	
2.	a) Free Allopathy Clinic	Health care including preventive	Dist. Sundergarh, Odisha	Open	₹ 3.14 lacs	*	
	b) Free Homeopathic Clinic			Open	₹ 1.16 lacs	*	
	c) Free bed at Rajasthan Seva Sadan			Open	₹ 1.20 lacs	*	

## Annexure 'F' to Directors' Report (Contd.)

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs 1. Local area or other 2. Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub heads : 1. Direct expenditure on projects or programs 2. Over heads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1	2	3	4	5	6	7	8
3.	IDC Sulabh Souchalaya at Kalunga Industrial Estate	Sanitation	Dist. Sundergarh, Odisha	Open	₹ 1.25 lacs	*	Through Implementing Agency
4.	Contribution to Enrico Piperno Tennis Trust	Sport	Kolkata, India	Open	₹ 3.60 lacs	*	
5.	Others	Charitable Contributions	PAN India	Open	₹ 21.92 lacs	*	

\*Expenses incurred during FY 2019-2020 for on-going handholding.

6.	In case the Company has failed to spend the two percent of the Average Net Profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.	Not applicable
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.	Implementation and monitoring of CSR Policy has been in compliance with CSR objectives and Policy of the Company.

Kolkata  
18th July 2020

**S K Bajoria**  
Member, CSR Committee  
(DIN : 00084004)

**Prof B Ray**  
Chairperson, CSR Committee  
(DIN : 06965340)



## Annexure 'H' to Directors' Report

**FORM NO. MR 3**

**SECRETARIAL AUDIT REPORT**

**For Financial Year ended on 31st March 2020**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

### **TO THE MEMBERS**

#### **IFGL Refractories Limited**

(CIN: L51909OR2007PLC027954)

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

We have conducted Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices by IFGL REFRACTORIES LIMITED (the Company). Secretarial Audit has been conducted in accordance with Guidance Note issued by the Institute of Company Secretaries of India (a statutory body constituted under the Company Secretaries Act, 1980) and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our Opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's Management is adequate and appropriate for us to provide a basis for our opinion.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors' Report on Financial Statements and Compliance of the conditions of Corporate Governance and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, physically and by way of remote audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the Company has, during the audit period covering the financial year ended on 31st March 2020 generally complied with applicable statutory provisions listed hereunder to the extent applicable and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for financial year ended on 31st March 2020 according to the applicable provisions of :

1. The Companies Act, 2013 (the Act) and the Rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB) to the extent applicable to the Company.
5. Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act) to the extent applicable to the Company during the year :
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – The Company did not issue securities during the year. Hence not attracted.
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as replaced by The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- Not Applicable during the year under review.
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- No instances were reported during the year under review.

## Annexure 'H' to Directors' Report (Contd.)

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - The Company has duly appointed a SEBI authorized Category I Registrar and Share Transfer Agent as required under Law.
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - No Delisting was done during the year under review.
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - No buyback was done during the year under review.
6. The following other laws specifically applicable to the Company :
- a) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
  - b) The Contract Labour (Regulation and Abolition) Act, 1970
  - c) Explosives Act, 1884
  - d) The Environment (Protection) Act, 1986
  - e) The Water (Prevention and Control of Pollution) Act, 1974
7. We have also examined compliance with applicable clauses of the following :
- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - b) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.  
BSE and NSE have levied fine of ₹ 10,000 each plus GST for delay in furnishing prior intimation about meeting of Board of Directors held on 10th August 2019 as required under Regulation 29(2) and 29(3) of SEBI (LODR) Regulations, 2015. The Company has disputed deviation but has paid the fine levied under protest and has also requested Stock Exchanges to revisit the matter in view of facts thereof.
8. We further report that during the year under review :
- i) Unpaid/Unclaimed Dividend pertaining to financial year ended on 31st March 2012, aggregating to ₹ 10,74,316 was transferred to Investor Education and Protection Fund (IEPF) on 14th October 2019. Following provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 38,994 unclaimed Equity Shares of the Company were transferred to IEPF and IEPF-4 for the same was filed on 29th October 2019.
  - ii) ₹ 52.70 lacs were required to be spent on CSR activities whereas ₹ 56.00 lacs has been given to the implementing agency, IFGL Refractories Welfare Trust.
9. We further report that as far as we have been able to ascertain –
- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - b. Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - c. Majority decision was carried through while the dissenting members' views are captured and recorded as part of the minutes.
  - d. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
  - e. As informed to us, during the audit period the Company has had no other events except those already informed to the Stock Exchanges as required under the Listing Regulations.
10. This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.
11. It is stated that the compliance of all applicable provisions of the Companies Act, 2013 and other laws is the responsibility of the Management. We have relied on the representation made by the Company and its Officers for systems and mechanism set-up by the Company for compliances under applicable laws. Our examination, on a test-check basis, was limited to procedures followed

## Annexure 'H' to Directors' Report (Contd.)

by the Company for ensuring the compliance with the said provisions. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities/statements of the Company. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the aforementioned corporate laws of the Union of India.

12. This Report is being issued under the conditions of lockdown due to COVID-19 with limited resources available to us.

**(S. M. Gupta)**

Partner

**S. M. GUPTA & Co.**

Company Secretaries

Firm Registration No : P1993WB046600

FCS No. 896

CP No : 2053

Peer Review No : 718/2020

UDIN : F000896B000471399

Kolkata  
18th July 2020

Encl : Annexure A forming an integral part of this Report

### Annexure A

#### TO THE MEMBERS

##### IFGL Refractories Limited

(CIN: L51909OR2007PLC027954)

Sector 'B', Kalunga Industrial Estate,

P.O. Kalunga 770031, Dist. Sundergarh, Odisha

Our Secretarial Audit Report for financial year ended 31st March 2020 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed audit practices and processes considered to be appropriate to obtain reasonable assurance about fairness of the contents of the secretarial records. The verification was done on test basis to ensure that facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our Opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedure on test basis to the extent applicable to the Company.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**(S. M. Gupta)**

Partner

**S. M. GUPTA & CO.**

Company Secretaries

Firm Registration No : P1993WB046600

FCS No. 896

CP No : 2053

Peer Review No : 718/2020

UDIN : F000896B000471399

Kolkata  
18th July 2020

# STANDALONE FINANCIAL STATEMENTS

# Independent Auditor's Report

**TO THE MEMBERS OF  
IFGL REFRACTORIES LIMITED**

## **Report on the Audit of the Standalone Ind AS Financial Statements**

### **Opinion**

We have audited the accompanying Standalone Ind AS Financial Statements of IFGL Refractories Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the Standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its profit including Other Comprehensive Loss, its Cash Flows and the Changes in Equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' 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 Standalone Ind AS 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

### **Emphasis of Matter**

- a. We draw attention to Note 38 of the Standalone Ind AS Financial Statements, 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 1st April 2016 following Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal, Kolkata Bench, vide its Order dated 3rd August 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 ₹ 26,699.46 lacs had been recognized. Based on management's assessment, such Goodwill is being amortised over a period of ten years with a charge of ₹ 2,669.95 lacs 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 33(b) to the Standalone Ind AS Financial Statements 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 1st April 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 ₹ 1,164.00 lacs.

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements for the financial year ended 31st March 2020. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS Financial Statements.

## Independent Auditor's Report (Contd.)

Key Audit Matter	How our Audit addressed the Key Audit Matter
<b>Revenue recognition (as described in Note 2.12 and 24 to the Standalone Ind AS Financial Statements)</b>	
<p>Revenue is recognized when the Company satisfies performance obligation by transferring promised goods and services to the customer.</p> <p>Performance obligations are said to be satisfied at a point of time or over a period of time. For the year ended 31st March 2020, the Company's Statement of Profit and Loss included Revenues from operations of ₹ 49,861.13 lacs. The variety of contractual terms, including the timing of control transfer and delivery specifications, create complexity and judgement in determining timing of revenue recognition.</p> <p>We have considered this as a key audit matter on account of judgement involved in determining the timing of revenue of recognition.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>Evaluated the Company's revenue recognition policy to ensure compliance with the requirements of Ind AS 115 'Revenue from contracts with customers'.</li> <li>Obtained understanding of the revenue process and assessed the design and tested the operating effectiveness of internal controls related to timing of revenue recognition.</li> <li>Tested on sample basis the sales transactions including adjustments to sales price made pre and post-year end and tested their underlying documents to assess that revenue is recognized in the proper period and in accordance with the Company's revenue recognition policies.</li> <li>Assessed the adequacy of relevant disclosures made in respect of revenue in the Standalone Ind AS Financial Statements.</li> </ol>
<b>Impairment Assessment of Goodwill (as described in Note 38 to the Standalone Ind AS Financial Statements)</b>	
<p>The carrying value of Goodwill as on 31st March 2020 amounted to ₹ 16,019.66 lacs, which had been recognised in relation to amalgamation of the erstwhile IFGL Refractories Limited with the Company (the amalgamated entity was thereafter renamed as IFGL Refractories Limited).</p> <p>The management tests whether goodwill has suffered any impairment annually in accordance with Ind AS 36, 'Impairment of Assets'. In this regard, the recoverable amounts of underlying cash generating units are determined basis value-in-use calculations which are based on future discounted cash flows.</p> <p>The above assessment involved significant judgements, including the revenue growth rates, profit margins and weighted average cost of capital, applied to forecasted future cash flows, which are affected by unexpected changes in future economic conditions including prevailing global COVID-19 pandemic. Accordingly, the same is considered to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>Obtained an understanding and evaluated the design and tested the operating effectiveness of management's controls over the impairment assessment process.</li> <li>Obtained the valuation models used to determine recoverable amount and evaluated the key assumptions used by the management including: <ul style="list-style-type: none"> <li>Assessing the reliability of cash flow forecasts and coherence with market trend through a review of actual past performance and comparison to previous forecasts;</li> <li>Testing the arithmetical accuracy and performing sensitivity analysis in order to assess the potential impact of changes in the inputs used;</li> <li>Analysing revenue and cost projections and assessing the assumptions relating to growth rates and weighted average cost of capital including the possible impact of COVID-19.</li> </ul> </li> <li>Assessed the adequacy of disclosures related to the impairment tests and their compliance with Ind AS 36.</li> </ol>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' cum Management Discussion and Analysis Report but does not include the Standalone Ind AS Financial Statements and our Auditor's Report thereon.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent Auditor's Report *(Contd.)*

### **Responsibilities of Management for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgements 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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's Financial Reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are 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 these Standalone Ind AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, 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 Standalone Ind AS 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 management.
- Conclude on the appropriateness of management's 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 Standalone Ind AS Financial Statements 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosure and whether the Standalone Ind AS Financial Statements represent 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.

## Independent Auditor's Report (Contd.)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements for the financial year ended 31st March 2020 and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

The Standalone Ind AS Financial Statements of the Company for the year ended 31st March 2019, included in these Standalone Ind AS Financial Statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 11th May 2019.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2020 from being appointed as a Director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company with reference to these Standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - g) In our opinion, the managerial remuneration for the year ended 31st March 2020 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 33 to the Standalone Ind AS Financial Statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Bhaswar Sarkar**  
Partner

Membership Number: 055596  
UDIN: 20055596AAAACJ8135

Kolkata  
18th July 2020



## Annexure '1' to the Independent Auditor's Report

### "ANNEXURE 1" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF IFGL REFRACTORIES LIMITED

#### Report on Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 ("the Act")

- i)
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - b) The Company has a program of verification of Property, Plant and Equipment to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given by the Management, the title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company.
- ii) The Management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at 31st March 2020 and no material discrepancies were noticed in respect of such confirmations.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees or security given in respect of which provisions of Section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Companies Act, 2013 in respect of Investments made have been complied with by the Company. According to the information and explanations given to us, there are no loans, guarantees and securities given in respect of which provisions of Section 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to manufacture of goods and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii)
  - a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Goods and Service Tax, Cess and other statutory dues applicable to it.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax, Cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - c) According to the records of the Company, the dues of Income Tax, Sales Tax and Service Tax on account of any dispute, are as follows :

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Orissa Sales Tax Act, 1947	Sales Tax	0.11	1999-2000	Hon'ble High Court, Odisha
Central Sales Tax, 1956	Sales Tax	1.33	1997-1998, 2014-2015	Additional Commissioner of Sales Tax
Central Sales Tax, 1956	Sales Tax	0.25	2003-2004	Assistant Commissioner of Sales Tax
Central Sales Tax, 1956	Sales Tax	139.81	2015-2018	Joint Commissioner of Sales Tax

## Annexure 'I' to the Independent Auditor's Report (Contd.)

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1.54	2006-2007	Joint Commissioner, Central Excise, Customs & Service Tax
Finance Act, 1994	Service Tax	35.57	2008-2012	Additional Commissioner, BBSR-II
Income Tax Act, 1961	Income Tax	7.26	2011-2012	Income Tax Appellate Tribunal, Kolkata
Income Tax Act, 1961	Income Tax	1.54	2012-2013, 2015-2016	Commissioner of Income Tax (Appeals)

According to the information and explanations given to us, there are no dues of Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited on account of any dispute.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to banks. Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any outstanding dues to a Financial Institution or Government or due to debentures holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of Initial Public Offer/further public offer/Debt Instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Ind AS Financial Statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Standalone Ind AS Financial Statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and consequently reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with Directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**  
 Chartered Accountants  
 ICAI Firm Registration Number: 301003E/E300005

**per Bhaswar Sarkar**  
 Partner  
 Membership Number: 055596  
 UDIN: 20055596AAAACJ8135

Kolkata  
 18th July 2020

## Annexure '2' to the Independent Auditor's Report

### **"ANNEXURE 2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF IFGL REFRACTORIES LIMITED**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the Internal Financial Controls over Financial Reporting of IFGL Refractories Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable Financial Information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting with reference to these Standalone Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting with reference to these Standalone Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls over Financial Reporting with reference to these Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting with reference to these Standalone Ind AS Financial Statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls over Financial Reporting with reference to these Standalone Ind AS Financial Statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Ind AS Financial Statements**

A Company's Internal Financial Control over Financial Reporting with reference to these Standalone Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's Internal Financial Control over Financial Reporting with reference to these Standalone Ind AS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with Generally Accepted Accounting Principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's Assets that could have a material effect on the Standalone Ind AS Financial Statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Ind AS Financial Statements**

Because of the inherent limitations of Internal Financial Controls over Financial Reporting with reference to these Standalone Ind AS Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due

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## Annexure '2' to the Independent Auditor's Report *(Contd.)*

to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over Financial Reporting with reference to these Standalone Ind AS Financial Statements to future periods are subject to the risk that the Internal Financial Control over Financial Reporting with reference to these Standalone Ind AS Financial Statements may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, adequate Internal Financial Controls over Financial Reporting with reference to these Standalone Ind AS Financial Statements and such Internal Financial Controls over Financial Reporting with reference to these Standalone Ind AS Financial Statements were operating effectively as at 31st March 2020, based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. R. Batliboi & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 301003E/E300005

**per Bhaswar Sarkar**

Partner

Membership Number: 055596

UDIN: 20055596AAAACJ8135

Kolkata

18th July 2020

# Standalone Balance Sheet as at 31st March 2020

(₹ in lacs)

	Note No.	As at 31st March 2020	As at 31st March 2019
<b>A. ASSETS</b>			
<b>1. Non-Current Assets :</b>			
a) Property, Plant and Equipment	4.1	8,068.56	7,349.45
b) Right to Use Asset	4.2	1,622.84	–
c) Capital Work-in-Progress		388.73	580.04
d) Goodwill	5	16,019.66	18,689.61
e) Other Intangible Assets	6	7.36	33.68
<b>f) Financial Assets :</b>			
i) Investments	7	5,677.44	5,677.44
ii) Loans and Deposits	8	219.58	173.47
iii) Others	9	–	28.70
g) Deferred Tax Assets (Net)	10	528.70	502.91
h) Income Tax Assets (Net)	11	145.06	1,313.55
i) Other Non-Current Assets	12	109.42	873.53
<b>Total Non-Current Assets</b>		<b>32,787.35</b>	<b>35,222.38</b>
<b>2. Current Assets :</b>			
a) Inventories	13	7,374.94	8,672.00
<b>b) Financial Assets :</b>			
i) Investments	7	9,320.94	4,553.74
ii) Trade Receivables	14	12,505.45	14,057.54
iii) Cash and Cash Equivalents	15(A)	777.23	30.41
iv) Bank Balances other than (iii) above	15(B)	108.31	874.61
v) Others	9	207.59	36.45
c) Other Current Assets	12	595.53	652.34
<b>Total Current Assets</b>		<b>30,889.99</b>	<b>28,877.09</b>
<b>Total Assets (1+2)</b>		<b>63,677.34</b>	<b>64,099.47</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity :</b>			
a) Equity Share Capital	16	3,603.93	3,603.93
b) Other Equity	17	47,796.58	46,998.17
<b>Total Equity</b>		<b>51,400.51</b>	<b>50,602.10</b>
<b>2. Non-Current Liabilities :</b>			
<b>a) Financial Liabilities :</b>			
i) Lease Liabilities	4.2	867.10	–
b) Income Tax Liabilities (Net)	18	40.76	40.76
c) Provisions	19	0.19	48.82
<b>Total Non-Current Liabilities</b>		<b>908.05</b>	<b>89.58</b>
<b>3. Current Liabilities :</b>			
<b>a) Financial Liabilities :</b>			
i) Borrowings	20	3,179.07	6,547.42
ii) Lease Liabilities	4.2	76.64	–
<b>iii) Trade Payables :</b>			
- Total outstanding dues of Micro Enterprises and Small Enterprises	21	258.82	246.43
- Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	21	5,978.89	5,894.48
iv) Other Financial Liabilities	22	478.25	543.89
b) Other Current Liabilities	23	1,371.24	149.89
c) Provisions	19	25.87	25.68
<b>Total Current Liabilities</b>		<b>11,368.78</b>	<b>13,407.79</b>
<b>Total Equity and Liabilities (1+2+3)</b>		<b>63,677.34</b>	<b>64,099.47</b>
<b>Summary of Significant Accounting Policies</b>	1-3		

See accompanying Notes forming part of the Standalone Financial Statements.

In terms of our report of even date

 For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**per Bhaswar Sarkar**

Partner

Membership No. 055596

Kolkata

18th July 2020

For and on behalf of the Board of Directors

**S K Bajoria**

 Chairman  
(DIN : 00084004)

**P Bajoria**

 Managing Director  
(DIN : 00084031)

**Rajesh Agarwal**

 Company Secretary  
(FCS : 2825)

**Kamal Sarda**

 Director and Chief Financial Officer  
(DIN : 03151258)

## Standalone Statement of Profit and Loss for the year ended 31st March 2020

(₹ in lacs)

	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>I. REVENUE FROM OPERATIONS</b>	24	49,861.13	48,895.05
<b>II. Other Income</b>	25	807.95	300.55
<b>III. Total Income (I + II)</b>		<b>50,669.08</b>	<b>49,195.60</b>
<b>IV. EXPENSES :</b>			
a) Cost of Materials Consumed	26	21,069.34	24,080.34
b) Purchases of Stock-in-Trade	27	4,062.97	3,875.76
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	484.89	(2,877.17)
d) Employee Benefits Expense	29	4,425.09	4,158.36
e) Finance Costs	30	296.09	334.01
f) Depreciation and Amortisation Expense	4.1, 4.2, 5 & 6	3,936.85	3,887.02
g) Other Expenses	31	12,817.14	12,481.94
<b>Total Expenses</b>		<b>47,092.37</b>	<b>45,940.26</b>
<b>V. PROFIT BEFORE TAX (III - IV)</b>		<b>3,576.71</b>	<b>3,255.34</b>
<b>VI. Tax Expense :</b>			
1) Current Tax	39	627.81	714.27
2) Deferred Tax	39	(24.43)	(55.27)
<b>Total Tax Expense</b>		<b>603.38</b>	<b>659.00</b>
<b>VII. PROFIT FOR THE YEAR (V - VI)</b>		<b>2,973.33</b>	<b>2,596.34</b>
<b>VIII. Other Comprehensive Loss:</b>			
<b>Other Comprehensive Income not be recycled to Profit or Loss</b>			
i) Re-measurement (Losses) on Defined Benefit Plans		(3.87)	(57.63)
ii) Income Tax relating to above item		1.35	19.54
<b>Other Comprehensive (Loss)</b>		<b>(2.52)</b>	<b>(38.09)</b>
<b>IX. Total Comprehensive Income for the year (VII + VIII)</b>		<b>2,970.81</b>	<b>2,558.25</b>
<b>X. Earnings per Equity Share (Nominal Value of ₹ 10/- each) :</b>			
Basic & Diluted (in ₹)	32	<b>8.25</b>	<b>7.20</b>
<b>Summary of Significant Accounting Policies</b>	1-3		

See accompanying Notes forming part of the Standalone Financial Statements.

In terms of our report of even date  
For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005  
**per Bhaswar Sarkar**  
Partner  
Membership No. 055596  
Kolkata  
18th July 2020

**Rajesh Agarwal**  
Company Secretary  
(FCS : 2825)

For and on behalf of the Board of Directors

<b>S K Bajoria</b> Chairman (DIN : 00084004)	<b>P Bajoria</b> Managing Director (DIN : 00084031)
<b>Kamal Sarma</b> Director and Chief Financial Officer (DIN : 03151258)	

## Standalone Cash Flow Statement for the year ended 31st March 2020

(₹ in lacs)

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>		
<b>Profit before Tax for the year</b>	3,576.71	3,255.34
<b>Adjustments for :</b>		
Finance Costs	296.09	334.01
Interest Income	(214.84)	(84.46)
Provision for Unspent Liabilities Reversed	(157.66)	(0.97)
Loss/(Gain) on disposal of Property, Plant and Equipment	28.78	(5.84)
Profit on Sale of Investments in Mutual Fund (Net)	(396.17)	(68.11)
Net Gain arising on Financial Assets measured at Fair Value through Profit or Loss	(37.62)	(141.96)
Sundry Debit Balances/Advances Written Off	475.59	15.76
Impairment Loss/(Reversal) recognised on Trade Receivables/Advances	83.01	(118.07)
Depreciation and Amortisation Expense	3,936.85	3,887.02
Unrealised Foreign Exchange (Gain)/Loss	(209.12)	37.69
	<b>7,381.62</b>	<b>7,110.41</b>
<b>Change in Working Capital :</b>		
Decrease in Trade and Other Receivables	1,155.50	7,240.85
Decrease/(Increase) in Inventories	1,297.06	(3,622.83)
Increase/(Decrease) in Trade, Other Payables and Provisions	1,520.66	(854.04)
<b>Cash generated from Operations</b>	<b>11,354.84</b>	<b>9,874.39</b>
Income Taxes Paid (Net of Refunds)	540.68	(803.53)
<b>Net Cash Generated by Operating Activities</b>	<b>11,895.52</b>	<b>9,070.86</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>		
Investments in Mutual Funds & GOI Bond	(25,377.51)	(6,474.50)
Proceeds from Sale of Mutual Funds	21,044.10	3,333.11
Proceeds from Maturity of Term Deposits with Banks	2,326.45	(225.24)
Payment for Term Deposits with Banks	(1,515.00)	-
Interest Received	243.56	140.35
Payments for Property, Plant and Equipment, Other Intangibles and Capital Work-in-Progress	(1,718.20)	(2,551.57)
Proceeds from disposal of Property, Plant and Equipment	3.00	152.38
<b>Net Cash (used in) Investing Activities</b>	<b>(4,993.60)</b>	<b>(5,625.47)</b>

## Standalone Cash Flow Statement for the year ended 31st March 2020 (Contd.)

(₹ in lacs)

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>CASH FLOWS FROM FINANCING ACTIVITIES :</b>		
Dividend on Equity Share and Dividend Distribution Tax thereon	(2,172.40)	(868.95)
Repayment of Long -Term Borrowings	(187.50)	(252.91)
Repayment of Short -Term Borrowings (Net)	(3,503.58)	(2,011.57)
Payments of Lease Liabilities (Refer Note 4.2)	(73.87)	-
Interest Paid	(217.75)	(409.10)
<b>Net Cash (used in) Financing Activities</b>	<b>(6,155.10)</b>	<b>(3,542.53)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>746.82</b>	<b>(97.14)</b>
Cash and Cash Equivalents at the beginning of the year	30.41	127.55
<b>Cash and Cash Equivalents at the end of the year [Refer Note 15(A)]</b>	<b>777.23</b>	<b>30.41</b>
<b>Summary of Significant Accounting Policies</b> (Refer Note 1 to 3)		

See accompanying Notes forming part of the Standalone Financial Statements.

For **S. R. Batliboi & Co. LLP**  
 Chartered Accountants  
 ICAI Firm Registration No. 301003E/E300005  
**per Bhaswar Sarkar**  
 Partner  
 Membership No. 055596  
 Kolkata  
 18th July 2020

**Rajesh Agarwal**  
 Company Secretary  
 (FCS : 2825)

For and on behalf of the Board of Directors

<b>S K Bajoria</b> Chairman (DIN : 00084004)	<b>P Bajoria</b> Managing Director (DIN : 00084031)
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**Kamal Sarda**  
 Director and Chief Financial Officer  
 (DIN : 03151258)





# Notes to the Standalone Financial Statements

(₹ in lacs)

## 1. CORPORATE INFORMATION

IFGL Refractories Limited is a Public Limited Company and was incorporated under the Companies Act, 1956. The Company is primarily engaged in the manufacturing, trading and selling of Refractory items and its related equipment and accessories used in Steel plants. The Company also provides services in relation to refractory goods. Manufacturing facilities of the Company are located in Kandla Special Economic Zone (SEZ), Gujarat and Kalunga Industrial Estate near Rourkela, Odisha. The Company has operating Subsidiaries in Asia (China), in Europe (Germany and United Kingdom) and in North America (USA). The Company caters to both domestic and international markets. The shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). These Ind AS Financial Statements were authorised for issue in accordance with a resolution of the Board of Directors on 18th July 2020.

## 2. SIGNIFICANT ACCOUNTING POLICIES :

This note provides a list of the significant accounting policies adopted in the preparation of these Standalone Financial Statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

### 2.1 Statement of Compliance

The Standalone Financial Statements 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 from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III), as applicable to Standalone Financial Statements.

### 2.2 Basis of Preparation

These Standalone Financial Statements have been prepared on a Historical Cost basis except certain Financial Assets and Liabilities (Refer Accounting Policy regarding Financial Instruments). These Standalone Financial Statements are presented in Rupees and all values are rounded to the nearest Lacs, except where otherwise indicated.

Historical cost is generally based on the Fair Value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the Fair Value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair Value for measurement and/or disclosure purposes in these Financial Statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 116 – Leases that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

### 2.3 Current versus Non-Current classification

All Current/Non-Current Assets and Liabilities have been classified as Current/Non-Current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of asset and liabilities and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of Assets and Liabilities.

### 2.4 Property, Plant and Equipment – Tangible Assets

Freehold Land is carried at Historical Cost. Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. The cost of an item of Property, Plant and Equipment comprises of its cost of acquisition inclusive of inward freight, import duties and other non-refundable taxes or levies and any other cost directly attributable to the acquisition/construction of those items. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying value of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the Standalone Statement of Profit and Loss when incurred. An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Standalone Statement of Profit and Loss.

Capital Work-in-Progress is stated at cost (including borrowing cost, where applicable and adjustment for exchange difference), incurred during construction/installation/preoperative periods relating to items or project in progress net of accumulated impairment loss, if any.

### 2.5 Intangible Assets

Intangible Assets are recognised at the cost incurred for its acquisition and are carried at cost less amortisation and impairment, if any. Cost of Intangible Asset is capitalised where it is expected to provide future economic benefits and the cost can be measured reliably. Capitalisation Costs include license fees and costs of implementation/system integration services. The costs are capitalised in the year in which the related Intangible Asset is put to use.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of Intangible Asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Standalone Statement of Profit and Loss.

Goodwill arising on Amalgamation has been recognised in accordance with the approved Scheme as detailed in Note 38. Said Goodwill is being amortised in accordance with the Scheme for which the Company has estimated useful life of 10 years. Such Goodwill will be tested for impairment at every reporting period and wherever there is an indication that the recoverable amount is less than its carrying amount based on a number of factor including business plan, operating results, future cash flows and economic conditions. The recoverable amount is determined based on higher of value in use and fair value less cost to sell. The Company uses discounted cash flow method to determine the recoverable amount. Cash flow projections take into account past experience and represent Management's best estimate about future developments.

### 2.6 Depreciation and Amortisation

Depreciation/Amortisation of Property, Plant and Equipment and Intangible Assets is calculated using Straight Line Method to allocate their costs, net of their residual values, over their estimated useful lives.

The useful lives considered is as prescribed in Schedule II to the Companies Act, 2013 except for certain items of Plant and Machinery (Machinery Spares) which are depreciated over a period of 1-5 years. The asset's residual values and useful lives are reviewed and adjusted if necessary, at the end of each reporting period.

Pro-rata depreciation/amortisation is charged on assets from/upto the date on which such assets are ready for intended use/are discarded or sold.

Computer Software is classified as Intangible Asset and amortised on a Straight Line basis over a period of 2 years.

### 2.7 Impairment of Non Financial Assets

Impairment Loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

When an Impairment Loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no Impairment Loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an Impairment Loss is recognised immediately in Standalone Statement of Profit and Loss.

### 2.8 Inventories

Inventories are stated at lower of Cost and Net Realizable Value.

Raw materials, Trading goods and Stores and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

Finished goods and Work in Progress : Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Net Realisable Value is the estimated selling price less estimated costs for completion and sale. Obsolete, slow moving and defective inventories are identified periodically and where necessary, a provision is made for such inventories.

### 2.9 Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non monetary items carried at Fair Value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the Fair Value was determined. Non monetary items that are measured in terms of Historical Cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in Standalone Statement of Profit and Loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain Foreign Currency Risks.

### 2.10 Investment in Subsidiaries

Investment in Subsidiaries are carried at cost in accordance with Ind AS 27.

### 2.11 Financial Instruments, Financial Assets, Financial Liabilities and Equity Instruments :

#### 2.11.1 Financial Assets

**Recognition :** Financial Assets include Investments, Trade Receivables, Security Deposits, Cash and Cash Equivalents etc. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. All the Financial Assets are initially measured at Fair Value. Transaction Costs that are directly attributable to the acquisition of Financial Asset (other than Financial Assets carried at Fair Value through Profit or Loss) are added to or deducted from the Fair Value measured on initial recognition of the Financial Assets.

**Classification :** Management determines the classification of an Asset at initial recognition depending on the purpose for which the Assets were acquired. The subsequent measurement of Financial Assets depends on such classification.

#### Financial Assets are classified as those measured at

- a) Amortised Cost, where the Financial Assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- b) Fair Value through Other Comprehensive Income (FVTOCI), where the Financial Assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at Fair Value, with unrealised gains and losses arising from changes in the Fair Value being recognised in Other Comprehensive Income.
- c) Fair Value through Profit or Loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the Fair Value of such assets. Such assets are subsequently measured at Fair Value, with unrealised gains and losses arising from changes in the Fair Value being recognised in the Standalone Statement of Profit and Loss in the period in which Trade Receivables, Security Deposits, Cash and Cash Equivalents etc are classified for measurement at amortised cost while Investments may fall under any of the aforesaid classes.

**Impairment :** The Company assesses at each reporting date whether a Financial Asset (or a group of Financial Assets) such as Investments, Trade Receivables and Security Deposits held at amortised cost and Financial Assets that are measured at Fair Value through Other Comprehensive Income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected Credit Losses (ECL) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For Trade Receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track

## Notes to the Standalone Financial Statements *(Contd.)*

(₹ in lacs)

changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its Historical Credit Loss experience, adjusted for forward-looking factors specific to the Debtors and the economic environment.

**Reclassification** : When and only when the business model is changed, the Company shall reclassify all affected Financial Assets prospectively from the reclassification date as subsequently measured at amortised cost, Fair Value through Other Comprehensive Income, Fair Value through Profit or Loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

**De-recognition** : Financial Assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred and the Company has transferred substantially all of the risks and rewards of ownership.

**Concurrently, if the asset is one that is measured at :**

- a) Amortised Cost, the gain or loss is recognised in the Standalone Statement of Profit and Loss,
- b) Fair Value through Other Comprehensive Income, the cumulative Fair Value adjustments previously taken to reserves are reclassified to the Standalone Statement of Profit and Loss unless the asset represents an Equity Investment in which case the cumulative Fair Value adjustments previously taken to reserves is reclassified within Equity.

**Income Recognition** : Interest Income is recognised in the Standalone Statement of Profit and Loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the Financial Asset to the gross carrying amount of the Financial Asset. Dividend Income is recognised in the Standalone Statement of Profit and Loss when the right to receive Dividend is established and the amount can be measured reliably.

### 2.11.2 Financial Liabilities

Borrowings, Trade Payables and other Financial Liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption/settlement is recognised in the Standalone Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet. Financial Liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

#### De-recognition

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Standalone Statement of Profit and Loss.

#### Offsetting Financial Instruments

Financial Assets and Liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 2.11.3 Equity Instruments

Equity Instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

### 2.12 Revenue

Revenue from contract and service income with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations may be satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/right of return, using the expected value method.

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

Interest Income is recognised in the Standalone Statement of Profit and Loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the Financial Asset to the gross carrying amount of the Financial Asset.

Export Incentives in the form of duty drawbacks and Status Holder Incentive Scrip (SHIC) are recognised on accrual basis against goods exported.

### 2.13 Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.

Government Grants are recognised when there is reasonable assurance that the grant will be received and the Company will comply with the conditions attached to the grant.

Accordingly, Export Benefits are accounted for as Government Grants in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### 2.14 Employee Benefits :

#### *Short Term Obligations*

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related services are measured at the amounts expected to be paid. The Liabilities are presented as current employee benefit obligations in the Standalone Financial Statements. Cost of non accumulating compensated absences are recognised when the absences occur.

#### *Post Employment Obligations*

The Company makes contributions to both Defined Benefit and Defined Contribution Schemes.

- i) Contributions towards Provident Fund are recognised as expense. Provident Fund contributions in respect of employees upto August 2017 of erstwhile IFGL Refractories Limited are made to a Trustee managed exempted Fund and interest paid to members thereof is not lower than that declared annually by the Central Government. Shortfall, if any, is made good by the Company. Membership to said Fund has been closed on and from 1st September 2017, subject to necessary approvals and/or permissions. Provident Fund in respect of remaining employees are made to Statutory Provident Fund established by the Central Government. The Company's contribution is recognised as an expense in the Standalone Statement of Profit and Loss for the period in which the employees render related service.
- ii) Contribution under statutory Employees' Pension Scheme is made as per statutory requirements and charged as expenses for the year.
- iii) Certain employees who joined before 31st March 2004 in erstwhile IFGL Refractories Limited are members of a Trustee managed Superannuation Fund. Said Fund provides for Superannuation Benefit on retirement/death/incapacitation/termination and was amended from the Defined Benefit to Defined Contribution Plan effective 1st April 2004. Defined Benefits were frozen on 31st March 2004. Necessary formalities and approvals have been complied with and obtained. Contribution to Superannuation Fund (Defined Contribution Plan) for certain employees is charged as expenses for the year.
- iv) The Company also contributes to the Central Government administered Employees' State Insurance Scheme for its eligible employees which is a Defined Contribution Plan.
- v) The Company provides Gratuity benefit to its employees. Employees of erstwhile IFGL Refractories Limited are provided Gratuity Benefits through a Trustee managed Fund, membership whereof has been closed on and from 1st September 2017 and awaiting merger with that of similar Fund of the Company, subject to necessary approvals and permissions. Gratuity entitlement of the employees is as per provisions of the Payment of Gratuity Act, 1972. However, in case of employees joining before 1st April 2003 of erstwhile IFGL Refractories Limited, they are entitled to Gratuity as per Scheme framed by that Company or as per the Payment of Gratuity Act, 1972, whichever is higher. Liability towards Gratuity, Superannuation (Defined Benefit Plan) covering eligible employees, is provided and funded on the basis of year end Actuarial Valuation. The liability or asset recognised in the Balance Sheet in respect of Gratuity Plans is the present value of Defined Benefit Obligations at the end of the reporting period less the Fair Value of Plan Assets. The Defined Benefit Obligation is calculated annually by actuary using the Projected Unit Credit Method. The present value of the Defined

## Notes to the Standalone Financial Statements *(Contd.)*

(₹ in lacs)

Benefit Obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the Defined Benefit Obligation and the Fair Value of Plan Assets. This cost is included in the employee benefit expense in the Standalone Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in Retained Earnings in the Statement of Changes in Equity and in the Balance Sheet.

- vi) Accrued Liability towards Compensated Absence, covering eligible employees, evaluated on the basis of year end Actuarial Valuation is recognised as a charge.

### 2.15 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Balance Sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (Short-Term Leases) and lease contracts for which the underlying asset is of low value (low-value assets). Adoption of Ind AS 116 doesn't have any material impact on the Financial Statements of the Company.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

#### Right of use assets

The Company recognises right of use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right of use Assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of Lease Liabilities.

Right of use Assets are depreciated on a Straight Line basis over the lease term or estimated useful life of asset, whichever is less.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right of use assets are also subject to impairment. Refer to the accounting policies in section.

#### Lease Liabilities

At the commencement date of the lease, the Company recognises Lease Liabilities measured at the present value of Lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees.

In calculating the Present Value of Lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of Lease Liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of Office, Machinery and Equipment

## Notes to the Standalone Financial Statements *(Contd.)*

(₹ in lacs)

(i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, equipment, etc. that are of low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a Straight Line basis over the lease term.

### 2.16 Taxes on Income

Taxes on Income comprises of Current Taxes and Deferred Taxes. Current Tax in the Standalone Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted at the end of the reporting period, together with any adjustment to tax payable in respect of previous years. Current Income Tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in Equity). Current Tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity. The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred Tax Assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which such unused tax losses can be utilised.

Deferred Tax Assets and Liabilities are offset when there is legally enforceable right to offset Current Tax Assets and Liabilities and when the Deferred Tax balances related to the same taxation authority. Current Tax Assets and Tax Liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as Current Tax for the year. The Deferred Tax Asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of Deferred Tax Asset. The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

### 2.17 Provisions

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

### 2.18 Operating Segments

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is responsible for allocating resources and assessing performance of the Operating Segments. Based on such the Company operates in one Operating Segment, viz. Specialised Refractories and Ceramics.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. As per Ind AS 108, if a financial report contains both the Consolidated Financial Statements of a Parent that is within the scope of this Indian Accounting Standard as well as the Parent's separate Financial Statements, segment information is required only in the Consolidated Financial Statements. Accordingly, the Company has presented segment only for Consolidated Financial Statements.

### 2.19 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.20 Cash and Cash Equivalents

Cash and Cash Equivalent in the Balance Sheet comprise Cash at Banks and on hand and Short-Term Deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.



## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

### 2.21 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to Equity holders of the Company by the Weighted Average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to Equity Shareholders of the Company and the Weighted Average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 2.22 Contingent Liabilities

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a Contingent Liability but discloses its existence in the Financial Statements.

### 2.23 Changes in Accounting Standard and recent accounting pronouncements

There are no standards issued but not yet effective up to the date of issuance of the Company's Financial Statements.

### 3. USE OF ESTIMATES AND JUDGEMENTS :

The preparation of Standalone Financial Statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities and disclosure of Contingent Liabilities at the date of the Standalone Financial Statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Judgements in applying Accounting Policies

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these Standalone Financial Statements pertain to useful life of Intangible Assets acquired in merger. Refer Notes to the Standalone Financial Statements.

#### Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of Assets and Liabilities within the next financial year.

### 3.1 Useful lives of Property, Plant and Equipment and Intangible Assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of Property, Plant and Equipment and Intangible Assets at the end of each reporting period.

### 3.2 Fair Value Measurements and Valuation Processes

Some of the Company's assets and liabilities are measured at Fair Value for financial reporting purposes. Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the Fair Value Measurements are observable and the significance of the inputs to the Fair Value Measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability. The Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the Fair Value of various assets and liabilities are disclosed in the Notes to the Standalone Financial Statements.

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

### 3.3. Actuarial Valuation

The determination of Company's Liability towards Defined Benefit Obligation to employees is made through independent Actuarial Valuation including determination of amounts to be recognised in the Standalone Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in Notes to the Standalone Financial Statements.

### 3.4. Claims, Provisions and Contingent Liabilities

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in Notes to the Standalone Financial Statements.

### 3.5. Provision against obsolete and slow-moving inventories

The Company reviews the condition of its Inventories and makes provision against obsolete and slow moving Inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such Inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an Inventory review at each Balance Sheet date and makes provision against obsolete and slow moving items. The Company reassesses the estimation on each Balance Sheet date.

### 3.6. Impairment of Financial Assets

The Company assesses impairment based on Expected Credit Losses (ECL) model on Trade Receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of Trade Receivables. The provision matrix is based on its historically observed default rates over the expected life of the Trade Receivable and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward looking estimates are analysed.

### 3.7 Taxes

Deferred Tax Assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses including unabsorbed depreciation can be utilised. Significant management estimate and assumptions is required to determine the amount deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. For details Refer Note 10.

### 3.8 Leases-Estimating the incremental Borrowing Rate

The Company does not determine the interest rate implicit in the Lease, therefore, it uses its Incremental Borrowing Rate (IBR) to measure Lease Liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment.

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2020	As at 31st March 2019
<b>4.1 PROPERTY, PLANT AND EQUIPMENT :</b>		
<b>Net Carrying amounts of :</b>		
Land (Freehold)	928.18	928.18
Buildings	2,476.12	1,840.56
Plant and Equipment	4,305.27	4,179.37
Furniture and Fixtures	38.77	44.90
Leasehold Improvements	2.26	2.26
Vehicles	222.44	247.79
Office Equipment	66.79	71.22
Computers	28.73	35.17
<b>Total</b>	<b>8,068.56</b>	<b>7,349.45</b>

	As at 31st March 2018	Additions	Discard / Disposals	As at 31st March 2019	Additions	Discard / Disposals	As at 31st March 2020
<b>Gross Carrying Amount - Cost</b>							
Land (Freehold)	33.86	894.32	–	928.18	–	–	928.18
Buildings	2,572.85	177.24	–	2,750.09	742.79	–	3,492.88
Plant and Equipment	11,685.18	1,188.04	196.96	12,676.26	1,184.57	503.29	13,357.54
Furniture and Fixtures	72.30	4.31	–	76.61	3.63	–	80.24
Leasehold Improvements	48.91	–	–	48.91	–	–	48.91
Vehicles	251.72	152.39	26.60	377.51	26.83	20.48	383.86
Office Equipment	149.75	12.40	–	162.15	13.68	0.26	175.57
Computers	91.09	18.28	–	109.37	16.37	0.67	125.07
<b>Total</b>	<b>14,905.66</b>	<b>2,446.98</b>	<b>223.56</b>	<b>17,129.08</b>	<b>1,987.87</b>	<b>524.70</b>	<b>18,592.25</b>

	As at 31st March 2018	Charge for the year	Discard / Disposals	As at 31st March 2019	Charge for the year	Discard / Disposals	As at 31st March 2020
<b>Depreciation</b>							
Land (Freehold)	–	–	–	–	–	–	–
Buildings	816.68	92.85	–	909.53	107.23	–	1,016.76
Plant and Equipment	7,569.35	988.89	61.35	8,496.89	974.70	419.32	9,052.27
Furniture and Fixtures	22.29	9.42	–	31.71	9.76	–	41.47
Leasehold Improvements	46.65	–	–	46.65	–	–	46.65
Vehicles	115.66	29.72	15.66	129.72	43.50	11.80	161.42
Office Equipment	75.22	15.71	–	90.93	17.95	0.10	108.78
Computers	54.35	19.85	–	74.20	22.27	0.13	96.34
<b>Total</b>	<b>8,700.20</b>	<b>1,156.44</b>	<b>77.01</b>	<b>9,779.63</b>	<b>1,175.41</b>	<b>431.35</b>	<b>10,523.69</b>

4.1.a The details of Property, Plant and Equipment hypothecated against borrowings are presented in Note 20.

### 4.2 RIGHT TO USE ASSET

#### As a Lessee :

The Company has lease contracts for Premises used for its operations and has lease terms upto 90 years. The Company also has certain leases with lease terms of 12 months or less. The Company applies the 'Short-Term Lease' recognition exemption for these leases.

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

Set out below are the Carrying Amounts of Right of use Assets recognised and the movements during the period :

As at  
31st March 2020

As at 31st March 2019	–
Additions	1,682.00
Less: Depreciation Expense	59.16
<b>As at 31st March 2020</b>	<b>1,622.84</b>

Set out below are the Carrying Amounts of Lease Liabilities and the movements during the period

As at  
31st March 2020

As at 1st April 2019	–
Additions	939.27
Accretion of interest	78.34
Payments	(73.87)
<b>As at 31st March 2020</b>	<b>943.74</b>
Non-Current	867.10
Current	76.64

The effective interest rate for Lease Liabilities is 9% p.a. with maturities ranging upto 90 years.

As at  
31st March 2020

Depreciation expense of Right of Use Assets	59.16
Interest expense on Lease Liabilities	78.34
Expense relating to Short-Term & low Leases (included in Other Expenses)	71.20
<b>Total amount recognised in Profit or Loss</b>	<b>208.70</b>

	As at 31st March 2020	As at 31st March 2019
<b>5. GOODWILL :</b>		
<b>Net Carrying amounts of :</b>		
Goodwill (arising on merger)*	16,019.66	18,689.61
<b>Total</b>	<b>16,019.66</b>	<b>18,689.61</b>

	As at 31st March 2018	Additions	As at 31st March 2019	Additions	As at 31st March 2020
<b>Gross Carrying Amount</b>					
Goodwill (arising on merger)*	26,699.46	–	26,699.46	–	26,699.46
<b>Total</b>	<b>26,699.46</b>	<b>–</b>	<b>26,699.46</b>	<b>–</b>	<b>26,699.46</b>

	As at 31st March 2018	Charge for the year	As at 31st March 2019	Charge for the year	As at 31st March 2020
<b>Amortisation</b>					
Goodwill (arising on merger)*	5,339.90	2,669.95	8,009.85	2,669.95	10,679.80
<b>Total</b>	<b>5,339.90</b>	<b>2,669.95</b>	<b>8,009.85</b>	<b>2,669.95</b>	<b>10,679.80</b>

\*Refer Note 38.

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2020	As at 31st March 2019
<b>6. OTHER INTANGIBLE ASSETS :</b>		
<b>Net Carrying amounts of :</b>		
Computer Software	7.36	33.68
<b>Total</b>	<b>7.36</b>	<b>33.68</b>

	As at 31st March 2018	Additions	As at 31st March 2019	Additions	As at 31st March 2020
<b>Gross Carrying Amount</b>					
Computer Software	216.28	7.01	223.29	6.01	229.30
<b>Total</b>	<b>216.28</b>	<b>7.01</b>	<b>223.29</b>	<b>6.01</b>	<b>229.30</b>

	As at 31st March 2018	Charge for the year	As at 31st March 2019	Charge for the year	As at 31st March 2020
<b>Amortisation</b>					
Computer Software	128.98	60.63	189.61	32.33	221.94
<b>Total</b>	<b>128.98</b>	<b>60.63</b>	<b>189.61</b>	<b>32.33</b>	<b>221.94</b>

	As at 31st March 2020			As at 31st March 2019		
	QTY	Current	Non-Current	QTY	Current	Non-Current
<b>7. INVESTMENTS</b>						
<b>A. Investments Carried at Deemed Cost</b>						
<b>Unquoted Investments (all Fully Paid)</b>						
<b>Investments in Equity Instruments</b>						
<b>Subsidiary Company</b>						
IFGL Worldwide Holdings Limited [Fully paid Equity Shares of GBP 1 each]	6,350,000	–	5,625.39	6,350,000	–	5,625.39
<b>INVESTMENTS CARRIED AT COST [A]</b>		–	<b>5,625.39</b>		–	<b>5,625.39</b>
<b>B. Investments Carried at Amortised Cost</b>						
<b>Quoted (Fully Paid)</b>						
<b>Investments in Non Convertible Debentures or Bonds</b>						
Power Finance Corporation Limited [8.09% Tax Free Bonds of Face Value ₹ 100,000 each having maturity on 25th November 2021]	50	–	52.05	50	–	52.05
<b>TOTAL INVESTMENTS CARRIED AT AMORTISED COST [B]</b>		–	<b>52.05</b>		–	<b>52.05</b>

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2020			As at 31st March 2019		
	QTY	Current	Non-Current	QTY	Current	Non-Current
<b>C. Investments carried at Fair Value through Profit and Loss (FVTPL)</b>						
<b>Quoted Investments</b>						
<b>Investments in Mutual Funds</b>						
– Axis Liquid Fund - Direct Plan - Growth Option	6,835	150.66	–	20,610	427.36	–
– Franklin India Ultra Short Fund - Superinstitutional - Direct Growth	–	–	–	7,226,248	1,906.56	–
– Franklin India Liquid Fund - Superinstitutional - Direct Growth	–	–	–	7,210	201.77	–
– Franklin India Low Duration Fund - Direct - Growth	–	–	–	285,174	652.73	–
– IDFC Corporate Bond Fund Direct Plan - Growth	–	–	–	9,614,624	1,236.48	–
– Reliance Medium Term Fund - Direct Growth Plan - Growth Option	–	–	–	321,175	128.84	–
– HDFC Liquid Fund - Direct Plan - Growth Option	18,806	734.67	–	–	–	–
– ICICI Prudential Liquid Fund - Direct Plan - Growth	1,155,390	3,394.32	–	–	–	–
– IDFC Cash Fund - Direct Plan - Growth	138,926	3,336.76	–	–	–	–
– Kotak Liquid - Growth - Direct	39,972	1,604.84	–	–	–	–
<b>Investment in Bond</b>						
– Government of India (GOI) Bond	85,600	99.69	–	–	–	–
<b>INVESTMENTS CARRIED AT FVTPL [C]</b>		<b>9,320.94</b>	<b>–</b>		<b>4,553.74</b>	<b>–</b>
<b>TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C)</b>		<b>9,320.94</b>	<b>5,677.44</b>		<b>4,553.74</b>	<b>5,677.44</b>
<b>Other Disclosures</b>						
Aggregate amount of Quoted Investments		9,320.94	52.05		4,553.74	52.05
Aggregate amount of Unquoted Investments		–	5,625.39		–	5,625.39
Aggregate Market Value of Quoted Investments		9,320.94	52.27		4,553.74	52.98

	As at 31st March 2020		As at 31st March 2019	
	Current	Non-Current	Current	Non-Current
<b>8. LOANS AND DEPOSITS</b>				
<b>Unsecured, Considered Good</b>				
– Security Deposits	–	219.58	–	173.47
<b>Total</b>	<b>–</b>	<b>219.58</b>	<b>–</b>	<b>173.47</b>

	As at 31st March 2020		As at 31st March 2019	
	Current	Non-Current	Current	Non-Current
<b>9. OTHER FINANCIAL ASSETS</b>				
<b>Unsecured, Considered Good</b>				
a) Bank Deposits with more than 12 months maturity	–	–	–	28.70
b) Interest accrued on Deposits	2.08	–	30.81	–
c) Receivable from Gratuity Fund (Refer Note 36)	188.77	–	–	–
d) Claims Receivable	16.74	–	5.64	–
<b>Total</b>	<b>207.59</b>	<b>–</b>	<b>36.45</b>	<b>28.70</b>

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

### 10. DEFERRED TAX ASSETS/LIABILITIES (NET)

#### A. Components of Deferred Tax Assets and (Liabilities) as at 31st March 2020 is as below :

	Balance as at 1st April 2019	Recognised/ (Reversed) in Statement of Profit and Loss	Balance as at 31st March 2020
<b>Deferred Tax Assets</b>			
Unabsorbed Depreciation carried forward	1,317.65	(835.55)	482.10
Accrued Expenses deductible when paid and Allowance for Doubtful Debts	384.25	120.50	504.75
Expenses related to Amalgamation	11.42	(5.71)	5.71
MAT Credit Entitlement	1,892.54	627.81	2,520.35
	<b>3,605.86</b>	<b>(92.95)</b>	<b>3,512.91</b>
<b>Deferred Tax Liabilities</b>			
Property, Plant and Equipment and Intangible Assets	2,996.09	(25.47)	2,970.62
Fair Value of Investment carried at FVTPL	106.86	(93.27)	13.59
	<b>3,102.95</b>	<b>(118.74)</b>	<b>2,984.21</b>
<b>Net Deferred Tax Assets</b>	<b>502.91</b>	<b>25.79</b>	<b>528.70</b>

	As at 31st March 2020	As at 31st March 2019
<b>Deferred Tax related to items recognised to OCI (included above) during the year :</b>		
Re-measurement Loss on Defined Benefit Plans	1.35	19.54
<b>Total</b>	<b>1.35</b>	<b>19.54</b>

#### B. Components of Deferred Tax Assets and (Liabilities) as at 31st March 2019 is as below :

	Balance as at 1st April 2018	Recognised/ (Reversed) in Statement of Profit and Loss	Balance as at 31st March 2019
<b>Deferred Tax Assets</b>			
Unabsorbed Depreciation carried forward	1,558.91	(241.26)	1,317.65
Accrued Expenses deductible when paid and Allowance for Doubtful Debts	410.31	(26.06)	384.25
Expenses related to Amalgamation	10.87	0.55	11.42
MAT Credit Entitlement	1,199.01	693.53	1,892.54
	<b>3,179.10</b>	<b>426.76</b>	<b>3,605.86</b>
<b>Deferred Tax Liabilities</b>			
Property, Plant and Equipment and Intangible Assets	2,672.49	323.60	2,996.09
Fair Value of Investment carried at FVTPL	58.96	47.90	106.86
	<b>2,731.45</b>	<b>371.50</b>	<b>3,102.95</b>
<b>Net Deferred Tax Assets</b>	<b>447.65</b>	<b>55.26</b>	<b>502.91</b>

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2020	As at 31st March 2019
<b>11. INCOME TAX ASSETS (NET)</b>		
Advance Income Tax	145.06	1,313.55
<b>Total</b>	<b>145.06</b>	<b>1,313.55</b>

### Income Tax Expense/ (Benefits)

The Company is subject to Income Tax in India on the basis of Standalone Financial Statements. As per the Income Tax Act, the Company is liable to pay Income Tax which is the higher of regular Income Tax Payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT).

	As at 31st March 2020		As at 31st March 2019	
	Current	Non-Current	Current	Non-Current
<b>12. OTHER ASSETS</b>				
<b>Unsecured, Considered Good</b>				
a) Capital Advances	–	88.25	–	102.42
b) Advances to Suppliers	134.23	–	83.23	–
c) Balances with Government Authorities (other than Income Tax)	339.21	21.17	415.96	38.10
d) Pre-payments	103.73	–	108.27	–
e) Advance to Employees for Expenses	18.36	–	35.24	–
f) Prepaid Lease Payments	–	–	9.64	733.01
<b>Total</b>	<b>595.53</b>	<b>109.42</b>	<b>652.34</b>	<b>873.53</b>

	As at 31st March 2020	As at 31st March 2019
<b>13. INVENTORIES :</b>		
a) Raw Materials and Components	2,732.21	3,557.76
b) Work-in-Progress	1,459.26	1,538.74
c) Finished Goods	2,210.25	2,783.58
d) Stock-in-Trade	412.97	245.06
e) Stores and Spares	560.25	546.86
<b>Total</b>	<b>7,374.94</b>	<b>8,672.00</b>
<b>Included in above, Goods-in-Transit :</b>		
i) Raw Materials and Components	446.44	291.25
ii) Finished Goods	1,766.72	2,143.38
<b>Total</b>	<b>2,213.16</b>	<b>2,434.63</b>

13.1. Inventories are hypothecated against the Borrowings of the Company as referred in Note 20.

	As at 31st March 2020	As at 31st March 2019
<b>14. TRADE RECEIVABLES :</b>		
a) Trade Receivables Considered Good - Unsecured	12,505.45	14,057.54
b) Trade Receivables - Credit Impaired	1,047.60	964.59
Less : Allowance for Impairment Loss	(1,047.60)	(964.59)
<b>Total</b>	<b>12,505.45</b>	<b>14,057.54</b>

14.1. For amounts due relating to Related Party Receivables see Note 36.



## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

Ageing of Trade Receivables and Credit Risk arising therefrom is as below :

	As at 31st March 2020	As at 31st March 2019
Less than three months	7,503.17	7,060.95
Between three to six months	3,165.47	4,120.24
Between six to twelve months	1,310.00	2,548.24
More than twelve months	526.81	328.11
<b>Total</b>	<b>12,505.45</b>	<b>14,057.54</b>

	As at 31st March 2020	As at 31st March 2019
<b>15. CASH AND BANK BALANCES :</b>		
<b>A) Cash and Cash Equivalents</b>		
<b>Unrestricted Balances with Banks</b>		
- In Current Accounts	114.04	22.71
- In Deposits Accounts (with original maturity of less than 3 months)	465.00	-
<b>Cheques, Drafts on Hand</b>	185.99	-
<b>Cash on Hand</b>	12.20	7.70
<b>Total</b>	<b>777.23</b>	<b>30.41</b>
<b>B) Bank Balances other than (A) above</b>		
- Deposits with original maturity beyond 3 months but not exceeding 12 months	-	782.75
- Unclaimed Dividend Accounts (Refer Note 15.1)	108.31	91.86
<b>Total</b>	<b>108.31</b>	<b>874.61</b>

**15.1** Balances in Unclaimed Dividend Accounts can be utilised by the Company only towards settlement of the respective Unpaid Dividend or to Investor Education and Protection Fund in accordance with law.

### Changes in Liabilities arising from Financing Activities

	Borrowings	Lease Liabilities	
		Current	Non Current
As at 1st April 2019	6,734.92	-	-
Add: Cash flow changes	(3,691.08)	(73.87)	-
Add: Other Changes	135.23	150.51	867.10
<b>As at 31st March 2020</b>	<b>3,179.07</b>	<b>76.64</b>	<b>867.10</b>

### Changes in Liabilities arising from Financing Activities

	Borrowings	Lease Liabilities	
		Current	Non Current
As at 1st April 2018	8,999.40	-	-
Add: Cash flow changes	(2,264.48)	-	-
Add: Other Changes	(0.00)	-	-
<b>As at 31st March 2019</b>	<b>6,734.92</b>	<b>-</b>	<b>-</b>

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>16. SHARE CAPITAL :</b>				
<b>Authorised Share Capital :</b>				
Opening and Closing Balance (Equity Share of ₹ 10/- per Share with Voting Rights)	43,000,000	4,300.00	43,000,000	4,300.00
5% Redeemable Preference Shares of ₹ 100/- each				
Opening and Closing Balance (Preference Share of ₹ 100/- per Share)	2,000,000	2,000.00	2,000,000	2,000.00
<b>Issued and Paid up Capital</b>				
Opening and Closing Balance (Equity Share of ₹ 10/- per Share with Voting Rights)	36,039,312	3,603.93	36,039,312	3,603.93

### 16.1 Share issued pursuant to the Scheme of Amalgamation

Pursuant to the Scheme of Amalgamation as detailed in Note 38, the Company issued and allotted 34,610,472 Equity Shares of ₹ 10/- each fully paid and 1,487,160 Equity Shares of the Company of ₹ 10/- each fully paid held by erstwhile IFGL Refractories Limited were cancelled on 18th September 2017.

### 16.2 Terms/ Rights attached to Equity Shares

The Company has only one class of Equity Shares having face value of ₹ 10/- each. Each holder of such shares is entitled to 1 vote per share. In the event of liquidation of the Company, the Equity Shareholders will be entitled to receive the remaining Assets of the Company, after distribution of all preferential amounts, in proportion to their Shareholding. The Company in their General Meeting may declare Dividends, but no Dividend shall exceed the amount recommended by the Board of Directors of the Company.

### 16.3 Shares held by the Holding Company and Subsidiaries of the Holding Company

Name of the Shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Bajoria Financial Services Private Limited- Holding Company	18,454,353	51.21	18,454,353	51.21
Bajoria Enterprises Limited (BEL) - Fellow Subsidiary	270	0.00	270	0.00

### 16.4 Details of Shareholders holding more than 5% of aggregate Shares in the Company

Name of the Shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Bajoria Financial Services Private Limited	18,454,353	51.21	18,454,353	51.21
Krosaki Harima Corporation, Japan - Foreign Promoter of the Company	5,590,156	15.51	5,590,156	15.51

**16.5** The Company on 6th August 2016, issued and allotted 756,000 Ordinary Shares of ₹ 10/- each, fully paid up Bonus Shares in the proportion of 3.5 Bonus Share of ₹ 10/- each for every existing 10 (ten) Equity Shares ₹ 10/- each.

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
<b>17. OTHER EQUITY</b>			
Balance as at 31st March 2018	41,616.37	3,692.50	45,308.87
Add : Profits for the year	–	2,596.34	2,596.34
Less : Utilised for Dividend Payment	–	(720.79)	(720.79)
Less : Utilised for Dividend Tax Payment	–	(148.16)	(148.16)
Less : Other Comprehensive Loss (Net of Tax)	–	(38.09)	(38.09)
<b>Balance as at 31st March 2019</b>	<b>41,616.37</b>	<b>5,381.80</b>	<b>46,998.17</b>
Add : Profits for the year	–	2,973.33	2,973.33
Less : Utilised for Dividend Payment	–	(1,801.99)	(1,801.99)
Less : Utilised for Dividend Tax Payment	–	(370.41)	(370.41)
Less : Other Comprehensive Loss (Net of Tax)	–	(2.52)	(2.52)
<b>Balance as at 31st March 2020</b>	<b>41,616.37</b>	<b>6,180.21</b>	<b>47,796.58</b>

### Notes :

- Securities Premium is used to record the premium on issue of shares. The same is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.
- Retained Earnings represents the Profits that the Company has earned till date, less any Dividends or other distributions to the Shareholders.
- During the year ended 31st March 2020, the Company's Shareholders declared Dividend of ₹ 2.50 per share which resulted in an outflow of ₹ 1,086.18 including Dividend Distribution Tax of ₹ 185.20 and accordingly has been accounted in the year of declaration by the Shareholders for FY 2018-2019.

The Board of Directors of the Company declared Interim Dividend of ₹ 2.50 per share for the Financial Year ended 31st March 2020 which has resulted in an outflow of ₹ 1,086.18 including Dividend Distribution Tax of ₹ 185.20 and has been accounted for.

	As at 31st March 2020	As at 31st March 2019
<b>18. INCOME TAX LIABILITIES (NET)</b>		
Provision for Income Tax	40.76	40.76
<b>Total</b>	<b>40.76</b>	<b>40.76</b>

	As at 31st March 2020		As at 31st March 2019	
	Current	Non-Current	Current	Non-Current
<b>19. PROVISIONS</b>				
Provision for Employee Benefits (Refer Note 29)				
- Compensated Absences	25.87	–	25.68	–
- Gratuity	–	0.19	–	48.82
<b>Total</b>	<b>25.87</b>	<b>0.19</b>	<b>25.68</b>	<b>48.82</b>

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2020	As at 31st March 2019
<b>20. CURRENT BORROWINGS :</b>		
<b>Secured Borrowings</b>		
Working Capital Loans repayable on Demand	415.44	1,822.71
Packing Credit Loan repayable upto six months	2,763.63	4,724.71
<b>Total</b>	<b>3,179.07</b>	<b>6,547.42</b>

**20.1** Working Capital and Packing Credit Loans from the Banks are secured by hypothecation of Stocks of Raw Materials, Stock in Process, Finished Goods, Consumables, Spares, Stores, Receivables and other Current Assets both present and future on pari passu basis and by a second charge over all Property, Plant and Equipment of the Company on pari passu basis.

	As at 31st March 2020	As at 31st March 2019
<b>21. TRADE PAYABLES :</b>		
Total Outstanding dues of Micro Enterprises and Small Enterprises	258.82	246.43
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	5,978.89	5,894.48
<b>Total</b>	<b>6,237.71</b>	<b>6,140.91</b>

	As at 31st March 2020	As at 31st March 2019
<b>21.1 Dues to the Micro Enterprises and Small Enterprises</b>		
1. The principal amount remaining unpaid to suppliers as at the end of accounting year	258.82	246.43
2. The interest due thereon remaining unpaid to suppliers as at the end of accounting year	0.10	-
3. The amount of interest paid in terms of Section 16, along with the amount of payment made to the suppliers beyond the appointment day during the year 2019-2020	-	-
4. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	0.10	-
5. The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	-	-

**21.2** Trade payables are Non-Interest bearing except in case of delay of payment to MSME.

**21.3** For amounts due relating to Related Party payable see Note 36.

	As at 31st March 2020	As at 31st March 2019
<b>22. OTHER FINANCIAL LIABILITIES :</b>		
a) Current Maturities of Long-Term Debt (Refer Note 22.2 below)	-	187.50
b) Unpaid Dividends (Refer Note 22.1 below)	108.31	91.86
c) Deposits	47.66	35.47
d) Payables for Employee Benefits	266.88	182.38
e) Creditors for Capital Supplies/Services	55.40	46.68
<b>Total</b>	<b>478.25</b>	<b>543.89</b>

**22.1** There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

**22.2** Term Loan from DBS Bank India Limited was repayable in quarterly equal instalment of ₹ 62.50 each at an interest rate of 9.40% p.a which has been repaid in FY 2019-2020.

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2020	As at 31st March 2019
<b>23. OTHER CURRENT LIABILITIES</b>		
a) Advances received from Customers	592.33	19.50
b) Statutory Dues	778.91	130.39
<b>Total</b>	<b>1,371.24</b>	<b>149.89</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>24. REVENUE FROM OPERATIONS</b>		
<b>Revenue from Sale of Products (Refer Note 37) :</b>		
Finished Goods	42,805.05	42,876.17
Traded Goods	4,526.52	4,232.65
<b>Revenue From Sale of Products :</b>	<b>47,331.57</b>	<b>47,108.82</b>
<b>Service Income</b>	<b>845.12</b>	<b>765.03</b>
<b>Other Operating Income :</b>		
Export Benefits	1,175.19	391.69
Net Gain on Foreign Exchange Rate Fluctuation and Translation	444.34	590.64
Other Operating Revenue	64.91	38.87
<b>Other Operating Income</b>	<b>1684.44</b>	<b>1021.20</b>
<b>Total</b>	<b>49,861.13</b>	<b>48,895.05</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>25. OTHER INCOME :</b>		
Interest Income (Refer Note 25.1 below)	214.84	84.46
Liabilities no longer required written back	157.66	0.97
Other Non Operating Income (Refer Note 25.2 below)	435.45	215.12
<b>Total</b>	<b>807.95</b>	<b>300.55</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>25.1 Details of Interest Income</b>		
Interest Income earned on Financial Assets that are not designated at Fair Value through Profit or Loss :		
- On Bank Deposits at Amortised Cost	47.59	71.83
- Interest received on Income Tax Refund	150.45	-
- On Other Deposits at Amortised Cost	16.80	12.63
<b>Total</b>	<b>214.84</b>	<b>84.46</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>25.2 Other Non Operating Income</b>		
Profit on Sale of Current Investments	396.17	68.11
Gain on Fair Valuation of Investments through Profit and Loss :		
- On Current Investments	37.62	141.96
Sundry Receipts	1.66	5.05
<b>Total</b>	<b>435.45</b>	<b>215.12</b>

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>26. COST OF MATERIALS CONSUMED</b>		
Raw Materials	21,069.34	24,080.34
<b>Total</b>	<b>21,069.34</b>	<b>24,080.34</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>27. PURCHASES OF STOCK-IN-TRADE</b>		
Purchases of Stock-in-Trade	4,062.97	3,875.76
<b>Total</b>	<b>4,062.97</b>	<b>3,875.76</b>

	For the year ended 31st March 2020		For the year ended 31st March 2019	
<b>28. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>				
<b>Opening Stock</b>				
Finished Goods	2,783.58		354.59	
Stock in Trade	245.06		154.91	
Work-in-Progress	1,538.73	4,567.37	1,180.71	1,690.21
<b>Less : Closing Stock</b>				
Finished Goods	2,210.25		2,783.58	
Stock in Trade	412.97		245.06	
Work-in-Progress	1,459.26	4,082.48	1,538.74	4,567.38
<b>Total</b>		<b>484.89</b>		<b>(2,877.17)</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>29. EMPLOYEE BENEFITS EXPENSE :</b>		
Salaries, Wages and Bonus	3,810.96	3,693.84
Contribution to Provident and Other Funds	448.32	313.13
Staff Welfare Expenses	165.81	151.39
<b>Total</b>	<b>4,425.09</b>	<b>4,158.36</b>

**29.1** The Company has recognised in the Standalone Statement of Profit and Loss for the year ended 31st March 2020 an amount of ₹ 374.00 (31st March 2019 : ₹ 245.18) as expenses under Defined Contribution Plans.

### **29.2 Provident Fund (Funded)**

Provident Fund contributions in respect of employees upto August 2017 of erstwhile IFGL Refractories Limited are made to a Trustee managed exempted Fund and interest paid to member thereof is not lower than that declared annually by the Central Government. Shortfall, if any, is made good by the Company. Membership to said Fund has been closed on and from 1st September 2017, subject to necessary approvals and/or permissions. Provident Fund in respect of remaining employees are made to Statutory Provident Fund established by the Central Government. Based on the final guidance for measurement of Provident Fund Liabilities of the Trustee managed Fund issued by the Actuarial Society of India, the Company's liability at the year end of ₹ 112.30 (31st March 2019: ₹ Nil) has been actuarially determined by an independent actuary and provided for.

## Notes to the Standalone Financial Statements *(Contd.)*

(₹ in lacs)

The details of Fund and Planned Assets position is given below :

	For the year ended 31st March 2020	For the year ended 31st March 2019
Plan Assets at year end, at Fair Value	–	–
Present Value of Benefit Obligation at year end (Net of Planned Assets)	–	–
Cost of shortfall in Interest Rate Guarantee	–	–
Assumptions used in determining the Present Value Obligation of the Interest Rate Guarantee under the Deterministic Approach		
– Discount Rate	6.60%	7.00%
– Expected Guaranteed Interest Rate	8.50%	8.60%

### 29.3 Gratuity (Funded)

The Company provides for Gratuity benefit to its employees. Gratuity entitlement of the employees is as per the provisions of the Payment of Gratuity Act, 1972. However in case of employees joining before 1st April 2003 of erstwhile IFGL Refractories Limited, they are entitled to Gratuity as per Scheme framed by that Company or as per the Payment of Gratuity Act, 1972, whichever is higher. Liability with regard to Gratuity plan are determined by the Actuarial Valuation as set out in Note 2.14 (v) above, based on which the Company makes contribution to the Fund using Projected Unit Credit Method. The most recent Actuarial Valuation of the Fund was carried out as at 31st March 2020.

### 29.4 Superannuation (Funded)

Certain employees joined before 31st March 2004 of erstwhile IFGL Refractories Limited are member of Trustee managed Superannuation Fund. Said Fund provide for Superannuation benefit on retirement/death/incapacitation/termination and was amended from the Defined Benefit to Defined Contribution Plan effective 1st April 2004. Defined Benefit Plan was frozen as on 31st March 2004. Necessary formalities/ approvals have been complied with and obtained. Also refer Notes 2.14 (iii) and (v) for accounting policy relating to Superannuation.

### 29.5 Compensated Absence (Unfunded)

The Company provides for encashment of accumulated Leave Benefit for eligible employees (i.e. workmen) at the time of retirement, death, incapacitation or termination of employment, subject to a maximum of one hundred and twenty days based on the last drawn Salary. Liabilities are determined by Actuarial Valuation as set out in Note 2.14 (vi) above using Projected Unit Credit Method.

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

29.6 Following are the further particulars with respect to Defined Benefit Plans of the Company for the year ended 31st March 2020 :

	Gratuity (Funded)		Superannuation (Funded)	
	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>a) Reconciliation of the Opening and Closing Balances of Present Value of Defined Benefit Obligation :</b>				
Present Value of Obligation as at the beginning of the year	1,047.12	904.39	127.00	118.24
Service Cost	75.34	65.57	–	–
Interest Cost	54.92	66.87	7.15	8.89
Actuarial (Gains)/Losses	19.21	59.28	(22.39)	2.37
(Benefits Paid)	(525.01)	(48.99)	(49.71)	(2.50)
Present Value of Obligation as at the end of the year	<b>671.58</b>	<b>1,047.12</b>	<b>62.05</b>	<b>127.00</b>
<b>b) Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets :</b>				
Fair Value of Plan Assets as at the beginning of the year	998.29	896.40	552.94	515.36
Interest Income	55.94	69.49	36.97	39.07
Remeasurement Gains/(Losses)	15.34	(3.61)	4.47	1.01
Contribution by the Company	126.83	85.00	–	–
(Benefits Paid)	(525.01)	(48.99)	(49.71)	(2.50)
Fair Value of Plan Assets as at the end of the year	<b>671.39</b>	<b>998.29</b>	<b>544.67</b>	<b>552.94</b>
<b>c) Reconciliation of the Present Value of Defined Benefit Obligation and Fair Value of the Plan Assets :</b>				
Fair Value of Plan Assets as at the end of the year	671.39	998.29	544.67	552.94
Present Value of Obligation as at the end of the year	671.58	1,047.12	62.05	127.00
Assets/(Liabilities) recognised in the Balance Sheet	<b>(0.19)</b>	<b>(48.83)</b>	<b>482.62#</b>	<b>425.94#</b>
# Actual amount of Asset in the Balance Sheet : Nil (31st March 2019: Nil)				
<b>d) Expense recognised in the Statement of Profit and Loss :</b>				
<b>Employee Benefits Expense :</b>				
Service Cost	75.34	65.57	–	–
Net Interest expenses	(1.02)	(2.62)	(29.82)	(30.18)
Actuarial (Gain)/Loss	–	–	–	–
<b>Other Comprehensive Income :</b>				
Actuarial (Gain)/Loss	3.87	62.89	(26.86)	1.36
<b>Total Expense as per the Actuarial Valuation</b>	<b>78.19</b>	<b>125.84</b>	<b>(56.68)</b>	<b>(28.82)</b>
Actual Expenses Recognised	78.19*	125.84*	–	–

\*The Expenses for the above benefit are recognised under 'Contribution to Provident and Other Funds' on Note 29.



## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	Gratuity (Funded)		Superannuation (Funded)	
	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>e) Category of Plan Assets :</b>				
GOI Securities (%)	0.46	0.45	2.00	2.00
Units of Insurers (%)	98.65	97.00	94.00	95.00
Others (including Bank Balances) (%)	0.89	2.55	4.00	3.00
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>f) Principal Actuarial Assumptions :</b>				
Discount rate (per annum) (%)	6.60	7.00	6.60	7.00
Rate of increase in Salaries (%)	6.00	6.00	NA	NA
Remaining Working Life (in Years)	22.85	22.17	7.79	8.30
Mortality Rate	Indian Assured Lives Mortality (2006-2008) (modified) Ultimate	Indian Assured Lives Mortality (2006-2008) (modified) Ultimate	Indian Assured Lives Mortality (2006-2008) (modified) Ultimate	Indian Assured Lives Mortality (2006-2008) (modified) Ultimate
Method Used	Projected Unit Credit Method			
Actual Return on Plan Assets	71.28	65.88	41.44	40.08

### g) Other Disclosures :

The basis used to determine overall expected return on assets and the major categories of Plan Assets are as follows :

The major portion of the Assets is invested in Units of Insurers and Government Bonds. Based on the asset allocation and prevailing yield rates on these asset classes, the long term estimate of the expected rate of return on the Fund have been arrived at. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government Bonds.

The estimate of future salary increases takes into account Inflation, Seniority, Promotion and other relevant factors.

### Sensitivity Analysis

The sensitivity of Defined Benefit Obligations to changes in the weighted principal assumptions is :

	As at 31st March 2020		As at 31st March 2019	
	Impact on Defined Benefit Obligation (Gratuity)			
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%) % change compared to base due to sensitivity	(43.20)	49.58	(44.12)	49.76
Salary growth rate (-/+ 1%) % change compared to base due to sensitivity	48.91	(43.49)	49.35	(44.67)

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2020		As at 31st March 2019	
	Impact on Defined Benefit Obligation (Superannuation)			
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%) % change compared to base due to sensitivity	(1.07)	1.12	(2.03)	2.11
Salary Growth Rate (-/+ 1%) % change compared to base due to sensitivity	NA	NA	NA	NA

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the Defined Benefit Obligations to significant actuarial assumptions, the same method (Present Value of the Defined Benefit Obligations calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied while calculating the Defined Benefit Liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### Risk Exposure:

Through its Defined Benefit Plans, the Company is exposed to a number of risks, the most significant of which are detailed below :

- a. **Investment Risk** : The Defined Benefit Plans are funded Government Securities and Units of Insurers. The Company does not have any liberty to manage the Funds provided to Insurance Companies.
- b. **Interest Risk** : A decrease in the interest rate on Plan Assets will increase the Plan Liability.
- c. **Life Expectancy** : The Present Value of the Defined Benefit Plan Liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the Plan Liability.
- d. **Salary Growth Risk** : The Present Value of Defined Benefit Plan Liability is calculated by reference to the future salaries of plan participants. An increase will increase the Plan Liability.

### Defined Benefit Liability and Employer Contributions

Expected contributions to post employment benefit plans for the year ending 31st March 2020 : Nil

The Weighted Average duration of the Defined Benefit Obligation (Gratuity) is 8 years (31st March 2019 - 5 years). The expected maturity analysis of undiscounted Gratuity is as follows :

	As at 31st March 2020	As at 31st March 2019
Year 1	48.33	52.69
Year 2	48.58	512.52
Year 3	119.02	50.70
Year 4	90.18	115.77
Year 5	88.30	89.91
Year 6 to 10	520.06	561.88

The Weighted Average duration of the Defined Benefit Obligation (Superannuation) is 2 years (31st March 2019 - 2 years). The expected maturity analysis of payment for Superannuation is as follows :

	As at 31st March 2020	As at 31st March 2019
Year 1	19.11	10.06
Year 2	6.26	85.62
Year 3	28.19	6.16
Year 4	5.06	25.32
Year 5	3.53	4.55
Year 6 to 10	7.80	3.15

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>30. FINANCE COSTS</b>		
Interest on Banks and others	217.75	334.01
Interest on Lease Liability (Refer Note 4.2)	78.34	-
<b>Total</b>	<b>296.09</b>	<b>334.01</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>31. OTHER EXPENSES :</b>		
Consumption of Stores and Spare Parts	925.21	901.87
Power and Fuel	1,771.88	1,913.06
Rent	71.20	140.44
Rates and Taxes	371.23	19.02
Repairs :		
- Machinery	151.87	151.97
- Buildings	41.06	16.78
- Others	227.94	184.37
Insurance	57.30	70.52
Payment to Auditors (Refer Note 31.1)	35.00	55.67
Directors' Fees	6.15	6.70
Bank Charges	119.92	143.98
Computerisation Expenses	44.38	26.87
Provision/(Reversal) for doubtful Trade Receivables/Advances	83.01	(118.07)
Sundry Debit Balances/Advances written off	475.59	15.76
Travelling and Conveyance	532.66	728.62
Site Contractor Expenses	1,823.84	1,576.22
Printing and Stationery	6.99	17.41
Processing Charges	662.39	630.14
Corporate Social Responsibility Expenditure (Refer Note 31.2)	56.00	35.40
Professional Charges	395.21	405.09
Postage, Telephone, Telex etc.	49.33	64.55
Service Charges	116.82	157.17
Commission	1,324.76	1,316.80
Packing Expenses	1,132.83	1,277.71
Delivery and Forwarding Expenses	2,028.62	2,415.79
Net (Gain)/Loss on Sale of Property, Plant and Equipment	28.78	(5.84)
Security Charges	64.74	57.64
Miscellaneous Expenses	212.43	276.30
<b>Total</b>	<b>12,817.14</b>	<b>12,481.94</b>

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>31.1 Amounts Paid/Payable to Auditors</b>		
For Statutory Audit (including Limited Reviews)	30.00	48.50
For Certification work required to be done by Statutory Auditor	–	0.52
For Tax Audit	5.00	4.50
Reimbursement of Expenses	–	2.15
<b>Total</b>	<b>35.00</b>	<b>55.67</b>

**31.2** Following provisions of Section 135 of the Act, the Company have CSR Committee and during FY 2019-2020 paid ₹ 56.00 (equivalent to 2% of Average Net Profits of three preceding Financial Years) to the Implementing Agency, IFGL Refractories Welfare Trust, registered under Section 12A and having recognition under Section 80G of the Income Tax Act, 1961, for CSR activities primarily focused on Education, Health Care, Sanitation, Sports etc in areas neighbouring its Manufacturing Facilities.

- Gross amount required to be spent by the Company during the year is ₹ 56.00 (31st March 2019: ₹ 35.40).
- Amount spent during the year ending 31st March 2020 on

	In Cash	Yet to be paid in Cash	Total
i) Construction/Acquisition of any Asset	–	–	–
ii) On purposes other than i) above	56.00	–	56.00
<b>Total</b>	<b>56.00</b>	<b>–</b>	<b>56.00</b>

Amount spent during the year ending 31st March 2019 on

	In Cash	Yet to be paid in Cash	Total
i) Construction/Acquisition of any Asset	–	–	–
ii) On purposes other than i) above	35.40	–	35.40
<b>Total</b>	<b>35.40</b>	<b>–</b>	<b>35.40</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>32. EARNINGS PER SHARE (EPS) – THE NUMERATORS AND DENOMINATORS USED TO CALCULATE BASIC AND DILUTED EPS</b>		
Profit after Tax attributable to the Equity Shareholders (A)	2,973.33	2,596.34
Weighted Average number of Equity Shares (in Numbers) (B)	36,039,312	36,039,312
Nominal Value of Equity Shares (in ₹)	10.00	10.00
<b>Basic &amp; Diluted EPS (A/B)</b>	<b>8.25</b>	<b>7.20</b>

	As at 31st March 2020	As at 31st March 2019
<b>33. CONTINGENT LIABILITIES</b>		
<b>a) Claims against the Company not acknowledged as Debts :</b>		
i) Sales Tax matter under dispute relating to issues of applicability and classification [related payments ₹ 23.14 (31st March 2019 : ₹ 21.24)]	6.88	209.34
ii) Income Tax matters under dispute relating to issues of applicability and determination [related payments ₹ 2.50 (31st March 2019 : ₹ 44.00)]	578.83	214.31
iii) Service Tax matter under dispute relating to issue of applicability	37.11	1.54

- 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 1st April 2018, on grounds that such explanation denies the

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

benefit that was intended to be provided under the said Section, was admitted by the Hon'ble High Court at Calcutta on 7th November 2019. Supported by a legal opinion obtained in this regard, the management believes that the Company has a good case on merit in this matter and the resultant Deferred Tax Assets of ₹ 1,164 are considered as recoverable in future.

In the opinion of the Management, outcome of these proceedings will not have a material affect on the Company's Financial Position and result of operations.

	As at 31st March 2020	As at 31st March 2019
<b>34. CAPITAL COMMITMENTS</b>		
Estimated Value of Contracts on Capital Account remaining to be executed (Net of Advances) and not provided for	285.30	402.41
<b>Total</b>	<b>285.30</b>	<b>402.41</b>

### 35. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES :

#### 35.1 Capital Management

The Company aims at maintaining a strong capital base maximizing Shareholders' wealth safeguarding business continuity and augments its internal generations with a judicious use of borrowing facilities to fund spikes in working capital that arise from time to time as well as requirements to finance business growth.

The Company monitors Capital using Gearing Ratio which is Net Debt divided by Total Capital plus Net Debt.

	As at 31st March 2020	As at 31st March 2019
<b>Borrowings</b>	3,179.07	6,734.92
Less : Cash & Cash Equivalents	777.23	30.41
<b>Net Debt</b>	<b>2,401.84</b>	<b>6,704.51</b>
Equity	51,400.51	50,602.10
<b>Equity and Net Debt</b>	<b>53,802.35</b>	<b>57,306.61</b>
Gearing Ratio	<b>4.46%</b>	<b>11.70%</b>

#### 35.2 Categories of Financial Instruments

Set out below, is a comparison by class of the Carrying amounts and Fair value of the Company's Financial Instruments :

	As at 31st March 2020		As at 31st March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>A. Financial Assets</b>				
<b>a) Measured at Amortised Cost</b>				
i) Cash and Cash Equivalents	777.23	777.23	30.41	30.41
ii) Other Bank Balances	108.31	108.31	874.61	874.61
iii) Investment	52.05	53.00	52.05	53.00
iv) Trade Receivables	12,505.45	12,505.45	14,057.54	14,057.54
v) Other Financial Assets	427.17	427.17	238.62	238.62
<b>Sub-total</b>	<b>13,870.21</b>	<b>13,871.16</b>	<b>15,253.23</b>	<b>15,254.18</b>
<b>b) Measured at Fair Value through Profit or Loss</b>				
Investment In Mutual Funds & Bond	9,320.94	9,320.94	4,553.74	4,553.74
<b>Sub-total</b>	<b>9,320.94</b>	<b>9,320.94</b>	<b>4,553.74</b>	<b>4,553.74</b>
<b>c) Measured at Cost</b>				
Investment in Subsidiaries	5,625.39	5,625.39	5,625.39	5,625.39
<b>Sub-total</b>	<b>5,625.39</b>	<b>5,625.39</b>	<b>5,625.39</b>	<b>5,625.39</b>
<b>Total Financial Assets</b>	<b>28,816.54</b>	<b>28,817.49</b>	<b>25,432.36</b>	<b>25,433.31</b>

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2020		As at 31st March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>B. Financial Liabilities</b>				
<b>a) Measured at Amortised Cost</b>				
i) Borrowings	3,179.07	3,179.07	6,734.92	6,734.92
ii) Trade Payables	6,237.72	6,237.72	6,140.91	6,140.91
iii) Other Financial Liabilities	478.25	478.25	356.39	356.39
iv) Lease Liabilities	943.74	943.74	–	–
<b>Sub-total</b>	<b>10,838.78</b>	<b>10,838.78</b>	<b>13,232.22</b>	<b>13,232.22</b>
<b>Total Financial Liabilities</b>	<b>10,838.78</b>	<b>10,838.78</b>	<b>13,232.22</b>	<b>13,232.22</b>

The Management assessed that Cash and Cash Equivalents, Trade Receivables, Trade Payables, other Financial Assets and Other Financial Liabilities approximate their carrying amounts largely due to the Short-Term maturities of these Instruments.

The Fair Value of Loans from Banks, Trade Payables and other Financial Liabilities, as well as Other Non-Current Financial Liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2020 was assessed to be insignificant. The discount for lack of marketability represents the amounts that the Company has determined that market participants would take into account when pricing the investments.

### 35.3 Financial Risk Management Objectives

The Company's activities expose it to a variety of Financial Risks including Market Risk, Credit Risk and Liquidity Risk. The Company continues to focus on a system-based approach to Business Risk management. The Company's Financial Risk Management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong Internal Control Systems, the Current Risk Management System rests on policies and procedures issued by appropriate authorities; process of regular reviews/audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

#### a) Market Risk

The Company's Financial Instruments are exposed to market changes. The Company is exposed to following significant Market Risk :

- Foreign Currency Risk
- Interest Rate Risk
- Other Price Risk

Market Risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to Market Risks or the manner in which these risks are being managed and measured.

#### Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below :

Quoted prices in an active market (Level 1) : This level of hierarchy includes Financial Assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of Investment in quoted Equity Shares and Mutual Fund Investments.

Valuation techniques with observable inputs (Level 2) : This level of hierarchy includes Financial Assets and Liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level of hierarchy does not include any instrument.

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes Financial Assets and Liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

As at 31st March 2020				
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment In Mutual Funds & Bond	9,320.94	–	–	9,320.94
	<b>9,320.94</b>	–	–	<b>9,320.94</b>

As at 31st March 2019				
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment In Mutual Funds & Bond	4,553.74	–	–	4,553.74
	<b>4,553.74</b>	–	–	<b>4,553.74</b>

### i. Foreign Currency Risk

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Company's functional currency (Indian Rupees).

A significant portion of these transactions are in US Dollar, Euro etc. The carrying amount of foreign currency denominated financial assets and liabilities including derivative contracts, are as follows :

As at 31st March 2020	USD	Euro	GBP	Total
Financial Assets	1,987.77	2,897.50	44.32	<b>4,929.59</b>
Financial Liabilities	1,390.46	2,920.67	62.79	<b>4,373.92</b>
<b>As at 31st March 2019</b>				
Financial Assets	1,458.28	4,842.49	189.82	<b>6,490.59</b>
Financial Liabilities	1,019.83	5,361.85	26.25	<b>6,407.93</b>

### Un-hedged Foreign Currency balances :

		As at	As at
		31st March 2020	31st March 2019
i) Financial Liabilities	USD	1,390.46	1,019.83
	EUR	2,920.67	5,361.85
	GBP	62.79	26.25
ii) Financial Assets	USD	1,987.77	1,458.28
	EUR	2,897.50	4,842.49
	GBP	44.32	189.82

### Foreign Currency Sensitivity

Foreign Currency Sensitivities for unhedged exposure (impact on increase in 5%)

	As at 31st March 2020		As at 31st March 2019	
	Impact on profit	Impact on pre Tax Equity	Impact on profit	Impact on pre Tax Equity
USD	29.87	29.87	21.92	21.92
EUR	(1.16)	(1.16)	(25.97)	(25.97)
GBP	(0.92)	(0.92)	8.18	8.18

Note : If the rate is decreased by 5%, profit will increase/(decrease) by an equal amount.

Figures in brackets indicate decrease in profit

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

### ii. Interest Rate Risk

Interest Rate Risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The objectives of the Company's Interest Rate Risk management processes are to lessen the impact of adverse interest rate movements on its earnings and cash flows and to minimise counter party risks.

The Company is exposed to interest rate volatilities primarily with respect to its term borrowings from Banks as well as Financial Institutions, export packing credit facilities, cash credit facilities. Such volatilities primarily arise due to changes in money supply within the economy and/or liquidity in banking system due to asset/liability mismatch, poor quality assets etc. of banks. The Company manages such risk by operating with banks having superior credit rating in the market as well as Financial Institutions.

Interest Rate Sensitivities for outstanding exposure (impact on increase in 50 bps)

	As at 31st March 2020		As at 31st March 2019	
	Impact on profit	Impact on pre Tax Equity	Impact on profit	Impact on pre Tax Equity
INR	(2.08)	(2.08)	(3.56)	(3.56)
USD	(2.64)	(2.64)	(3.38)	(3.38)
EUR	(11.18)	(11.18)	(26.73)	(26.73)

Note: If the rate is decreased by 50 bps, profit will increase by an equal amount.

Interest Rate Sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period. Further, the calculations for the unhedged floating rate borrowing have been done on the closing value of the foreign currency.

### iii. Price Risk

The Company invests its surplus funds primarily in debt mutual funds measured at fair value through profit or loss. Aggregate value of such investments as at 31st March 2020 is ₹ 9,320.94 (31st March 2019: ₹ 4,553.74). Investments in the Mutual Fund schemes are measured at fair value. Accordingly, these do not pose any significant Price Risk.

	As at 31st March 2020		As at 31st March 2019	
	Impact on profit	Impact on pre Tax Equity	Impact on profit	Impact on pre Tax Equity
<b>Investment In Mutual Funds &amp; GOI bond</b>				
0.5% increase in price	46.60	46.60	22.77	22.77
0.5% decrease in price	(46.60)	(46.60)	(22.77)	(22.77)

### b) Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables, close monitoring of its credit cycle and ensuring optimal movements of its inventories. The table below provides details regarding remaining contractual maturities of significant financial liabilities at the reporting date

	As at 31st March 2020		As at 31st March 2019	
	Current	Non-Current	Current	Non-Current
<b>A. Financial Assets</b>				
i) Cash and Cash Equivalents	777.23	–	30.41	–
ii) Other Bank Balances	108.31	–	874.61	–
iii) Investment in Subsidiaries	–	5,625.39	–	5,625.39
iv) Trade Receivables	12,505.45	–	14,057.54	–
v) Other Financial Assets	207.59	219.58	36.45	202.17
vi) Investment In Mutual Funds & Bond	9,320.94	–	4,553.74	–
vii) Investment in Bond	–	52.05	–	52.05
<b>Total</b>	<b>22,919.52</b>	<b>5,897.02</b>	<b>19,552.75</b>	<b>5,879.61</b>



## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2020		As at 31st March 2019	
	Current	Non-Current	Current	Non-Current
<b>B. Financial Liabilities</b>				
i) Borrowings	3,179.07	–	6,734.92	–
ii) Trade Payables	6,237.72	–	6,140.91	–
iii) Other Financial Liabilities	478.25	–	356.39	–
iv) Lease Liabilities	76.64	867.10	–	–
<b>Total</b>	<b>9,971.68</b>	<b>867.10</b>	<b>13,232.22</b>	<b>–</b>

The Company manages this risk by utilising unused credit lines and portfolio diversion. The Company has investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes.

### c) Credit Risk

Credit Risk is the risk that counter party will not meet its obligations leading to a financial loss. The Company has its policies to limit its exposure to Credit Risk arising from outstanding receivables. Management regularly assess the credit quality of its customer's, basis which terms of payment are decided. Credit limits are set for each customer which are reviewed on periodic intervals.

The movement of the expected loss provision made by the Company are as under :

	As at 31st March 2020	As at 31st March 2019
Opening Balance	964.59	1,073.24
Add : Provisions made	558.60	(102.30)
Less : Utilisation made for impairment/derecognition	(475.59)	(6.35)
<b>Closing Balance</b>	<b>1,047.60</b>	<b>964.59</b>

### 36. RELATED PARTY DISCLOSURE :

Related Party Disclosures in keeping with Indian Accounting Standard (Ind AS 24)

#### a) List of Related Parties

Where Control exists	
Holding Company	Bajoria Financial Services Private Limited
Subsidiary Companies (including Step Down Subsidiaries )	IFGL Worldwide Holdings Limited
	IFGL Monocon Holdings Limited
	Monocon International Refractories Limited
	Monocon Overseas Limited
	Mono Ceramics Inc.
	Monotec Refratarios Ltda
	Tianjin Monocon Refractories Company Limited
	Tianjin Monocon Aluminous Refractories Company Limited
	Goricon Metallurgical Services Limited
	IFGL GmbH
	Hofmann Ceramic GmbH
	Hofmann Ceramic CZ s.r.o.
	IFGL Inc.
	EI Ceramics LLC
Fellow Subsidiaries	Heritage Health Insurance TPA Private Limited
	Ganges Art Gallery Private Limited
	Bajoria Enterprises Limited
	Heritage Health Knowledge Services Private Limited

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

Others :	
Key Management Personnel	S K Bajoria (Chairman) P Bajoria (Managing Director) Kamal Sarda (Director and Chief Executive Officer and also designated as Chief Financial Officer from 8th February 2020) Rajesh Agarwal (Company Secretary) Sikander Yadav (Chief Financial Officer till 14th January 2020)
Non Executive Directors	Kanwar Satyabrata Sanyal Sudhamoy Khasnobis Duraiswamy Gunaseela Rajan Kiyotaka Oshikawa Debal Kumar Banerji Bharati Ray Tetsuo Tsuzuki (appointed w.e.f. 9th September 2019) Surendra Munshi (resigned w.e.f. 10th August 2019)
Relatives of Key Management Personnel	Smita Bajoria (Wife of Chairman) Akshay Bajoria (Son of Managing Director)
Enterprises in which Key Management Personnel have significant influence	Heritage Insurance Brokers Private Limited Bajoria Service Providers LLP Essentially Healthy Private Limited Bajoria Holdings Private Limited Bajoria Estate Private Limited
Post Employment Benefit Funds	IFGL Refractories Limited Staff Provident Fund IFGL Exports Limited Employees Gratuity Fund IFGL Refractories Ltd Employees Superannuation Fund

	As at / For the year ended 31st March 2020	As at / For the year ended 31st March 2019
<b>Particulars of Transactions during the year and year end balances</b>		
<b>I) With Holding Company : Bajoria Financial Services Pvt Ltd</b>		
Rent for Office Premises	36.73	36.73
	<b>36.73</b>	<b>36.73</b>
<b>II) With Subsidiaries including Step down Subsidiaries</b>		
<b>Purchase of Raw Material</b>		
Monocon International Refractories Limited	23.32	50.81
Tianjin Monocon Refractories Company Limited	909.30	1,151.16
EI Ceramics LLC	-	1.43
Hofmann Ceramic GmbH	1.80	16.64
	<b>934.42</b>	<b>1,220.04</b>
<b>Purchase of Capital Goods</b>		
Tianjin Monocon Refractories Company Limited	13.20	-
	<b>13.20</b>	<b>-</b>
<b>Sale of Finished Goods</b>		
Monocon International Refractories Limited	687.28	1,057.41
Mono Ceramics Inc.	230.99	144.09
Tianjin Monocon Aluminous Refractories Company Limited	-	0.63
Tianjin Monocon Refractories Company Limited	9.79	-
EI Ceramics LLC	10.44	7.45
Hofmann Ceramic GmbH	28.75	23.63
	<b>967.25</b>	<b>1,233.21</b>

## Notes to the Standalone Financial Statements *(Contd.)*

	(₹ in lacs)	
	As at / For the year ended 31st March 2020	As at / For the year ended 31st March 2019
<b>Particulars of transactions during the year &amp; year end balances</b>		
<b>Commission Expense</b>		
Mono Ceramics Inc.	62.34	57.27
	<b>62.34</b>	<b>57.27</b>
<b>Expenses Reimbursement/Incurred</b>		
Mono Ceramics Inc.	0.63	1.90
EI Ceramics LLC	–	0.51
	<b>0.63</b>	<b>2.41</b>
<b>Expenses Recovered/Received</b>		
Monocon International Refractories Limited	23.12	53.91
Hofmann Ceramic GmbH	27.82	28.83
Mono Ceramics Inc.	0.26	–
	<b>51.20</b>	<b>82.74</b>
<b>Year End Balances</b>		
<b>Trade Payables</b>		
Monocon International Refractories Limited	2.42	56.15
Tianjin Monocon Refractories Company Limited	26.33	42.35
	<b>28.75</b>	<b>98.50</b>
<b>Commission Payable</b>		
Mono Ceramics Inc.	44.23	21.70
	<b>44.23</b>	<b>21.70</b>
<b>Trade Receivables</b>		
Monocon International Refractories Limited	49.21	187.56
Tianjin Monocon Refractories Company Limited	4.61	–
Hofmann Ceramic GmbH	7.70	6.43
Mono Ceramics Inc.	38.25	3.83
EI Ceramics LLC	–	0.55
	<b>99.77</b>	<b>198.37</b>
<b>Non-Current Investment</b>		
IFGL Worldwide Holdings Limited	5,625.39	5,625.39
	<b>5,625.39</b>	<b>5,625.39</b>
<b>III) With Fellow Subsidiaries</b>		
<b>Expenses Reimbursement/Incurred</b>		
Ganges Art Gallery Private Limited	–	0.36
Bajoria Enterprises Limited	12.00	12.00
	<b>12.00</b>	<b>12.36</b>

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at / For the year ended 31st March 2020	As at / For the year ended 31st March 2019
<b>Particulars of transactions during the year &amp; year end balances</b>		
<b>IV) With Key Management Personnel</b>		
<b>Key Management Personnel Remuneration</b>		
S K Bajoria (Chairman)	186.53	176.45
P Bajoria (Managing Director)	353.73	303.04
Kamal Sarda (Director and Chief Executive Officer and also designated as Chief Financial Officer from 8th February 2020)	101.93	101.08
Rajesh Agarwal (Company Secretary)	111.89	99.23
Sikander Yadav (Chief Financial Officer till 14th January 2020)	68.90	70.37
	<b>822.98</b>	<b>750.17</b>
<b>Director's Commission</b>		
S K Bajoria (Chairman)	36.92	37.76
P Bajoria (Managing Director)	36.92	37.76
	<b>73.84</b>	<b>75.52</b>
<b>Year End Balances</b>		
<b>Director's Commission</b>		
S K Bajoria (Chairman)	36.92	37.76
P Bajoria (Managing Director)	36.92	37.76
	<b>73.84</b>	<b>75.52</b>
<b>Non Executive Directors</b>		
<b>Sitting Fees</b>		
Kanwar Satyabrata Sanyal	0.90	1.45
Sudhamoy Khasnobis	0.85	0.80
Duraiswamy Gunaseela Rajan	1.35	1.00
Kiyotaka Oshikawa	0.20	–
Debal Kumar Banerji	1.50	1.70
Bharati Ray	0.95	0.95
Surendra Munshi (resigned w.e.f. 10th August 2019)	0.40	0.80
	<b>6.15</b>	<b>6.70</b>
<b>V) With Relative of Key Management Personnel</b>		
<b>Remuneration</b>		
Akshay Bajoria	34.89	35.00
	<b>34.89</b>	<b>35.00</b>
<b>VI) With Other - Post Employment Benefit Funds</b>		
<b>Expenditure</b>		
IFGL Refractories Limited Staff Provident Fund	150.94	23.76
IFGL Exports Limited Employees Gratuity Fund	78.19	125.58
IFGL Refractories Ltd Employees Superannuation Fund	77.13	76.39
	<b>306.26</b>	<b>225.73</b>
<b>Year End Balance</b>		
<b>Payable</b>		
IFGL Refractories Limited Staff Provident Fund	128.83	–
IFGL Exports Limited Employees Gratuity Fund	0.19	48.83

## Notes to the Standalone Financial Statements *(Contd.)*

(₹ in lacs)

	As at / For the year ended 31st March 2020	As at / For the year ended 31st March 2019
<b>Particulars of transactions during the year &amp; year end balances</b>		
<b>Year End Balance</b>		
<b>Receivable</b>		
IFGL Exports Limited Employees Gratuity Fund	188.77	-

### 37. INFORMATION GIVEN IN ACCORDANCE WITH THE REQUIREMENTS OF IND AS 108 ON SEGMENT REPORTING :

In terms of Ind AS 108 'Segment Reporting' prescribed under Section 133 of the Companies Act, 2013, segment information is presented in the Consolidated Financial Statements of the Company. Given below is the information relating to Geographical market of the Company:

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Revenue from Operations</b>		
Within India	24,798.73	22,187.76
Outside India	25,062.40	26,707.29
<b>Total</b>	<b>49,861.13</b>	<b>48,895.05</b>

	As at 31st March 2020	As at 31st March 2019
<b>Non Current Assets excluding Deferred Tax Assets</b>		
Within India	32,258.65	34,971.73
Outside India	-	-
<b>Total</b>	<b>32,258.65</b>	<b>34,971.73</b>
Purchase of Tangible and Intangible Assets	1,993.87	2,454.00

No customer individually accounted for more than 10% of the Revenues during the year ended 31st March 2020 and 31st March 2019.

### 38. AMALGAMATION WITH ERSTWHILE IFGL REFRACTORIES LIMITED (ERSTWHILE HOLDING COMPANY)

Hon'ble National Company Law Tribunal, Kolkata Bench (Tribunal) by passing an Order on 3rd August 2017 under Sections 230 and 232 of the Companies Act 2013 sanctioned a Scheme of Amalgamation (Scheme) for merger of erstwhile IFGL Refractories Ltd ("IFGL") with the Company on and from 1st April 2016, being the Appointed Date. Scheme had become effective from 5th August 2017 following filing of Order of Hon'ble Tribunal with the Ministry of Corporate Affairs (Registrar of Companies) by the Company and IFGL on that date. The Scheme was accordingly given effect to in the FY 2017-2018 Financial Statements.

In accordance with the provisions of aforesaid Scheme :

- a) The amalgamation was accounted under the 'Purchase Method' as prescribed by Accounting Standard 14 - Accounting for Amalgamations under the previous GAAP.
- b) The excess of the Value of Equity Shares issued by the Company over the book value of assets and liabilities taken over by the Holding Company and cancellation of Equity Shares held by erstwhile IFGL Refractories Limited in the Company, amounting to ₹ 26,699.46 was recorded as Goodwill arising on Amalgamation.
- c) The Goodwill recorded on amalgamation is being amortised and the Company has estimated its useful life of 10 years. Accordingly, amortisation for the year amounting to ₹ 2,669.95 has been recognised in the Standalone Statement of Profit and Loss.

## Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

### 39. INCOME TAX EXPENSE

This note provides an analysis of the Company's Income Tax Expense, shows amounts that are recognised directly in Equity and how the Tax Expenses is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to tax positions.

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Current Tax Expense recognised in Profit or Loss</b>		
Current Tax on Profits for the year	627.81	714.27
<b>Total Current Tax expense (A)</b>	<b>627.81</b>	<b>714.27</b>
<b>Deferred Tax Expense recognised in Profit or Loss</b>		
Deferred Taxes	(24.43)	(55.27)
<b>Total Deferred Tax Expense recognised in Profit or Loss (B)</b>	<b>(24.43)</b>	<b>(55.27)</b>
<b>Deferred Tax Expense recognised in Other Comprehensive Income</b>		
Deferred Taxes	(1.35)	(19.54)
<b>Total Deferred Tax Expense recognised in Other Comprehensive Income (C)</b>	<b>(1.35)</b>	<b>(19.54)</b>
<b>Total Deferred Tax for the Year (B + C)</b>	<b>(25.78)</b>	<b>(74.81)</b>
<b>Total Income Tax Expense recognised in Profit or Loss (A + B + C)</b>	<b>602.03</b>	<b>639.46</b>

Reconciliation of Tax Expense and the accounting profit multiplied by India's Tax Rate :

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Profit before Tax</b>	3,576.71	3,255.34
<b>Tax at the Indian Tax Rate of 34.944% (2018-2019 : 34.944%)</b>	1,249.85	1,137.55
Income exempted from Tax	(417.64)	(486.89)
Effect of other items	(230.18)	(11.20)
<b>Income Tax Expense</b>	<b>602.03</b>	<b>639.46</b>

The Company opts to pay Income Tax under older tax regime and have not opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019 considering the accumulated MAT credit and other benefits under the Income Tax Act, 1961.

40. Operations of the Company were partially impacted in March 2020 due to temporary disruptions following Nationwide Lockdown on and from 25th March 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.
41. The Ind AS Standalone Financial Statements of the Company for the year ended 31st March 2019, included in these Standalone Financial statements, have been audited by a firm of Chartered Accountants other than S.R. Batliboi & Co. LLP.

Signature to Note '1' to '41'

For **S. R. Batliboi & Co. LLP**  
 Chartered Accountants  
 ICAI Firm Registration No. 301003E/E300005  
**per Bhaswar Sarkar**  
 Partner  
 Membership No. 055596  
 Kolkata  
 18th July 2020

**Rajesh Agarwal**  
 Company Secretary  
 (FCS : 2825)

For and on behalf of the Board of Directors

<b>S K Bajoria</b> Chairman (DIN : 00084004)	<b>P Bajoria</b> Managing Director (DIN : 00084031)
<b>Kamal Sarma</b> Director and Chief Financial Officer (DIN : 03151258)	

# CONSOLIDATED FINANCIAL STATEMENTS

# Independent Auditor's Report

TO THE MEMBERS OF  
IFGL REFRACTORIES LIMITED

## Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of IFGL Refractories Limited (hereinafter referred to as "the Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March 2020, the Consolidated Statement of Profit and Loss, including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Financial Statements and on the other Financial Information of the Subsidiaries, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group as at 31st March 2020, their Consolidated Profit including Other Comprehensive Income, their Consolidated Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities' for the Audit of the Consolidated Ind AS Financial Statements 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 Consolidated Ind AS 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

### Emphasis of Matter

- a. We draw attention to Note 39 of the Consolidated Ind AS Financial Statements, 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 1st April 2016 following Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal, Kolkata Bench, vide its Order dated 3rd August 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 recognised under the 'Purchase Method' as defined under Accounting Standard (AS-14), Accounting for Amalgamations and Goodwill arising on such amalgamation aggregating ₹ 26,699.46 lacs had been recognized. Based on Management's assessment, such Goodwill is being amortised over a period of ten years with a charge of ₹ 2,669.95 lacs every 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 33(b) of the Consolidated Ind AS Financial Statements regarding 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 1st April 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 ₹ 1,164.00 lacs.
- c. We draw attention to Note 42 of the Consolidated Ind AS Financial Statements 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 these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Ind AS Financial Statements for the Financial Year ended 31st March 2020. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



## Independent Auditor's Report (Contd.)

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS Financial Statements Section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS Financial Statements.

Key Audit Matters	How our Audit addressed the Key Audit Matters
<p><b>Revenue recognition</b> (as described in Note 24 to the Consolidated Ind AS Financial Statements)</p> <p>Revenue is recognized when the Group satisfies performance obligation by transferring promised goods and services to the customer.</p> <p>Performance obligations are said to be satisfied at a point of time or over a period of time. For the year ended 31st March 2020, the Group's Statement of Profit and Loss included Revenues from Operations of ₹ 91,734.70 lacs. The variety of contractual terms, including the timing of control transfer and delivery specifications, create complexity and judgement in determining timing of revenue recognition.</p> <p>We have considered this as a key audit matter on account of judgement involved in determining the timing of revenue of recognition.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>Evaluated the Group's revenue recognition policy to ensure compliance in with the requirements of Ind AS 115 'Revenue from contracts with customers'.</li> <li>Obtained the understanding of the revenue process and assessed the design and tested the operating effectiveness of internal controls related to timing of revenue recognition;</li> <li>Tested on sample basis the sales transactions including adjustments to sales price made pre and post year end and tested their underlying documents to ensure that revenue is recognized in the proper period and in accordance with the Group's revenue recognition policies;</li> <li>Assessed the adequacy of relevant disclosures made in respect of revenue in the Consolidated Ind AS Financial Statements.</li> </ol>
<p><b>Impairment Assessment of Goodwill</b> (as described in Note 5, 6 and 39 to the Consolidated Ind AS Financial Statements)</p> <p>The carrying value of Goodwill as on 31st March 2020 amounts to ₹ 16,019.66 lacs included in Other Intangible Assets, which had been recognised in relation to amalgamation of the erstwhile IFGL Refractories Limited with the Holding Company (the amalgamated entity was thereafter renamed as IFGL Refractories Limited).</p> <p>Further, as on 31st March 2020, goodwill on consolidation amounts to ₹ 10,362.06 lacs.</p> <p>The group management tests whether goodwill has suffered any impairment annually in accordance with Ind AS 36, 'Impairment of Assets'. In this regard, the recoverable amounts of underlying cash generating units are determined basis value-in-use calculations which are based on future discounted cash flows.</p> <p>The above assessment involved significant judgements, including the revenue growth rates, profit margins and weighted average cost of capital, applied to forecasted future cash flows, which are affected by unexpected changes in future economic conditions including prevailing global COVID-19 pandemic. Accordingly, the same is considered to be a key audit matter.</p>	<p>Our audit procedures included the following :</p> <ol style="list-style-type: none"> <li>Obtained an understanding and evaluated the design and tested the operating effectiveness of management's controls over the impairment assessment process.</li> <li>Obtained the valuation models used to determine recoverable amount and evaluated the key assumptions used by the management including: <ul style="list-style-type: none"> <li>Assessing the reliability of cash flow forecasts and coherence with market trend through a review of actual past performance and comparison to previous forecasts;</li> <li>Testing the arithmetical accuracy and performing sensitivity analysis in order to assess the potential impact of changes in the inputs used;</li> <li>Analysing revenue and cost projections and other assumptions relating to growth rates and weighted average cost of capital, also considering possible impact of COVID-19.</li> </ul> </li> <li>Further relied on procedures performed by Independent Auditors of subsidiaries to evaluate any impairment indicators identified and/or any impairment losses recognized by the group management.</li> <li>Assessed the adequacy of disclosures related to the impairment tests and their compliance with Ind AS 36.</li> </ol>

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' cum Management Discussion and Analysis Report but does not include the Consolidated Ind AS Financial Statements and our Auditor's Report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form

## Independent Auditor's Report (Contd.)

of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Act that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance including Other Comprehensive Income, Consolidated Cash Flows and Consolidated Statement of Changes In Equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgements 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 Consolidated Ind AS Financial Statements 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 Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are 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 these Consolidated Ind AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, 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 Holding Company has adequate Internal Financial Controls with reference to Consolidated Ind AS 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence

## Independent Auditor's Report (Contd.)

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 Consolidated Ind AS Financial Statements 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 Consolidated Ind AS Financial Statements, including the disclosures and whether the Consolidated Ind AS Financial Statements 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 or business activities within the Group of which we are the Independent Auditors, to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS Financial Statements of which we are the Independent Auditors. For the other entities included in the Consolidated Ind AS Financial Statements, 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 Consolidated Ind AS Financial Statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements for the financial year ended 31st March 2020 and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- a) We did not audit the financial statements and other financial information, in respect of seven (7) subsidiaries (including step down subsidiaries) whose financial statements include Total Assets of ₹ 53,731.07 lacs as at 31st March 2020 and Total Revenues of ₹ 48,464.48 lacs and Net Cash Inflows of ₹ 2,318.86 lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Consolidated Ind AS Financial Statements, 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 other auditors.

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 located outside India 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.

- b) The Consolidated Ind AS Financial Statements of the Company for the year ended 31st March 2019, included in these Consolidated Ind AS Financial Statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 11th May 2019.
- c) The accompanying Consolidated Ind AS Financial Statements include 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 ₹ 18,861.71 lacs as at 31st March 2020 and Total Revenues of ₹ 763.90 lacs and Net

## Independent Auditor's Report (Contd.)

Cash Inflows of ₹ 24.68 lacs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates to amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the Consolidated Ind AS Financial Statements and our report on Other Legal and Regulatory Requirements below, 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 and other financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that :

- a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
- d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2020 taken on record by the Board of Directors of the Holding Company, none of the Directors of the Holding Company is disqualified as on 31st March 2020 from being appointed as a Director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy and the operating effectiveness of the Internal Financial Controls over Financial Reporting with reference to these Consolidated Ind AS Financial Statements of the Holding Company refer to our separate Report in "Annexure 1" to this report;
- g) In our opinion, the managerial remuneration for the year ended 31st March 2020 has been paid/provided by the Holding Company incorporated in India to their Directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
  - i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on its Consolidated Financial Position of the Group in its Consolidated Ind AS Financial Statements – Refer Note 33 to the Consolidated Ind AS Financial Statements;
  - ii) The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31st March 2020;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31st March 2020.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Bhaswar Sarkar**  
Partner

Membership Number: 055596  
UDIN: 20055596AAAACK3347

Kolkata  
18th July 2020

## Annexure '1' to the Independent Auditor's Report

### **"ANNEXURE 1" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF IFGL REFRACTORIES LIMITED**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated Ind AS Financial Statements of IFGL Refractories Limited as of and for the year ended 31st March 2020, we have audited the Internal Financial Controls over Financial Reporting of IFGL Refractories Limited (hereinafter referred to as the "Holding Company"), which is incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Holding Company is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Holding Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting with reference to these Consolidated Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting with reference to these Consolidated Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls over Financial Reporting with reference to these Consolidated Ind AS Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting with reference to these Consolidated Ind AS Financial Statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls over Financial Reporting with reference to these Consolidated Ind AS Financial Statements.

#### **Meaning of Internal Financial Controls over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements**

A Company's Internal Financial Control over Financial Reporting with reference to these Consolidated Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Consolidated Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control over Financial Reporting with reference to these Consolidated Ind AS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures the Company are being made only in accordance with authorisations of Management and Directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the Consolidated Ind AS Financial Statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements**

Because of the inherent limitations of Internal Financial Controls over Financial Reporting with reference to these Consolidated Ind AS Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due

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## Annexure '1' to the Independent Auditor's Report *(Contd.)*

to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over Financial Reporting with reference to these Consolidated Ind AS Financial Statements to future periods are subject to the risk that the Internal Financial Control over Financial Reporting with reference to these Consolidated Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company have maintained in all material respects, adequate Internal Financial Controls over Financial Reporting with reference to these Consolidated Ind AS Financial Statements and such Internal Financial Controls over Financial Reporting with reference to these Consolidated Ind AS Financial Statements were operating effectively as at 31st March 2020, based on the Internal Control over Financial Reporting criteria established by the Holding Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 301003E/E300005

**per Bhaswar Sarkar**

Partner

Membership Number: 055596

UDIN: 20055596AAAACK3347

Kolkata  
18th July 2020

# Consolidated Balance Sheet as at 31st March 2020

(₹ in lacs)

	Note No.	As at 31st March 2020	As at 31st March 2019
<b>A. ASSETS</b>			
<b>1. Non-Current Assets :</b>			
a) Property, Plant and Equipment	4.1	15,227.92	14,380.09
b) Right to Use Asset	4.2	2,198.53	–
c) Capital Work-in-Progress		690.74	630.74
d) Goodwill (on consolidation)	5	10,362.06	12,092.49
e) Other Intangible Assets	6	16,251.39	18,938.82
f) Financial Assets :			
i) Investments	7	52.05	52.05
ii) Loans and Deposits	8	219.58	173.48
iii) Others	9	–	28.70
g) Deferred Tax Assets (Net)	10	561.71	503.00
h) Income Tax Assets (Net)	11(A)	299.45	1,216.05
i) Other Non-Current Assets	12	191.92	1,133.77
<b>Total Non-Current Assets</b>		<b>46,055.35</b>	<b>49,149.19</b>
<b>2. Current Assets :</b>			
a) Inventories	13	14,174.61	15,651.15
b) Financial Assets :			
i) Investments	7	9,320.94	4,553.74
ii) Loans and Deposits	8	66.08	69.76
iii) Trade Receivables	14	21,053.18	22,861.63
iv) Cash and Cash Equivalents	15(A)	10,965.33	7,634.11
v) Bank Balances other than (iv) above	15(B)	108.31	1,152.95
vi) Others	9	207.59	36.45
c) Other Current Assets	12	966.41	1,309.97
<b>Total Current Assets</b>		<b>56,862.45</b>	<b>53,269.76</b>
<b>Total Assets (1+2)</b>		<b>102,917.80</b>	<b>102,418.95</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity :</b>			
a) Equity Share Capital	16	3,603.93	3,603.93
b) Other Equity	17	77,290.90	75,860.44
Attributable to Equity Holders of the Parent		<b>80,894.83</b>	<b>79,464.37</b>
Non-Controlling Interest		–	–
<b>Total Equity</b>		<b>80,894.83</b>	<b>79,464.37</b>
<b>2. Non-Current Liabilities :</b>			
a) Financial Liabilities :			
i) Borrowings	18	1,351.87	1,557.85
ii) Lease Liabilities	4.2	1,086.23	–
b) Income Tax Liabilities (Net)	11(B)	46.75	40.76
c) Provisions	19	0.19	48.83
d) Deferred Tax Liabilities (Net)	10	1,174.48	955.92
<b>Total Non-Current Liabilities</b>		<b>3,659.52</b>	<b>2,603.36</b>
<b>3. Current Liabilities :</b>			
a) Financial Liabilities :			
i) Borrowings	20	3,506.16	6,893.03
ii) Lease Liabilities	4.2	200.77	–
iii) Trade Payables :			
- Total outstanding dues of Micro Enterprises and Small Enterprises	21	258.82	246.43
- Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	21	12,162.91	12,192.01
iv) Other Financial Liabilities	22	799.64	842.55
b) Other Current Liabilities	23	1,409.28	151.52
c) Provisions	19	25.87	25.68
<b>Total Current Liabilities</b>		<b>18,363.45</b>	<b>20,351.22</b>
<b>Total Equity and Liabilities (1+2+3)</b>		<b>102,917.80</b>	<b>102,418.95</b>
<b>Summary of Significant Accounting Policies</b>	1-3		

See accompanying Notes forming part of the Consolidated Financial Statements.

In terms of our Report attached.

 For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

 per **Bhaswar Sarkar**

Partner

Membership No. 055596

Kolkata

18th July 2020

For and on behalf of the Board of Directors

**S K Bajoria**  
 Chairman  
 (DIN : 00084004)

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

**Rajesh Agarwal**  
 Company Secretary  
 (FCS : 2825)

**Kamal Sarda**  
 Director and Chief Financial Officer  
 (DIN : 03151258)

## Consolidated Statement of Profit and Loss for the year ended 31st March 2020

(₹ in lacs)

	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>I. REVENUE FROM OPERATIONS</b>	24	91,734.70	95,041.33
<b>II. Other Income</b>	25	1,095.72	502.92
<b>III. Total Income (I + II)</b>		<b>92,830.42</b>	<b>95,544.25</b>
<b>IV. EXPENSES :</b>			
a) Cost of Materials Consumed	26	39,086.26	41,626.09
b) Purchases of Stock-in-Trade	27	5,699.70	9,381.46
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	1,124.67	(3,307.43)
d) Employee Benefits Expense	29	15,044.65	14,618.05
e) Finance Costs	30	361.21	368.88
f) Depreciation and Amortisation Expense	4.1, 4.2 & 6	4,834.32	4,602.02
g) Other Expenses	31	21,621.41	21,850.26
<b>Total Expenses</b>		<b>87,772.22</b>	<b>89,139.33</b>
<b>V. Profit before exceptional items and Tax (III - IV)</b>		<b>5,058.20</b>	<b>6,404.92</b>
<b>VI. Exceptional Items</b>	41	2,061.39	-
<b>VII. PROFIT BEFORE TAX (V- VI)</b>		<b>2,996.81</b>	<b>6,404.92</b>
<b>VIII. Tax Expense :</b>			
1) Current Tax	40	968.59	1,495.60
2) Deferred Tax Charge/(Reversal)	40	82.55	(136.71)
<b>Total Tax Expense</b>		<b>1,051.14</b>	<b>1,358.89</b>
<b>IX. PROFIT FOR THE YEAR (VII - VIII)</b>		<b>1,945.67</b>	<b>5,046.03</b>
<b>X. Other Comprehensive (Loss)/Income:</b>			
<b>A. Other Comprehensive Income not be recycled to Profit or Loss</b>			
i) Re-measurement Gain/(Losses) on Defined Benefit Plans		(3.87)	(32.36)
ii) Income Tax relating to above item		1.35	20.14
<b>B. Other Comprehensive Items that will be reclassified to Profit or Loss</b>			
Exchange Differences in translating the Financial Statements of Foreign Operations		1,668.15	100.00
<b>Other Comprehensive Income</b>		<b>1,665.63</b>	<b>87.78</b>
<b>XI. Total Comprehensive Income for the year (IX + X)</b>		<b>3,611.30</b>	<b>5,133.81</b>
<b>Profit for the year</b>			
Attributable to :			
- Equity Holders of the Parent		1,945.67	5,046.03
<b>Total Comprehensive Income for the year</b>			
Attributable to :			
- Equity Holders of the Parent		3,611.30	5,133.81
<b>XII. Earnings Per Equity Share (Nominal Value of ₹ 10/- each) :</b>			
Basic & Diluted (in ₹)	32	<b>5.40</b>	<b>14.00</b>
<b>Summary of Significant Accounting Policies</b>	1-3		

See accompanying Notes forming part of the Consolidated Financial Statements.

In terms of our Report attached.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership No. 055596

Kolkata

18th July 2020

**Rajesh Agarwal**  
Company Secretary  
(FCS : 2825)

For and on behalf of the Board of Directors

**S K Bajoria**  
Chairman  
(DIN : 00084004)

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

**Kamal Sarda**  
Director and Chief Financial Officer  
(DIN : 03151258)



## Consolidated Cash Flow Statement for the year ended 31st March 2020

(₹ in lacs)

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>		
Profit before Tax for the year	2,996.81	6,404.92
<b>Adjustments for :</b>		
Finance Costs	361.21	368.88
Interest Income	(264.89)	(84.46)
Provision for unspent liabilities reversed	(395.36)	(13.74)
Loss on disposal of Property, Plant and Equipment	38.10	71.19
Profit on Sale of Investments in Mutual Fund (Net)	(396.17)	(68.11)
Net Gain arising on Financial Assets measured at Fair Value through Profit or Loss	(37.62)	(141.96)
Sundry Debit Balances/Advances Written Off	475.59	15.76
Impairment of Goodwill	2,061.39	–
Impairment Loss/(Reversal) recognised on Trade Receivables/Advances	658.77	(84.65)
Depreciation and Amortisation Expense	4,834.32	4,602.02
Amortisation of Prepaid Rent	–	23.37
Unrealised Foreign Exchange Gain/(Loss)	(209.12)	37.68
Effect of change in Foreign Exchange Translation	323.64	(1.29)
	<b>10,446.67</b>	<b>11,129.61</b>
<b>Change in Working Capital :</b>		
Decrease in Trade and Other Receivables	1,317.30	6,225.94
Decrease/(Increase) in Inventories	1,697.20	(4,817.64)
Increase/(Decrease) in Trade Payables and Other Liabilities	1,567.25	(80.82)
<b>Cash generated from Operations</b>	<b>15,028.42</b>	<b>12,457.09</b>
Income Taxes Paid	(41.32)	(1,519.68)
<b>Net Cash generated by Operating Activities</b>	<b>14,987.10</b>	<b>10,937.41</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>		
Investments in Mutual Funds & GOI Bond	(25,377.51)	(6,406.40)
Proceeds from Sale of Mutual Funds	21,044.10	3,333.11
Proceeds from Maturity of Term Deposits with Banks	2,604.79	(415.30)
Payment for Term Deposits with Banks	(1,515.00)	–
Interest Received	293.61	160.24
Payments for Property, Plant and Equipment, Other Intangibles and Capital Work in Progress	(2,494.96)	(3,939.35)
Proceeds from disposal of Property, Plant and Equipment	74.57	153.70
<b>Net Cash (used in) Investing Activities</b>	<b>(5,370.40)</b>	<b>(7,114.00)</b>

## Consolidated Cash Flow Statement for the year ended 31st March 2020 (Contd.)

(₹ in lacs)

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>CASH FLOWS FROM FINANCING ACTIVITIES :</b>		
Dividend on Equity Share and Dividend Distribution Tax thereon	(2,172.40)	(868.95)
Repayment of Long-Term Borrowings (Net)	(424.58)	(494.40)
Repayment of Short-Term Borrowings (Net)	(3,532.62)	(1,842.96)
Payments of Lease Liabilities (Refer Note : 4.2)	(217.15)	-
Interest Paid	(269.09)	(444.66)
<b>Net Cash (used in) Financing Activities</b>	<b>(6,615.84)</b>	<b>(3,650.97)</b>
Exchange Differences on Translation of Foreign Currency	330.36	89.07
<b>Net Increase in Cash and Cash Equivalents</b>	<b>3,331.22</b>	<b>261.51</b>
Cash and Cash Equivalents at the beginning of the year	7,634.11	7,372.60
<b>Cash and Cash Equivalents at the end of the year [Refer Note 15(A)]</b>	<b>10,965.33</b>	<b>7,634.11</b>
<b>Summary of Significant Accounting Policies</b> (Refer Note 1 to 3)		

See accompanying Notes forming part of the Consolidated Financial Statements.

In terms of our Report attached.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership No. 055596

Kolkata

18th July 2020

For and on behalf of the Board of Directors

**S K Bajoria**

Chairman

(DIN : 00084004)

**P Bajoria**

Managing Director

(DIN : 00084031)

**Rajesh Agarwal**

Company Secretary

(FCS : 2825)

**Kamal Sarda**

Director and Chief Financial Officer

(DIN : 03151258)



## Notes to the Consolidated Financial Statements

(₹ in lacs)

1. The Consolidated Financial Statements (CFS) of the Holding Company (i.e. IFGL Refractories Limited) and its Subsidiaries (together the "Group") have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The Consolidated Financial Statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

### 2. PRINCIPLES OF CONSOLIDATION

2.1 The CFS comprises of the Financial Statements of the Holding Company and its Subsidiary Companies (Group). It has been prepared on the following basis :

- a) The Financial Statements of the Holding Company and its Subsidiaries (listed below in Note 2.2) have been combined on a line-by-line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenses after adjustments /elimination of Intra Group Balances and Intra Group Transactions and resulting unrealised Profits /Losses.
- b) The CFS are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances in all material respect, except as indicated in the Note 3 below, are presented to the extent possible, in the same manner as the Holding Company's Standalone Financial Statements.
- c) The excess of cost to the Holding Company of its Investment in the Subsidiaries (including Step Down Subsidiaries) over the Holding Company's portion of Equity of Subsidiaries at the dates they become Subsidiaries is recognised in the Financial Statements as Goodwill being an Asset in the CFS and is tested for impairment on an annual basis. Goodwill arising on consolidation is tested for impairment.
- d) The translation of functional currencies into Indian Rupees (Reporting Currency) is performed for Equity in Foreign Subsidiary (being non-integral operation), Assets and Liabilities using the Closing Exchange Rate at the Balance Sheet date, for Revenues, Costs and Expenses using Average Exchange Rate prevailing during the year. The resultant exchange difference arising out of such translations is recognised as part of other Equity (Foreign Currency Translation Reserve) by the Group until the disposal of Investment.
- e) Non-controlling Interest in the Consolidated Financial Statements is identified and recognised after taking into consideration:
  - The amount of Equity attributable to Minorities at the date on which investment in Subsidiary is made.
  - The Minorities' Share of movement in Equity since the date Holding – Subsidiary relationship came into existence.
  - Total Comprehensive Income is attributed to Non-controlling Interests even if it results in the Non-controlling Interests having a deficit balance.
- f) Monotec Refratarios Ltda, Tianjin Monocon Refractories Company Limited and Tianjin Monocon Aluminous Refractories Company Limited (Step down Subsidiaries), each has an accounting period end of 31st December 2019. These Subsidiaries have been consolidated using the Financial Statements for the year ended on that date adjusted for movements upto 31st March 2020.

2.2 The Subsidiaries (including Step down Subsidiaries) considered in the CFS are :

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Accounting Year Ended
IFGL Worldwide Holdings Limited (IWHL)	Isle of Man	100%	31st March
<b>Step down Subsidiaries</b>			
IFGL Monocon Holdings Limited (IMHL)	United Kingdom (UK)	100%	31st March
Tianjin Monocon Refractories Company Limited (TMRL)	Peoples Republic of China	100%	31st December
Tianjin Monocon Aluminous Refractories Company Limited (TMARL)	Peoples Republic of China	100%	31st December
Monotec Refratarios Ltda (MRL)	Brazil	95%	31st December
Monocon International Refractories Limited (MIRL)	UK	100%	31st March
Monocon Overseas Limited (MOL)	UK	100%	31st March

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Accounting Year Ended
Mono Ceramics Inc. (MCI)	United States of America (USA)	100%	31st March
Goricon Metallurgical Services Limited (GMSL)	UK	100%	31st March
IFGL GmbH (IG)	Germany	100%	31st March
Hofmann Ceramic GmbH (HCG)	Germany	100%	31st March
Hofmann Ceramic CZ s.r.o. (HCC)	Czech Republic	98.78%	31st March
Hofmann Ceramic Limited (HCL) (dissolved w.e.f 5th February 2019)	UK	100%	31st March
IFGL Inc. (IFGL INC)	USA	100%	31st March
EI Ceramics LLC (EICLLC)	USA	100%	31st March

3. Significant Accounting Policies adopted for the Subsidiaries are same as followed by the Holding Company as indicated in Note 2 and 3 of the Holding Company's Standalone Financial Statements for the year ended 31st March 2020.

	As at 31st March 2020	As at 31st March 2019
<b>4.1 PROPERTY, PLANT AND EQUIPMENT :</b>		
<b>Net Carrying amounts of :</b>		
Land (Freehold)	1,726.83	1,670.91
Buildings	5,121.86	4,397.63
Plant and Equipment	7,829.75	7,768.50
Furniture and Fixtures	81.26	90.28
Leasehold Improvements	8.94	8.94
Vehicles	340.57	293.83
Office Equipment	78.15	98.65
Computers	40.56	51.35
<b>Total</b>	<b>15,227.92</b>	<b>14,380.09</b>

	As at 31st March 2018	Additions	Discard / Disposals	Effect of Foreign Currency Exchange Differences [Gain/(Loss)]	As at 31st March 2019	Additions	Discard / Disposals	Effect of Foreign Currency Exchange Differences [Gain/(Loss)]	As at 31st March 2020
<b>Gross Carrying Amount - Cost</b>									
Land (Freehold)	761.13	894.32	-	15.46	1,670.91	-	-	55.92	1,726.83
Buildings	7,083.24	204.76	30.31	108.77	7,366.46	762.17	41.26	303.86	8,391.23
Plant and Equipment	20,121.15	2,783.75	709.88	65.54	22,260.56	1,473.95	735.31	549.48	23,548.68
Furniture and Fixtures	413.73	9.66	-	1.14	424.53	4.71	-	14.91	444.15
Leasehold Improvements	48.91	-	-	-	48.91	-	-	-	48.91
Vehicles	457.76	164.57	30.14	1.15	593.34	113.48	34.66	18.48	690.64
Office Equipment	404.28	29.46	0.92	(2.26)	430.56	16.40	38.47	11.09	419.58
Computers	469.47	22.46	9.73	(0.17)	482.03	21.81	0.67	14.96	518.13
<b>Total</b>	<b>29,759.67</b>	<b>4,108.98</b>	<b>780.98</b>	<b>189.63</b>	<b>33,277.30</b>	<b>2,392.52</b>	<b>850.37</b>	<b>968.70</b>	<b>35,788.15</b>

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2018	Charge for the year	Discard / Disposals	Effect of Foreign Currency Exchange Differences [Gain/(Loss)]	As at 31st March 2019	Charge for the year	Discard / Disposals	Effect of Foreign Currency Exchange Differences [Gain/(Loss)]	As at 31st March 2020
<b>Depreciation</b>									
Land (Freehold)	-	-	-	-	-	-	-	-	-
Buildings	2,780.06	207.05	23.58	5.30	2,968.83	218.94	39.88	121.48	3,269.37
Plant and Equipment	13,447.19	1,492.05	502.93	55.75	14,492.06	1,523.44	640.11	343.54	15,718.93
Furniture and Fixtures	319.30	16.08	-	(1.13)	334.25	16.06	-	12.58	362.89
Leasehold Improvements	39.94	-	-	0.03	39.97	-	-	-	39.97
Vehicles	274.76	43.94	19.19	-	299.51	60.51	25.97	16.02	350.07
Office Equipment	290.46	44.00	0.52	(2.03)	331.91	31.40	36.88	15.00	341.43
Computers	405.33	32.77	9.87	2.45	430.68	33.15	0.13	13.87	477.57
<b>Total</b>	<b>17,557.04</b>	<b>1,835.89</b>	<b>556.09</b>	<b>60.37</b>	<b>18,897.21</b>	<b>1,883.50</b>	<b>742.97</b>	<b>522.49</b>	<b>20,560.23</b>

4.1.a The details of Property, Plant and Equipment hypothecated against borrowings are presented in Note 18 and Note 20.

### 4.2 RIGHT TO USE ASSET

#### As a Lessee :

The Group has lease contracts for premises used for its operations and has lease terms upto 90 years. The Group also has certain leases with lease terms of 12 months or less. The Group applies the 'Short-Term Lease' recognition exemption for these leases.

Set out below are the Carrying Amounts of Right of Use Assets recognised and the movements during the period :

	As at 31st March 2020
As at 31st March 2019	463.81
Additions	1,947.92
Less: Depreciation Expense	213.20
<b>As at 31st March 2020</b>	<b>2,198.53</b>

Set out below are the Carrying Amounts of Lease Liabilities and the movements during the period :

	As at 31st March 2020
As at 1st April 2019	472.24
Additions	939.00
Accretion of interest	92.12
Payments	(216.36)
<b>As at 31st March 2020</b>	<b>1,287.00</b>
Non-Current	1,086.23
Current	200.77

The effective Interest Rate for Lease Liabilities is 9% p.a. with maturities ranging upto 90 years.

	As at 31st March 2020
Depreciation Expense of Right of Use Assets	213.20
Interest Expense on Lease Liabilities	92.12
Expense relating to Short-Term & low value Leases (included in Other Expenses)	318.30
<b>Total amount recognised in Statement of Consolidated Profit and Loss</b>	<b>623.62</b>

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2020	As at 31st March 2019
<b>5. GOODWILL</b>		
Balance transferred on account of Amalgamation	12,092.49	12,229.30
Less: Impairment of Goodwill (Refer Note 41)	(2,061.39)	–
Add/(Less): Forex Movement during the Year	330.96	(136.81)
<b>Closing Balance at the end of the year</b>	<b>10,362.06</b>	<b>12,092.49</b>

	As at 31st March 2020	As at 31st March 2019
<b>6. OTHER INTANGIBLE ASSETS :</b>		
<b>Net Carrying amounts of :</b>		
Goodwill (arising on Amalgamation)*	16,019.66	18,689.61
Computer Software	34.51	61.38
Intellectual Property Rights (Technical Know-how) (Refer Note 6.1 below)	197.22	187.83
<b>Total</b>	<b>16,251.39</b>	<b>18,938.82</b>

	As at 31st March 2018	Additions	Discard / Disposals	Exchange Difference on Consolidation	As at 31st March 2019	Additions	Discard / Disposals	Exchange Difference on Consolidation	As at 31st March 2020
<b>Gross Carrying Amount</b>									
Goodwill (arising on Amalgamation) *	26,699.46	–	–	–	26,699.46	–	–	–	26,699.46
Computer Software	295.05	9.45	–	(2.15)	302.35	6.01	12.21	13.48	309.63
Intellectual Property Rights (Technical Know-how) (Refer Note 6.1 below)	494.92	–	12.68	(6.14)	476.10	22.54	–	15.57	514.21
<b>Total</b>	<b>27,489.43</b>	<b>9.45</b>	<b>12.68</b>	<b>(8.29)</b>	<b>27,477.91</b>	<b>28.55</b>	<b>12.21</b>	<b>29.05</b>	<b>27,523.30</b>

	As at 31st March 2018	Charge for the year	Discard / Disposals	Exchange Difference on Consolidation	As at 31st March 2019	Charge for the year	Discard / Disposals	Exchange Difference on Consolidation	As at 31st March 2020
<b>Amortisation</b>									
Goodwill (arising on Amalgamation) *	5,339.90	2,669.95	–	–	8,009.85	2,669.95	–	–	10,679.80
Computer Software	166.22	76.27	–	(1.52)	240.97	43.38	12.21	2.98	275.12
Intellectual Property Rights (Technical Know-how) (Refer Note 6.1 below)	281.89	19.91	12.68	(0.84)	288.28	24.29	–	4.42	316.99
<b>Total</b>	<b>5,788.01</b>	<b>2,766.13</b>	<b>12.68</b>	<b>(2.36)</b>	<b>8,539.10</b>	<b>2,737.62</b>	<b>12.21</b>	<b>7.40</b>	<b>11,271.91</b>

\* Refer Note 39.

6.1 Technical Know-how represents Technical Drawings, Designs etc. relating to manufacture of the Group's products and acquired pursuant to various agreements conferring the right to usage only.

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2020			As at 31st March 2019		
	QTY	Current	Non-Current	QTY	Current	Non-Current
<b>7. INVESTMENTS</b>						
<b>A. Investments Carried at Amortised Cost</b>						
<b>Quoted (Fully Paid)</b>						
<b>Investments in Non Convertible Debentures or Bonds</b>						
Power Finance Corporation Limited [8.09% Tax Free Bonds of Face Value ₹ 100,000 each having maturity on 25th November 2021]	50	–	52.05	50	–	52.05
<b>TOTAL INVESTMENTS CARRIED AT AMORTISED COST [A]</b>		–	<b>52.05</b>		–	<b>52.05</b>
<b>B. Investments carried at Fair Value through Profit and Loss (FVTPL)</b>						
<b>Quoted Investments</b>						
<b>Investments in Mutual Funds</b>						
– Axis Liquid Fund - Direct Plan - Growth Option	6,835	150.66	–	20,610	427.36	–
– Franklin India Ultra Short Fund - Superinstitutional- Direct Growth	–	–	–	7,226,248	1,906.56	–
– Franklin India Liquid Fund - Superinstitutional- Direct Growth	–	–	–	7,210	201.77	–
– Franklin India Low Duration Fund - Direct - Growth	–	–	–	285,174	652.73	–
– IDFC Corporate Bond Fund Direct Plan - Growth	–	–	–	9,614,624	1,236.48	–
– Reliance Medium Term Fund - Direct Growth Plan - Growth Option	–	–	–	321,175	128.84	–
– HDFC Liquid Fund - Direct Plan - Growth Option	18,806	734.67	–	–	–	–
– ICICI Prudential Liquid Fund - Direct Plan - Growth	1,155,390	3,394.32	–	–	–	–
– IDFC Cash Fund - Direct Plan - Growth	138,926	3,336.76	–	–	–	–
– Kotak Liquid - Growth - Direct	39,972	1,604.84	–	–	–	–
<b>Investments in Bond</b>						
– Government of India (GOI) Bond	85,600	99.69	–	–	–	–
<b>INVESTMENTS CARRIED AT FVTPL [B]</b>		<b>9,320.94</b>	–		<b>4,553.74</b>	–
<b>TOTAL INVESTMENTS CARRYING VALUE (A) + (B)</b>		<b>9,320.94</b>	<b>52.05</b>		<b>4,553.74</b>	<b>52.05</b>
<b>Other Disclosures</b>						
Aggregate amount of Quoted Investments		9,320.94	52.05		4,553.74	52.05
Aggregate Market Value of Quoted Investments		9,320.94	52.27		4,553.74	52.98

	As at 31st March 2020		As at 31st March 2019	
	Current	Non-Current	Current	Non-Current
<b>8. LOANS AND DEPOSITS</b>				
<b>Unsecured, Considered Good</b>				
– Security Deposits	66.08	219.58	69.76	173.48
<b>Total</b>	<b>66.08</b>	<b>219.58</b>	<b>69.76</b>	<b>173.48</b>



## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2020		As at 31st March 2019	
	Current	Non-Current	Current	Non-Current
<b>9. OTHER FINANCIAL ASSETS</b>				
<b>Unsecured, Considered Good</b>				
a) Bank Deposits with more than 12 months maturity	–	–	–	28.70
b) Interest accrued on Deposits	2.08	–	30.81	–
c) Receivable from Gratuity Fund (Refer Note 36)	188.77	–	–	–
d) Claims Receivable	16.74	–	5.64	–
<b>Total</b>	<b>207.59</b>	<b>–</b>	<b>36.45</b>	<b>28.70</b>

### 10. DEFERRED TAX ASSETS / LIABILITIES (NET)

A. Components of Deferred Tax Assets and (Liabilities) as at 31st March 2020 is as below :

	Balance as at 1st April 2019	Recognised/ (Reversed) in Statement of Profit and Loss	Exchange Difference on Consolidation	Balance as at 31st March 2020
<b>Deferred Tax Assets</b>				
Unabsorbed Depreciation carried forward	1,317.66	(835.55)	–	482.11
Accrued Expenses deductible when paid and Allowance for Doubtful Debts	384.26	120.50	–	504.76
Expenses related to Amalgamation	11.42	(5.71)	–	5.71
MAT Credit Entitlement	1,892.54	627.81	–	2,520.35
Unrealised Profit on Unsold Stock and Capital Goods	42.95	11.23	–	54.18
Others	–	31.91	–	31.91
	<b>3,648.83</b>	<b>(49.81)</b>	<b>–</b>	<b>3,599.02</b>
<b>Deferred Tax Liabilities</b>				
Property, Plant and Equipment and Intangible Assets	3,805.56	90.77	–	3,896.33
Fair Value of Investment carried at FVTPL	106.86	(93.27)	–	13.59
Others	189.33	33.89	78.65	301.87
	<b>4,101.75</b>	<b>31.39</b>	<b>78.65</b>	<b>4,211.79</b>
<b>Net Deferred Tax Liabilities</b>	<b>(452.92)</b>	<b>(81.20)</b>	<b>(78.65)</b>	<b>(612.77)</b>

	As at 31st March 2020	As at 31st March 2019
<b>Deferred Tax related to items recognised to OCI (included above) during the year :</b>		
Re-measurement Loss on Defined Benefit Plans	1.35	20.14
<b>Total</b>	<b>1.35</b>	<b>20.14</b>

	As at 31st March 2020	As at 31st March 2019
<b>Reflected of Deferred Asset/(Liabilities) in Balance Sheet</b>		
Deferred Tax Asset	561.71	503.00
Deferred Tax Liabilities	1,174.48	955.92
<b>Net Deferred Tax (Liabilities)</b>	<b>(612.77)</b>	<b>(452.92)</b>

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

### B. Components of Deferred Tax Assets and (Liabilities) as at 31st March 2019 is as below :

	Balance as at 1st April 2018	Recognised/ (Reversed) in Statement of Profit and Loss	Balance as at 31st March 2019
<b>Deferred Tax Assets</b>			
Unabsorbed Depreciation carried forward	1,558.91	(241.25)	1,317.66
Accrued Expenses deductible when paid and Allowance for Doubtful Debts	410.31	(26.05)	384.26
Expenses related to Amalgamation	10.87	0.55	11.42
MAT Credit Entitlement	1,199.01	693.53	1,892.54
Unrealised Profit on Unsold Stock and Capital Goods	36.75	6.20	42.95
	<b>3,215.85</b>	<b>432.98</b>	<b>3,648.83</b>
<b>Deferred Tax Liabilities</b>			
Property, Plant and Equipment and Intangible Assets	3,436.27	369.29	3,805.56
Fair value of Investment carried at FVTPL	58.96	47.90	106.86
Others	36.83	152.50	189.33
	<b>3,532.06</b>	<b>569.69</b>	<b>4,101.75</b>
<b>Net Deferred Tax Liabilities</b>	<b>(316.21)</b>	<b>(136.71)</b>	<b>(452.92)</b>

	As at 31st March 2020	As at 31st March 2019
<b>11(A) INCOME TAX ASSETS (NET)</b>		
Advance Income Tax	299.45	1,216.05
<b>Total</b>	<b>299.45</b>	<b>1,216.05</b>

	As at 31st March 2020	As at 31st March 2019
<b>11(B) INCOME TAX LIABILITIES (NET)</b>		
Provision for Income-Tax	46.75	40.76
<b>Total</b>	<b>46.75</b>	<b>40.76</b>

	As at 31st March 2020		As at 31st March 2019	
	Current	Non-Current	Current	Non-Current
<b>12. OTHER ASSETS</b>				
<b>Unsecured, Considered Good</b>				
a) Capital Advances	–	170.75	–	153.12
b) Advances to Suppliers	255.99	–	525.85	–
c) Balances with Government Authorities (other than Income Taxes)	522.14	21.17	450.00	4.32
d) Pre-payments	128.93	–	275.51	–
e) Advance to Employees for Expenses	59.35	–	35.24	–
f) Prepaid Lease Payments	–	–	23.37	976.33
<b>Total</b>	<b>966.41</b>	<b>191.92</b>	<b>1,309.97</b>	<b>1,133.77</b>

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2020	As at 31st March 2019
<b>13. INVENTORIES :</b>		
a) Raw Materials and Components	4,332.52	6,469.54
b) Work-in-Progress	1,995.12	2,210.08
c) Finished Goods	4,754.05	6,179.61
d) Stock-in-Trade	874.02	245.06
e) Stores and Spares	2,218.90	546.86
<b>Total</b>	<b>14,174.61</b>	<b>15,651.15</b>
<b>Included in above, Goods-in-Transit :</b>		
i) Raw Materials and Components	446.44	291.25
ii) Finished Goods	1,766.72	2,143.38
<b>Total</b>	<b>2,213.16</b>	<b>2,434.63</b>

13.1 Inventories are hypothecated against the Borrowings of the Company as referred in Note 20.

	As at 31st March 2020	As at 31st March 2019
<b>14. TRADE RECEIVABLES :</b>		
a) Trade Receivables Considered Good - Unsecured	21,053.18	22,861.63
b) Trade Receivables - Credit Impaired	2,133.66	1,455.76
Less: Allowance for Impairment Losses	(2,133.66)	(1,455.76)
<b>Total</b>	<b>21,053.18</b>	<b>22,861.63</b>

Ageing of Trade Receivables and Credit Risk arising therefrom is as below :

	As at 31st March 2020	As at 31st March 2019
Less than three months	7,503.17	7,060.95
Between three to six months	3,165.47	4,120.24
Between six to twelve months	1,310.00	2,548.24
More than twelve months	526.81	328.11
<b>Total</b>	<b>12,505.45</b>	<b>14,057.54</b>

The above ageing pertains to the Trade Receivables of the Holding Company.

	As at 31st March 2020	As at 31st March 2019
<b>15. CASH AND BANK BALANCES :</b>		
<b>A) Cash and Cash Equivalents</b>		
<b>Unrestricted Balances with Banks</b>		
- In Current Accounts	10,279.47	7,604.57
- In Deposits Accounts (with original maturity of less than 3 months)	465.00	-
<b>Cheques, Drafts on Hand</b>	185.99	-
<b>Cash on Hand</b>	34.87	29.54
<b>Total</b>	<b>10,965.33</b>	<b>7,634.11</b>
<b>B) Bank Balances other than (A) above</b>		
- Deposits with original maturity beyond 3 months but not exceeding 12 months	-	1,061.09
- Unclaimed Dividend Accounts (Refer Note 15.1)	108.31	91.86
<b>Total</b>	<b>108.31</b>	<b>1,152.95</b>

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

**15.1** Balances in Unclaimed Dividend Account can be utilised by the Holding Company only towards settlement of the respective Unpaid Dividend or to Investor Education and Protection Fund in accordance with Law.

Changes in Liabilities arising from Financing Activities	Borrowings	Lease Liabilities	
		Current	Non Current
As at 1st April 2019	8,937.04	-	-
Add: Cash flow changes	(3,957.20)	(216.36)	-
Add: Other Changes	199.59	417.13	1,086.23
<b>As at 31st March 2020</b>	<b>5,179.43</b>	<b>200.77</b>	<b>1,086.23</b>

Changes in Liabilities arising from Financing Activities	Borrowings	Lease Liabilities	
		Current	Non-Current
As at 1st April 2018	11,245.75	-	-
Add: Cash flow changes	(2,337.36)	-	-
Add: Other Changes	28.65	-	-
<b>As at 31st March 2019</b>	<b>8,937.04</b>	<b>-</b>	<b>-</b>

	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>16. SHARE CAPITAL :</b>				
<b>Authorised Share Capital :</b>				
Opening and Closing Balance (Equity Share of ₹ 10/- per Share with Voting Rights)	43,000,000	4,300.00	43,000,000	4,300.00
5% Redeemable Preference Shares of ₹ 100/- each				
Opening and Closing Balance (Preference Share of ₹ 100/- per Share)	2,000,000	2,000.00	2,000,000	2,000.00
<b>Issued and Paid up Capital</b>				
Opening and Closing Balance (Equity Share of ₹ 10/- per Share with Voting Rights)	36,039,312	3,603.93	36,039,312	3,603.93

### 16.1 Shares issued pursuant to the Scheme of Amalgamation

Pursuant to the Scheme of Amalgamation as detailed in Note 39, the Holding Company has issued and allotted 34,610,472 Equity Shares of ₹ 10/- each fully paid and 1,487,160 Equity Shares of the Holding Company of ₹ 10/- each fully paid held by erstwhile IFGL Refractories Limited have got cancelled on 18th September 2017.

### 16.2 Terms/ Rights attached to Equity Shares

The Holding Company has only one class of Equity Shares having face value of ₹ 10/- each. Each holder of such shares is entitled to 1 vote per share. In the event of liquidation of the Company, the Equity Shareholders will be entitled to receive the remaining Assets of the Company, after distribution of all preferential amounts, in proportion to their Shareholding. The Holding Company in their General Meeting may declare Dividends, but no Dividend shall exceed the amount recommended by the Board of Directors of the Holding Company.

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

### 16.3 Shares held by the Holding Company and Subsidiaries of the Holding Company

Name of the Shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Bajoria Financial Services Private Limited - Parent Company	18,454,353	51.21	18,454,353	51.21
Bajoria Enterprises Limited (BEL) - Fellow Subsidiary	270	0.00	270	0.00

### 16.4 Details of Shareholders holding more than 5% of aggregate shares in the Company

Name of the Shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Bajoria Financial Services Private Limited	18,454,353	51.21	18,454,353	51.21
Krosaki Harima Corporation, Japan - Foreign Promoter of the Company	5,590,156	15.51	5,590,156	15.51

16.5 The Holding Company on 6th August 2016, issued and allotted 756,000 Ordinary Shares of ₹ 10/- each, fully paid up Bonus Shares in the proportion of 3.5 Bonus Share of ₹ 10/- each for every existing 10 (ten) Equity Shares ₹ 10/- each.

	Reserves and Surplus		Other Comprehensive Income (OCI)	Equity attributable to Equity Holders of Parent
	Securities Premium	Retained Earnings		
<b>17. OTHER EQUITY</b>				
Balance as at 31st March 2018	39,747.97	27,865.09	3,982.52	71,595.58
Add : Profits for the period	-	5,046.03	-	5,046.03
Less : Utilised for Dividend Payment	-	(720.79)	-	(720.79)
Less : Utilised for Dividend Tax Payment	-	(148.16)	-	(148.16)
Add/(Less) : Other Comprehensive Income (Net of Tax)	-	(12.22)	100.00	87.78
<b>Balance as at 31st March 2019</b>	<b>39,747.97</b>	<b>32,029.95</b>	<b>4,082.52</b>	<b>75,860.44</b>
Add : Profits for the period	-	1,945.67	-	1,945.67
Less : Utilised for Dividend Payment	-	(1,801.99)	-	(1,801.99)
Less : Utilised for Dividend Tax Payment	-	(370.41)	-	(370.41)
Add/(Less) : Other Comprehensive Income (Net of tax)	-	(2.52)	1,668.15	1,665.63
Less : Change on Account of Adoption of Ind AS 116	-	(8.44)	-	(8.44)
<b>Balance as at 31st March 2020</b>	<b>39,747.97</b>	<b>31,792.26</b>	<b>5,750.67</b>	<b>77,290.90</b>

#### Notes:

- Securities Premium is used to record the premium on issue of shares. The same is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.
- Retained Earnings represents the Profits that the Group has earned till date, less any Dividends or other distributions to the Shareholders.
- During the year ended 31st March 2020, the Company's Shareholders declared Dividend of ₹ 2.50 per share which resulted in an outflow of ₹ 1086.18 including Dividend Distribution Tax of ₹ 185.20 and accordingly has been accounted in the year of declaration by the Shareholders for FY 2018-2019.

The Board of Directors of the Holding Company have declared a Interim Dividend of ₹ 2.50 per share for the financial year ended 31st March 2020 which has resulted in an outflow of ₹ 1,086.18 including Dividend Distribution Tax of ₹ 185.20 and has been accounted for.

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2020	As at 31st March 2019
<b>18. NON-CURRENT BORROWINGS :</b>		
<b>Measured at Amortised Cost</b>		
<b>Secured Borrowings:</b>		
<b>Term Loans</b>		
<b>From Banks</b>		
- Term loans from Banks [Refer Note 18.1]	1,351.87	1,557.85
<b>Total</b>	<b>1,351.87</b>	<b>1,557.85</b>

### 18.1 Nature of Security and Terms of Repayment of Secured Borrowings :

- i) **Loan from Fifth Third Bank at El Ceramics LLC** is secured by specific real estates and properties of that Company and is repayable by FY 2022 - 2023.
- ii) **Term Loan of Hofmann Ceramic GmbH** is repayable by FY 2027 - 2028 and is secured by :
  - a) Mortgage of small investments and investments in Hofmann CZ plant.
  - b) Specific Plant and Machineries of that Company
- iii) **Term Loan of Hofmann Ceramic GmbH** is secured by specific Plant and Machinery of that Company.

### 18.2 For current maturities of Long Term Debt Refer Note 22.

	As at 31st March 2020		As at 31st March 2019	
	Current	Non-Current	Current	Non-Current
<b>19. PROVISIONS</b>				
Provision for Employee Benefits (Refer Note 29)				
- Compensated Absences	25.87	-	25.68	-
- Gratuity	-	0.19	-	48.83
<b>Total</b>	<b>25.87</b>	<b>0.19</b>	<b>25.68</b>	<b>48.83</b>

	As at 31st March 2020	As at 31st March 2019
<b>20. CURRENT BORROWINGS :</b>		
<b>Secured Borrowings</b>		
Working Capital Loans repayable on Demand	742.53	1,938.47
Packing Credit Loan repayable upto six months	2,763.63	4,724.71
<b>Total Secured Borrowings</b>	<b>3,506.16</b>	<b>6,663.18</b>
<b>Unsecured Borrowings</b>		
Working Capital Loans repayable on Demand	-	229.85
<b>Total Unsecured Borrowings</b>	<b>-</b>	<b>229.85</b>
<b>Total</b>	<b>3,506.16</b>	<b>6,893.03</b>

- 20.1** Working Capital and Packing Credit Loans from the Banks are secured by hypothecation of Stocks of Raw Materials, Stock in Process, Finished Goods, Consumables, Spares, Stores, Receivables and Other Current Assets both present and future on pari passu basis and by a second charge over all Property, Plant and Equipment of the Company on pari passu basis.

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

**20.2** The overdraft facilities availed by Hofmann Ceramic GmbH are secured by Mortgage of Land owned by the said Company.

	As at 31st March 2020	As at 31st March 2019
<b>21. TRADE PAYABLES :</b>		
Total Outstanding dues of Micro Enterprises and Small Enterprises	258.82	246.43
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	12,162.91	12,192.01
<b>Total</b>	<b>12,421.73</b>	<b>12,438.44</b>

**21.1** Trade Payables are Non-Interest bearing except in case of delay of payment to MSME.

**21.2** For MSME schedule Refer Note 21.1 of Standalone Financial Statements

	As at 31st March 2020	As at 31st March 2019
<b>22. OTHER FINANCIAL LIABILITIES :</b>		
a) Current Maturities of Long-Term Debt (Refer Note 18 & 22.2)	321.39	486.16
b) Unpaid Dividends (Refer Note 22.1)	108.31	91.86
c) Deposits	47.66	35.47
d) Payables for Employee Benefits	266.88	182.38
e) Creditors for Capital Supplies/Services	55.40	46.68
<b>Total</b>	<b>799.64</b>	<b>842.55</b>

**22.1** There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

**22.2** Term Loan from DBS Bank India Limited at India was repayable in quarterly equal instalment of ₹ 62.50 each at an interest rate of 9.40% p.a which has been repaid in FY 2019 - 2020.

Term Loan from Fifth Third Bank at EI Ceramics LLC is repayable by FY 2022 - 2023.

Term Loan from various Banks at Hofmann Ceramic GmbH is repayable by FY 2027 - 2028

	As at 31st March 2020	As at 31st March 2019
<b>23. OTHER CURRENT LIABILITIES</b>		
a) Advances received from Customers	592.33	19.40
b) Statutory Dues	816.95	132.12
<b>Total</b>	<b>1,409.28</b>	<b>151.52</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>24. REVENUE FROM OPERATIONS</b>		
<b>Revenue from Sale of Products :</b>		
Finished Goods	82,033.88	80,781.89
Traded Goods	6,588.68	11,973.92
<b>Revenue From Sale of Products</b>	<b>88,622.56</b>	<b>92,755.81</b>
<b>Service Income</b>	<b>1,292.14</b>	<b>1,203.86</b>
<b>Other Operating Income :</b>		
Export Benefits	1,175.19	391.69
Net Gain on Foreign Exchange Rate Fluctuation and Translation	556.36	623.37
Other Operating Revenue	88.45	66.60
<b>Other Operating Income</b>	<b>1,820.00</b>	<b>1,081.66</b>
<b>Total</b>	<b>91,734.70</b>	<b>95,041.33</b>

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>25. OTHER INCOME :</b>		
Interest Income (Refer Note 25.1)	264.89	84.46
Liabilities no longer required written back	395.36	13.74
Other Non Operating Income (Refer Note 25.2)	435.47	404.72
<b>Total</b>	<b>1,095.72</b>	<b>502.92</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>25.1 Details of Interest Income</b>		
Interest Income earned on Financial Assets that are not designated at Fair Value through Profit or Loss:		
- On Bank Deposits at Amortised Cost	47.22	71.83
- Interest received on Income Tax Refund	150.45	-
- On Other Deposits at Amortised Cost	67.22	12.63
<b>Total</b>	<b>264.89</b>	<b>84.46</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>25.2 Other Non Operating Income</b>		
Profit on Sale of Current Investments	396.17	68.11
Gain on Fair Valuation of Investments through Profit and Loss :		
- On Current Investments	37.62	141.96
Sundry Receipts	1.68	194.65
<b>Total</b>	<b>435.47</b>	<b>404.72</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>26. COST OF MATERIALS CONSUMED</b>		
Raw Materials	39,086.26	41,626.09
<b>Total</b>	<b>39,086.26</b>	<b>41,626.09</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>27. PURCHASES OF STOCK-IN-TRADE</b>		
Purchases of Stock-in-Trade	5,699.70	9,381.46
<b>Total</b>	<b>5,699.70</b>	<b>9,381.46</b>

	For the year ended 31st March 2020		For the year ended 31st March 2019	
<b>28. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>				
<b>Opening Stock</b>				
Finished Goods	6,179.61		3,558.96	
Stock in Trade	245.06		154.91	
Work-in-Progress	2,210.07	8,634.74	1,660.73	5,374.60



## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2020		For the year ended 31st March 2019	
<b>Less : Closing Stock</b>				
Finished Goods	4,754.06		6,179.61	
Stock in Trade	874.02		245.06	
Work-in-Progress	1,995.11		2,210.08	
Adjustments for changes in Foreign Currency Rates	(113.12)	7,510.07	47.28	8,682.03
<b>Total</b>		<b>1,124.67</b>		<b>(3,307.43)</b>

	For the year ended 31st March 2020		For the year ended 31st March 2019	
<b>29. EMPLOYEE BENEFITS EXPENSE :</b>				
Salaries, Wages and Bonus		13,216.25		12,929.01
Contribution to Provident and Other Funds		1,059.05		956.41
Staff Welfare Expenses		769.35		732.63
<b>Total</b>		<b>15,044.65</b>		<b>14,618.05</b>

### 29.1 Provident Fund (Funded)

Provident Fund contributions in respect of employees upto August 2017 of erstwhile IFGL Refractories Limited are made to a Trustee managed exempted Fund and interest paid to members thereof is not lower than that declared annually by the Central Government. Shortfall if any is made good by the Holding Company. Membership to said Fund has been closed on and from 1st September 2017, subject to necessary approvals and/or permissions. Based on the final guidance for measurement of Provident Fund Liabilities of the Trustee managed fund issued by the Actuarial Society of India, the Holding Company's liability at the year end of ₹ 112.30 (31st March 2019: ₹ Nil) has been actuarially determined by an independent actuary using the Projected Unit Credit Method and provided for.

Provident Fund in respect of remaining employees of the Holding Company are made to statutory Provident Fund established by the Central Government. The Holding Company has recognised in the Statement of Profit and Loss for the year ended 31st March 2020 an amount of ₹ 374.00 (31st March 2019: ₹ 245.18) as expenses under Defined Contribution Plans.

### 29.2 Gratuity (Funded)

The Holding Company provides for Gratuity benefit to its employee. Gratuity entitlement of the employees is as per the provision of the Payment of the Gratuity Act, 1972. However, in case of employees joining before 1st April 2003 of erstwhile IFGL Refractories Limited, they are entitled to Gratuity as per scheme framed by that Company or as per the Payment of Gratuity Act, 1972, whichever is higher. Liability with regard to Gratuity plan is determined by the Actuarial Valuation using the Projected Unit Credit Method, based on which the Liability with regard to Gratuity plan is determined by the Actuarial Valuation using the Projected Unit Credit Method, based on which the Holding Company makes contribution to the Fund. The most recent Actuarial Valuation of the Fund was carried out as at 31st March 2020.

### 29.3 Superannuation (Funded)

Certain employees joined before 31st March 2004 of erstwhile IFGL Refractories Limited are member of Trustee managed Superannuation Fund. Said Fund provide for Superannuation benefit on retirement/death/incapacitation/termination and was amended from the Defined Benefit to Defined Contribution Plan effective 1st April 2004. Defined Benefit Plan entitlements were frozen as on 31st March 2004. Necessary formalities/approvals have been complied with and obtained.

### 29.4 Compensated Absence (Unfunded)

The Holding Company provides for encashment of accumulated Leave Benefit for eligible employees (i.e. workmen) at the time of retirement, death, incapacitation or termination of employment, subject to a maximum of one hundred and twenty days based on the last drawn Salary. Liabilities are determined by Actuarial Valuation using Projected Unit Credit Method.

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

### 29.5 Plans at Overseas Subsidiaries

Step down Subsidiaries operate a Defined Contribution Pension Scheme for the benefit of the employees and contributions payable are charged to the Statement of Profit and Loss in the period they render the service. Only Goricon Metallurgical Services Limited (GMSL), a Step Down Subsidiary operates a Defined Benefit Pension Scheme. Scheme Assets are measured by the actuary at fair values. Scheme Liabilities are measured on an actuarial basis using the Projected Unit Method and are discounted at appropriate high quality corporate bond rates. A net surplus is recognised only to the extent that it is recoverable by the Company. The current service costs and costs from settlements and curtailments are charged against Operating Profit. Past service costs are spread over the period until the benefit vest. Interest on the Scheme Liabilities and the Expected Return on Scheme Assets are included in Finance Costs. The Scheme is closed effective from 1st April 2003 to new members.

### 29.6 Following are the further particulars with respect to Defined Benefit Plans of the Group for the year ended 31st March 2020 :

	Gratuity (Funded)		Superannuation (Funded)		Step down Subsidiary Benefit Scheme (Funded)	
	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>a) Reconciliation of the Opening and Closing Balances of Present Value of Defined Benefit Obligation :</b>						
Present Value of Obligation, as at the beginning of the year (including Liabilities taken over pursuant to Amalgamation)	1,047.12	904.39	127.00	118.24	2,469.68	2,692.75
Service Cost	75.34	65.57	–	–	–	–
Interest Cost	54.92	66.87	7.15	8.89	60.40	65.01
Actuarial (Gains)/Losses	19.21	59.28	(22.39)	2.37	(87.45)	208.76
(Benefits Paid)	(525.01)	(48.99)	(49.71)	(2.50)	–	(468.79)
Exchange Differences on Foreign Plans	–	–	–	–	134.14	(28.05)
<b>Present Value of Obligation as at the end of the year</b>	<b>671.58</b>	<b>1,047.12</b>	<b>62.05</b>	<b>127.00</b>	<b>2,576.77</b>	<b>2,469.68</b>
<b>b) Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets :</b>						
Fair Value of Plan Assets as at the beginning of the year (including Assets taken over pursuant to Amalgamation)	998.29	896.40	552.94	515.36	3,527.10	3,846.54
Interest Income	55.94	69.49	36.97	39.07	84.74	94.31
Remeasurement Gains/(Losses)	15.34	(3.61)	4.47	1.01	(178.50)	–
Contribution by the Company	126.83	85.00	–	–	–	–
(Benefits Paid)	(525.01)	(48.99)	(49.71)	(2.50)	–	(468.79)
Exchange Differences on Foreign Plans	–	–	–	–	132.92	55.04
<b>Fair Value of Plan Assets at the end of the year</b>	<b>671.39</b>	<b>998.29</b>	<b>544.67</b>	<b>552.94</b>	<b>3,566.26</b>	<b>3,527.10</b>
<b>c) Reconciliation of the Present Value of Defined Benefit Obligation and Fair Value of the Plan Assets :</b>						
Fair Value of Plan Assets as at the end of the year	671.39	998.29	544.67	552.94	3,566.26	3,527.10
Present value of Obligation as at the end of the year	671.58	1,047.12	62.05	127.00	2,576.77	2,469.68
<b>Assets/(Liabilities) recognised in the Balance Sheet</b>	<b>(0.19)</b>	<b>(48.83)</b>	<b>482.62 #</b>	<b>425.94 #</b>	<b>989.49 #</b>	<b>1,057.42 #</b>

# Actual amount of Asset in the Balance Sheet : Nil (31st March 2019: Nil)

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	Gratuity (Funded)		Superannuation (Funded)		Step down Subsidiary Benefit Scheme (Funded)	
	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
	<b>d) Expense recognised in the Statement of Profit and Loss :</b>					
<b>Employee Benefits Expense :</b>						
Service Cost	75.34	65.57	–	–	–	–
Net Interest Expenses	(1.02)	(2.62)	(29.82)	(30.18)	(24.34)	(29.30)
Non Recoverable Assets Written Off	–	–	–	–	–	208.76
<b>Other Comprehensive Income :</b>						
Actuarial (Gain)/Loss	3.87	62.89	(26.86)	1.36	–	208.76
<b>Total Expense as per the Actuarial Valuation</b>	<b>78.19</b>	<b>125.84</b>	<b>(56.68)</b>	<b>(28.82)</b>	<b>(24.35)</b>	<b>388.22</b>
Actual Expenses Recognised	78.19**	125.84 **	–	–	–	388.22 *

\* The Expenses for the above benefit are recognised under 'Salary, Wages and Bonus' on Note 29.

\*\* The Expenses for the above benefit are recognised under 'Contribution to Funds' on Note 29.

<b>e) Category of Plan Assets :</b>						
GOI Securities (%)	0.46	0.45	2.00	2.00	–	–
Units of Insurers (%)	98.65	97.00	94.00	95.00	–	–
Others (including Bank Balances) (%)	0.89	2.55	4.00	3.00	–	–
Scottish Mutual with Profit Deferred Annuity(%)	–	–	–	–	100.00	100.00
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>f) Principal Actuarial Assumptions :</b>						
Discount Rate (per annum) (%)	6.60	7.00	6.60	7.00	2.30	2.40
Rate of Increase in Salaries (%)	6.00	6.00	NA	NA	NA	NA
Remaining Working Life (in Years)	22.85	22.17	7.79	8.30	–	–
Mortality Rate	Indian Assured Lives Mortality (2006-2008) (modified) Ultimate	Indian Assured Lives Mortality (2006-2008) (modified) Ultimate	Indian Assured Lives Mortality (2006-2008) (modified) Ultimate	Indian Assured Lives Mortality (2006-2008) (modified) Ultimate	@	@
Method Used	Projected Unit Credit Method				Discounted Income Approach	
Actual Return on Plan Assets	71.28	65.88	41.44	40.08	NA	NA

@ The mortality assumptions adopted at 31st March 2019 imply the following future life expectancies:

Male currently age 65	21.80	22.00
Female currently age 65	23.70	23.90

### g) Other Disclosures :

The basis used to determine overall expected return on assets and the major categories of Plan Assets are as follows :

The major portion of the Assets is invested in Units of Insurers and Government Bonds. Based on the asset allocation and prevailing yield rates on these asset classes, the long-term estimate of the expected rate of return on the Fund have been arrived at. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government Bonds.

The estimate of future salary increases takes into account Inflation, Seniority, Promotion and other relevant factors.

## Notes to the Consolidated Financial Statements *(Contd.)*

(₹ in lacs)

### Sensitivity Analysis

The sensitivity of Defined Benefit Obligations to changes in the weighted principal assumptions is:

	As at 31st March 2020		As at 31st March 2019	
	Impact on Defined Benefit Obligation (Gratuity)			
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%) % change compared to base due to sensitivity	(43.20)	49.58	(44.12)	49.76
Salary growth rate (-/+ 1%) % change compared to base due to sensitivity	48.91	(43.49)	49.35	(44.67)

	As at 31st March 2020		As at 31st March 2019	
	Impact on Defined Benefit Obligation (Superannuation)			
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%) % change compared to base due to sensitivity	(1.07)	1.12	(2.03)	2.11
Salary Growth Rate (-/+ 1%) % change compared to base due to sensitivity	NA	NA	NA	NA

	As at 31st March 2020		As at 31st March 2019	
	Impact on Step down Subsidiary Benefit Scheme (Funded)			
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.1%) % change compared to base due to sensitivity	(51.54)	51.54	(50.42)	50.42
Inflation Rate (-/+ 0.1%) % change compared to base due to sensitivity	51.54	(51.54)	50.42	(50.42)
Life Expectancy (-/+1 year) change in compared to base due to sensitivity	51.54	(51.54)	50.42	(50.42)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the Defined Benefit Obligation to significant actuarial assumptions, the same method (Present Value of the Defined Benefit Obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied while calculating the Defined Benefit Liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### Risk Exposure :

Through its Defined Benefit Plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

- a. **Investment Risk** : The Defined Benefit Plans are funded Government securities and units of Insurers. The Company does not has any liberty to manage the funds provided to Insurance Companies.
- b. **Interest Risk** : A decrease in the interest rate on Plan Assets will increase the Plan Liability.
- c. **Life Expectancy** : The Present Value of the Defined Benefit Plan Liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the Plan Liability.

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

d. **Salary Growth Risk** : The Present Value of Defined Benefit Plan Liability is calculated by reference to the future salaries of plan participants. An increase will increase the Plan Liability.

### Defined Benefit Liability and Employer Contributions

Expected contributions to post employment benefit plans for the year ending 31st March 2020 : Nil

The Weighted Average duration of the Defined Benefit Obligation (Gratuity) is 8 years (31st March 2019 - 5 years). The expected maturity analysis of undiscounted Gratuity is as follows:

	As at 31st March 2020	As at 31st March 2019
Year 1	48.33	52.69
Year 2	48.58	512.52
Year 3	119.02	50.70
Year 4	90.18	115.77
Year 5	88.30	89.91
Year 6 to 10	520.06	561.88

The Weighted Average duration of the Defined Benefit Obligation (Superannuation) is 2 years (31st March 2019 - 2 years). The expected maturity analysis of payment for Superannuation is as follows:

	As at 31st March 2020	As at 31st March 2019
Year 1	19.11	10.06
Year 2	6.26	85.62
Year 3	28.19	6.16
Year 4	5.06	25.32
Year 5	3.53	4.55
Year 6 to 10	7.80	3.15

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>30. FINANCE COSTS</b>		
Interest on Banks and Others	269.09	368.88
Interest on Lease Liability (Refer Note 4.2)	92.12	-
<b>Total</b>	<b>361.21</b>	<b>368.88</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>31. OTHER EXPENSES :</b>		
Consumption of Stores and Spare Parts	2,000.18	2,083.72
Power and Fuel	2,489.31	2,651.27
Rent	318.30	617.69
Rates and Taxes	592.65	264.27
Repairs :		
- Machinery	599.39	636.66
- Buildings	96.88	75.96
- Others	452.49	444.79
Insurance	249.56	257.81
Payment to Auditors	35.00	55.67
Directors' Fees	6.15	6.70
Provision/(Reversal) for Doubtful Trade Receivables/Advances	658.77	(84.65)

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2020	For the year ended 31st March 2019
Sundry Debit Balances/Advances Written Off	475.59	15.76
Travelling and Conveyance	1,191.32	1,493.18
Site Contractor Expenses	1,823.84	1,576.22
Processing Charges	683.86	646.47
Corporate Social Responsibility Expenditure	56.00	35.40
Professional Charges	804.63	799.44
Postage, Telephone, Telex etc.	223.31	251.82
Service Charges	213.16	262.91
Commission	1,554.15	1,696.29
Packing Expenses	2,546.27	2,749.33
Delivery and Forwarding Expenses	2,872.55	3,506.25
Net Loss on Sale/Discard of Property, Plant and Equipment	38.10	71.19
Miscellaneous Expenses	1,639.95	1,736.11
<b>Total</b>	<b>21,621.41</b>	<b>21,850.26</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>31.1 Amounts Paid/Payable to Auditors</b>		
For Statutory Audit (including Limited Reviews)	30.00	48.50
For Certification Work required to be done by Statutory Auditor	-	0.52
For Tax Audit	5.00	4.50
Reimbursement of Expenses	-	2.15
<b>Total</b>	<b>35.00</b>	<b>55.67</b>

**31.2** Following provisions of Section 135 of the Act, the Holding Company has CSR Committee and during FY 2019 -2020 paid ₹ 56.00 (equivalent to 2% of Average Net Profits of three preceding Financial Years) to the Implementing Agency, IFGL Refractories Welfare Trust, registered under Section 12A and having recognition under Section 80G of the Income Tax Act, 1961, for CSR activities primarily focused on Education, Health Care, Sanitation, Sports etc in areas neighbouring its Manufacturing Facilities.

- a) Gross amount required to be spent by the Holding Company during the year is ₹ 56.00 (31.03.2019: ₹ 35.40).  
 b) Amount spent during the year ending 31st March 2020 on

	In Cash	Yet to be paid in Cash	Total
i) Construction/Acquisition of any Asset	-	-	-
ii) On purposes other than i) above	56.00	-	56.00
<b>Total</b>	<b>56.00</b>	<b>-</b>	<b>56.00</b>

Amount spent during the year ending 31st March 2019 on

	In Cash	Yet to be paid in Cash	Total
i) Construction/Acquisition of any Asset	-	-	-
ii) On purposes other than i) above	35.40	-	35.40
<b>Total</b>	<b>35.40</b>	<b>-</b>	<b>35.40</b>

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>32. EARNINGS PER SHARE (EPS) – THE NUMERATORS AND DENOMINATORS USED TO CALCULATE BASIC AND DILUTED EPS</b>		
Profit after Tax attributable to the Equity Shareholders (A)	1,945.67	5,046.03
Weighted Average number of Equity Shares (in Numbers) (B)	36,039,312	36,039,312
Nominal Value of Equity Shares (in ₹)	10.00	10.00
<b>Basic &amp; Diluted EPS (A/B)</b>	<b>5.40</b>	<b>14.00</b>

	As at 31st March 2020	As at 31st March 2019
<b>33. CONTINGENT LIABILITIES</b>		
<b>a) Claims against the Group not acknowledged as Debts :</b>		
i) Sales Tax matter under dispute relating to issues of applicability and classification [related payments ₹ 23.14 (31st March 2019 : ₹ 21.24 )]	6.88	209.34
ii) Income Tax matters under dispute relating to issues of applicability and determination [related payments ₹ 2.50 (31st March 2019 : ₹ 44.00)]	578.83	214.31
iii) Service Tax matters under dispute relating to issues of applicability and classification	37.11	1.54

b) The Holding 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 1st April 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 7th November 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 ₹ 1,164 are considered as recoverable in future.

In the opinion of the Management, outcome of these proceedings will not have a material affect on the Holding Company's Financial position and result of operations.

	As at 31st March 2020	As at 31st March 2019
<b>34. CAPITAL COMMITMENTS</b>		
Estimated Value of Contracts on Capital Account remaining to be executed (Net of Advances) and not provided for	285.30	418.04
<b>Total</b>	<b>285.30</b>	<b>418.04</b>

### 35. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES :

#### 35.1 Capital Management

The Group aims at maintaining a strong capital base, maximizing Shareholders' wealth, safeguarding business continuity and augments its internal generations with a judicious use of borrowing facilities to fund spikes in working capital that arise from time to time as well as requirements to finance business growth.

The Group monitors Capital using Gearing Ratio which is Net Debt divided by Total Capital plus Net Debt.

	As at 31st March 2020	As at 31st March 2019
Borrowings	5,179.43	8,937.04
Less: Cash & Cash Equivalents	10,965.33	7,634.11
<b>Net Debt</b>	<b>(5,785.90)</b>	<b>1,302.93</b>
Equity	80,894.83	79,464.37
<b>Equity and Net Debt</b>	<b>75,108.93</b>	<b>80,767.30</b>
<b>Gearing Ratio</b>	–	<b>1.61%</b>

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

### 35.2 Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's Consolidated Financial Instruments:

	As at 31st March 2020		As at 31st March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>A. Financial Assets</b>				
<b>a) Measured at Amortised Cost</b>				
i) Cash and Cash Equivalents	10,965.33	10,965.33	7,634.11	7,634.11
ii) Other Bank Balances	108.31	108.31	1,152.95	1,152.95
iii) Investment	52.05	53.00	52.05	53.00
iv) Trade Receivables	21,053.18	21,053.18	22,861.63	22,861.63
v) Other Financial Assets	207.59	207.59	65.15	65.15
vi) Loans and Deposits	285.66	285.66	243.24	243.24
<b>Sub-total</b>	<b>32,672.12</b>	<b>32,673.07</b>	<b>32,009.13</b>	<b>32,010.08</b>
<b>b) Measured at Fair Value through Profit or Loss</b>				
i) Investment In Mutual Funds & Bond	9,320.94	9,320.94	4,553.74	4,553.74
<b>Sub-total</b>	<b>9,320.94</b>	<b>9,320.94</b>	<b>4,553.74</b>	<b>4,553.74</b>
<b>Total Financial Assets</b>	<b>41,993.06</b>	<b>41,994.01</b>	<b>36,562.87</b>	<b>36,563.82</b>
<b>B. Financial Liabilities</b>				
<b>a) Measured at Amortised Cost</b>				
i) Borrowings	5,179.42	5,179.42	8,937.04	8,937.04
ii) Trade Payables	12,421.73	12,421.73	12,438.44	12,438.44
iii) Other Financial Liabilities	478.25	478.25	356.39	356.39
iv) Lease Liabilities	1,287.00	1,287.00	–	–
<b>Sub-total</b>	<b>19,366.40</b>	<b>19,366.40</b>	<b>21,731.87</b>	<b>21,731.87</b>
<b>Total Financial Liabilities</b>	<b>19,366.40</b>	<b>19,366.40</b>	<b>21,731.87</b>	<b>21,731.87</b>

The Management assessed that Cash and Cash Equivalents, Trade Receivables, Trade Payables, other Financial Assets and other Financial Liabilities approximate their carrying amounts largely due to the Short Term maturities of these instruments.

The fair value of Loans from Banks, Trade Payables and other Financial Liabilities, as well as other Non-Current Financial Liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2020 was assessed to be insignificant. The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

### 35.3 Financial Risk Management Objectives

The Group's activities expose it to a variety of Financial Risks, including Market Risk, Credit Risk and Liquidity Risk. The Group continues to focus on a system-based approach to Business Risk management. The Group's Financial Risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong Internal Control Systems, the Current Risk Management System rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.



## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

### a) Market Risk

The Group's Financial Instruments are exposed to market changes. The Group is exposed to following significant Market Risk:

- Foreign Currency Risk
- Interest Rate Risk
- Other Price Risk

Market Risk Exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to Market Risks or the manner in which these risks are being managed and measured.

### Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below :

Quoted prices in an active market (Level 1) : This level of hierarchy includes Financial Assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of Investment in quoted Equity Shares and Mutual Fund Investments.

Valuation techniques with observable inputs (Level 2) : This level of hierarchy includes Financial Assets and Liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level of hierarchy does not include any instrument.

Valuation techniques with significant unobservable inputs (Level 3) : This level of hierarchy includes Financial Assets and Liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

As at 31st March 2020				
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment In Mutual Funds & Bond	9,320.94	-	-	9,320.94
	<b>9,320.94</b>	-	-	<b>9,320.94</b>
As at 31st March 2019				
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment In Mutual Funds & Bond	4,553.74	-	-	4,553.74
	<b>4,553.74</b>	-	-	<b>4,553.74</b>

### i. Foreign Currency Risk

The Group undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Holding Company's functional currency (Indian Rupees).

A significant portion of these transactions are in US Dollar, Euro etc. The carrying amount of foreign currency denominated financial assets and liabilities including derivative contracts, are as follows:

As at 31st March 2020	USD	Euro	GBP	Others*	Total
Financial Assets	12,527.77	5,490.27	7,306.44	9.45	<b>25,333.93</b>
Financial Liabilities	4,546.10	5,352.89	925.19	47.43	<b>10,871.61</b>
As at 31st March 2019					
Financial Assets	8,903.25	8,791.56	5,847.02	19.23	<b>23,561.06</b>
Financial Liabilities	3,551.00	7,444.18	1,304.81	61.61	<b>12,361.60</b>

\* Others include NZ Dollars and AUS Dollars.

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

The Group enters into foreign exchange forward contracts with intention to reduce foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

	As at 31st March 2020	As at 31st March 2019
Forward Contracts to sell € 19.29 lacs (31st March 2019: € 19.6 lacs)	1,592.16	1,710.60

### Un-hedged Foreign Currency balances :

		As at 31st March 2020	As at 31st March 2019
i) Financial Liabilities	USD	4,546.10	3,551.00
	EUR	5,352.89	7,444.18
	GBP	925.19	1,304.81
	Others*	47.43	61.61
ii) Financial Assets	USD	12,527.77	8,903.25
	EUR	3,898.11	7,080.96
	GBP	7,306.44	5,847.02
	Others*	9.45	19.23

\* Others include NZ Dollars and AUS Dollars.

### Foreign Currency Sensitivity

Foreign Currency Sensitivities for unhedged exposure (impact on increase in 5%)

	As at 31st March 2020		As at 31st March 2019	
	Impact on profit	Impact on pre Tax Equity	Impact on profit	Impact on pre Tax Equity
USD	399.08	399.08	267.61	267.61
EUR	(72.74)	(72.74)	(18.16)	(18.16)
GBP	319.06	319.06	227.11	227.11
Others *	(1.90)	(1.90)	(2.12)	(2.12)

Note: If the rate is decreased by 5%, profit will increase/(decrease) by an equal amount.

Figures in brackets indicate decrease in profit

\* Others include NZ Dollars and AUS Dollars.

### ii. Interest Rate Risk

Interest Rate Risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The objectives of the Group's Interest Rate Risk management processes are to lessen the impact of adverse interest rate movements on its earnings and cash flows and to minimise counter party risks.

The Group is exposed to interest rate volatilities primarily with respect to its Term Borrowings from Banks as well as Financial Institutions, export packing credit facilities, cash credit facilities. Such volatilities primarily arise due to changes in money supply within the economy and/or liquidity in banking system due to asset/liability mismatch, poor quality assets etc. of banks. The Group manages such risk by operating with banks having superior credit rating in the market as well as Financial Institutions.

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

Interest Rate Sensitivities for outstanding exposure (impact on increase in 50 bps)

	As at 31st March 2020		As at 31st March 2019	
	Impact on profit	Impact on pre Tax Equity	Impact on profit	Impact on pre Tax Equity
INR	(2.08)	(2.08)	(4.45)	(4.45)
USD	(2.60)	(2.60)	(3.42)	(3.42)
EUR	(11.00)	(11.00)	(26.90)	(26.90)

Note: If the rate is decreased by 50 bps, profit will increase by an equal amount.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period. Further, the calculations for the unhedged floating rate borrowing have been done on the notional value of the foreign currency (excluding the revaluation).

### iii. Price Risk

The Group invests its surplus funds primarily in debt mutual funds measured at fair value through profit or loss. Aggregate value of such investments as at 31st March 2020 is ₹ 9,320.94 (31st March 2019: ₹ 4,553.74). Investments in the Mutual Fund schemes are measured at fair value. Accordingly, these do not pose any significant Price Risk.

	As at 31st March 2020		As at 31st March 2019	
	Impact on profit	Impact on pre Tax Equity	Impact on profit	Impact on pre Tax Equity
<b>Investment in Mutual fund</b>				
0.5% increase in Price	46.60	46.60	22.77	22.77
0.5% decrease in Price	(46.60)	(46.60)	(22.77)	(22.77)

### b) Liquidity Risk

Liquidity Risk is the risk that the Group may encounter difficulty in meeting its obligations. The Group mitigates its liquidity risks by ensuring timely collections of its trade receivables, close monitoring of its credit cycle and ensuring optimal movements of its inventories. The table below provides details regarding remaining contractual maturities of significant financial liabilities at the reporting date.

	As at 31st March 2020		As at 31st March 2019	
	Current	Non-Current	Current	Non-Current
<b>A. Financial Assets</b>				
i) Cash and Cash Equivalents	10,965.33	–	7,634.11	–
ii) Other Bank Balances	108.31	–	1,152.95	–
iii) Trade Receivables	21,053.18	–	22,861.63	–
iv) Other Financial Assets	207.59	–	36.45	28.70
v) Investment In Mutual Funds & Bond	9,320.94	–	4,553.74	–
vi) Investment in Bond	–	52.05	–	52.05
vii) Loans and Deposits	66.08	219.58	69.76	173.48
<b>Total</b>	<b>41,721.43</b>	<b>271.63</b>	<b>36,308.64</b>	<b>254.23</b>
<b>B. Financial Liabilities</b>				
i) Borrowings	3,827.55	1,351.87	7,379.19	1,557.85
ii) Trade Payables	12,421.73	–	12,438.44	–
iii) Other Financial Liabilities	478.25	–	356.39	–
iv) Lease Liabilities	200.77	1,086.23	–	–
<b>Total</b>	<b>16,928.30</b>	<b>2,438.10</b>	<b>20,174.02</b>	<b>1,557.85</b>

The Group manages this risk by utilising unused credit lines and portfolio diversion. The Group has investment policy for deployment of surplus liquidity, which allows investment in Debt Securities and Mutual Fund Schemes.

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

### c) Credit Risk

Credit Risk is the risk that counter party will not meet its obligations leading to a financial loss. The Group has its policies to limit its exposure to credit risk arising from outstanding receivables. Management regularly assess the credit quality of its customer's, basis which terms of payment are decided. Credit limits are set for each customer which are reviewed on periodic intervals.

The movement of the expected loss provision made by the Group are as under :

	As at 31st March 2020	As at 31st March 2019
Opening Balance :	1,455.76	1,254.62
Add : Provisions made	1,134.36	(68.89)
Less : Utilisation/(reversed) made for impairment/derecognition	(475.59)	270.03
Others	19.13	-
<b>Closing Balance</b>	<b>2,133.66</b>	<b>1,455.76</b>

### 36. RELATED PARTY DISCLOSURE :

Related Party Disclosures in keeping with Indian Accounting Standard (Ind AS 24)

#### a) List of Related Parties

Where Control exists	
Parent	Bajoria Financial Services Private Limited
Fellow Subsidiaries	Heritage Health Insurance TPA Private Limited Ganges Art Gallery Private Limited Bajoria Enterprises Limited Heritage Health Knowledge Services Private Limited
Others:	
Key Management Personnel	S K Bajoria (Chairman) P Bajoria (Managing Director) Kamal Sarda (Director and Chief Executive Officer and also designated as Chief Financial Officer from 8th February 2020 ) Rajesh Agarwal (Company Secretary) Sikander Yadav (Chief Financial Officer till 14th January 2020)
Non Executive Directors	Kanwar Satyabrata Sanyal Sudhamoy Khasnobis Duraismwamy Gunaseela Rajan Kiyotaka Oshikawa Debal Kumar Banerji Bharati Ray Tetsuo Tsuzuki (appointed w.e.f. 9th September 2019) Surendra Munshi (resigned w.e.f. 10th August 2019)
Relatives of Key Management Personnel	Smita Bajoria (Wife of Chairman) Mihir Bajoria (Son of Chairman) Vidushi Jain Bajoria (Daughter in law of Chairman) Akshay Bajoria (Son of Managing Director)
Enterprises in which Key Management Personnel have significant influence	Heritage Insurance Brokers Private Limited Bajoria Service Providers LLP Essentially Healthy Private Limited Bajoria Holdings Private Limited Bajoria Estate Private Limited
Post Employment Benefit Funds	IFGL Refractories Limited Staff Provident Fund IFGL Exports Limited Employees Gratuity Fund IFGL Refractories Ltd Employees Superannuation Fund

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Particulars of Transactions during the year and year end balances</b>		
<b>I) With Parent: Bajoria Financial Services Private Limited</b>		
Rent for Office Premises	36.73	36.73
	<b>36.73</b>	<b>36.73</b>
<b>II) With Fellow Subsidiaries</b>		
<b>Expenses Reimbursement/Incurred</b>		
Ganges Art Gallery Private Limited	–	0.36
Bajoria Enterprises Limited	12.00	12.00
	<b>12.00</b>	<b>12.36</b>
<b>III) With Key Management Personnel</b>		
<b>Key Management Personnel Remuneration</b>		
S K Bajoria (Chairman)	186.53	176.45
P Bajoria (Managing Director)	353.73	303.04
Kamal Sarda (Director and Chief Executive Officer and also designated as Chief Financial Officer from 8th February 2020)	101.93	101.08
Rajesh Agarwal (Company Secretary)	111.89	99.23
Sikander Yadav (Chief Financial Officer till 14th January 2020)	68.90	70.37
	<b>822.98</b>	<b>750.17</b>
<b>Non Executive Directors</b>		
Kanwar Satyabrata Sanyal	0.90	1.45
Sudhamoy Khasnobis	0.85	0.80
Duraiswamy Gunaseela Rajan	1.35	1.00
Kiyotaka Oshikawa	0.20	–
Debal Kumar Banerji	1.50	1.70
Bharati Ray	0.95	0.95
Surendra Munshi (resigned w.e.f. 10th August 2019)	0.40	0.80
	<b>6.15</b>	<b>6.70</b>
<b>Particulars of Transactions during the year and year end balances</b>		
<b>Director's Commission</b>		
S K Bajoria (Chairman)	36.92	37.76
P Bajoria (Managing Director)	36.92	37.76
	<b>73.84</b>	<b>75.52</b>
<b>Director's Commission Payable</b>		
S K Bajoria (Chairman)	36.92	37.76
P Bajoria (Managing Director)	36.92	37.76
	<b>73.84</b>	<b>75.52</b>
<b>IV) With Relative of Key Management Personnel</b>		
<b>Remuneration</b>		
Mihir Bajoria	216.56	232.70
Vidushi Jain Bajoria	32.31	32.58
Akshay Bajoria	34.89	35.00
	<b>283.76</b>	<b>300.28</b>

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

Particulars of Transactions during the year and year end balances	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>V) With Others - Post Employment Benefit Expenditure</b>		
IFGL Refractories Limited Staff Provident Fund	150.94	23.76
IFGL Exports Limited Employees Gratuity Fund	78.19	125.58
IFGL Refractories Ltd Employees Superannuation Fund	77.13	76.39
	<b>306.26</b>	<b>225.73</b>
<b>Year End Balance - Payable</b>		
IFGL Refractories Limited Staff Provident Fund	128.83	-
IFGL Exports Limited Employees Gratuity Fund	0.19	48.83
	<b>129.02</b>	<b>48.83</b>
<b>Year End Balance - Receivable</b>		
IFGL Exports Limited Employees Gratuity Fund	<b>188.77</b>	-

### 37. INFORMATION GIVEN IN ACCORDANCE WITH THE REQUIREMENTS OF IND AS 108 ON SEGMENT REPORTING :

The Group is engaged in the business of manufacturing refractories across the globe. The operating segments have been identified based on the different geographical areas where major entities within the Group operate and which is also the basis on which the Chief Operating Decision Maker (CODM) reviews and assess the Group's performances.

The Group's reportable segments and segment information is presented below:

#### A) Primary Segment Reporting (by Geographical location of Operations)

##### I) Composition of Geographical Segments

The Group is predominantly a Manufacturer and Trader of Specialised Refractories and accordingly a single business segment Group. The Group has adopted the geographical location of its operations (where its products are produced or service rendering activities are based) as its primary segment and presented the related information accordingly together with corresponding figures for the previous year. The Group's production facilities have been segmented into India, Europe (United Kingdom, Germany and Czech Republic), Asia excluding India (China) and America (USA).

##### II) Inter Segment Transfer Pricing

Inter Segment Prices are normally negotiated amongst the segments with reference to the Costs, Market Prices and Business Risks, within an overall optimisation objective for the Group.

##### III) Segment Revenues, Result and Other Information

	India	Europe	Asia Excluding India	America	Total of Reportable Segments
External Sales	<b>48,893.89</b>	<b>20,957.44</b>	<b>1,575.67</b>	<b>20,307.70</b>	<b>91,734.70</b>
	47,661.85	26,414.52	1,614.16	19,350.81	95,041.34
Inter Segment Sales	<b>967.27</b>	<b>810.30</b>	<b>4,613.32</b>	<b>198.06</b>	<b>6,588.95</b>
	1,233.21	597.61	6,022.37	196.69	8,049.88
Segment Revenues	<b>49,861.16</b>	<b>21,767.74</b>	<b>6,188.99</b>	<b>20,505.76</b>	<b>98,323.65</b>
	48,895.06	27,012.13	7,636.53	19,547.50	103,091.22
Segment Result *	<b>3,874.79</b>	<b>(2,537.77)</b>	<b>365.69</b>	<b>1,655.31</b>	<b>3,358.02</b>
	3,589.72	1,026.43	802.55	1,695.68	7,114.38
Segment Assets	<b>58,496.20</b>	<b>17,908.20</b>	<b>2,880.14</b>	<b>13,271.00</b>	<b>92,555.54</b>
	58,977.04	19,030.78	2,560.58	11,892.75	92,461.15
Segment Liabilities	<b>12,208.20</b>	<b>5,740.20</b>	<b>1,360.45</b>	<b>2,714.14</b>	<b>22,022.99</b>
	7,954.66	4,884.36	551.51	2,210.30	15,600.83
Capital Expenditure (Net)	<b>1,993.87</b>	<b>230.25</b>	-	<b>196.94</b>	<b>2,421.06</b>
	2,454.00	1,303.25	10.65	350.53	4,118.43
Depreciation and amortisation	<b>3,936.85</b>	<b>444.04</b>	<b>170.98</b>	<b>282.46</b>	<b>4,834.33</b>
	3,887.02	436.66	35.80	242.54	4,602.02
Non Cash Expenses other than Depreciation	<b>119.92</b>	<b>7.18</b>	-	<b>25.71</b>	<b>152.81</b>
	(118.07)	7.30	-	26.12	(84.65)

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

\* Results of Europe segment is net of impairment loss recognised as explained in Note 41.

### IV) Reconciliation of Reportable Segments with the Financial Statements

	Revenues	Net Profit	Assets	Liabilities@
Total of Reportable Segments	<b>98,323.65</b>	<b>3,358.02</b>	<b>92,555.54</b>	<b>22,022.99</b>
	103,091.22	7,114.38	92,461.15	15,600.83
Corporate - Unallocated (Net)/Adjustments	<b>1,095.72</b>	–	<b>10,362.27</b>	–
	502.91	(340.58)	9,957.80	7,353.75
Inter Segment Sales	<b>(6,588.95)</b>	–	–	–
	(8,049.88)	–	–	–
Interest (Net)	–	<b>(361.22)</b>	–	–
	–	(368.88)	–	–
Provision for Taxation				
- Current	–	<b>(968.59)</b>	–	–
	–	(1,495.60)	–	–
- Deferred	–	<b>(82.55)</b>	–	–
	–	136.71	–	–
As per Financial Statements	<b>92,830.42</b>	<b>1,945.66</b>	<b>102,917.81</b>	<b>22,022.99</b>
	95,544.25	5,046.03	102,418.95	22,954.58

@ Excluding Total Equity

### V) Revenue from sales to external customers for customer based Geographical Segments

	Total
India	<b>24,326.76</b>
	22,192.95
United Kingdom	<b>4,925.04</b>
	5,544.49
Europe other than United Kingdom	<b>20,553.20</b>
	26,246.38
Asia excluding India	<b>14,053.45</b>
	11,492.40
Americas	<b>22,510.04</b>
	18,919.61
Others	<b>5,366.21</b>
	10,645.50
Total Sales	<b>91,734.70</b>
	95,041.33

Figures in Bold type relate to current year

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

### 38. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the entity	Net Assets (Total Assets minus Total Liabilities)		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit	Amount	% of Consolidated Other Comprehensive Income	Amount	% of Consolidated Total Comprehensive Income	Amount
<b>Holding</b>								
IFGL Refractories Limited	<b>63.54%</b>	<b>51,400.52</b>	<b>152.82%</b>	<b>2,973.35</b>	<b>(0.15%)</b>	<b>(2.52)</b>	<b>82.26%</b>	<b>2,970.83</b>
	63.68%	50,602.10	51.45%	2,596.34	(43.39%)	(38.09)	49.83%	2,558.25
<b>Subsidiary</b>								
IFGL Worldwide Holdings Limited, Isle of Man	<b>15.43%</b>	<b>12,485.88</b>	<b>26.58%</b>	<b>517.10</b>	<b>0.00%</b>	<b>–</b>	<b>14.32%</b>	<b>517.10</b>
	14.56%	11,566.50	6.31%	318.59	0.00%	–	6.21%	318.59
EI Ceramics LLC, USA	<b>8.46%</b>	<b>6,845.01</b>	<b>60.10%</b>	<b>1,169.33</b>	<b>0.00%</b>	<b>–</b>	<b>32.38%</b>	<b>1,169.33</b>
	6.51%	5,173.88	30.12%	1,519.79	0.00%	–	29.60%	1,519.79
IFGL Inc., USA	<b>9.90%</b>	<b>8,009.54</b>	<b>(1.31%)</b>	<b>(25.54)</b>	<b>0.00%</b>	<b>–</b>	<b>(0.71%)</b>	<b>(25.54)</b>
	9.34%	7,419.04	16.55%	835.31	0.00%	–	16.27%	835.31
Mono Ceramics Inc, USA	<b>8.13%</b>	<b>6,574.78</b>	<b>6.08%</b>	<b>118.20</b>	<b>0.00%</b>	<b>–</b>	<b>3.27%</b>	<b>118.20</b>
	7.64%	6,068.75	(2.07%)	(104.54)	0.00%	–	(2.04%)	(104.54)
Monotec Refratarios Ltda, Brazil	<b>0.00%</b>	<b>–</b>	<b>0.00%</b>	<b>–</b>	<b>0.00%</b>	<b>–</b>	<b>0.00%</b>	<b>–</b>
	0.00%	–	0.00%	–	0.00%	–	0.00%	–
Goricon Metallurgical Services Ltd, (Wales), UK	<b>0.72%</b>	<b>579.46</b>	<b>0.00%</b>	<b>(0.08)</b>	<b>0.00%</b>	<b>–</b>	<b>0.00%</b>	<b>(0.08)</b>
	0.71%	560.90	0.80%	40.44	29.47%	25.87	1.29%	66.31
IFGL Monocon Holdings Limited, UK	<b>5.76%</b>	<b>4,663.00</b>	<b>0.00%</b>	<b>–</b>	<b>0.00%</b>	<b>–</b>	<b>0.00%</b>	<b>–</b>
	5.68%	4,513.00	0.00%	–	0.00%	–	0.00%	–
Monocon International Refractories Limited, UK	<b>13.40%</b>	<b>10,842.86</b>	<b>(87.07%)</b>	<b>(1,694.11)</b>	<b>0.00%</b>	<b>–</b>	<b>(46.91%)</b>	<b>(1,694.11)</b>
	15.34%	12,190.24	17.35%	875.67	0.00%	–	17.06%	875.67
Monocon Overseas Limited, UK	<b>9.25%</b>	<b>7,485.96</b>	<b>(0.01%)</b>	<b>(0.14)</b>	<b>0.00%</b>	<b>–</b>	<b>0.00%</b>	<b>(0.14)</b>
	9.12%	7,245.29	0.00%	(0.14)	0.00%	–	0.00%	(0.14)
Hofmann Ceramic CZ s.r.o. Czech Republic	<b>(0.61%)</b>	<b>(491.06)</b>	<b>(5.09%)</b>	<b>(99.07)</b>	<b>0.00%</b>	<b>–</b>	<b>(2.74%)</b>	<b>(99.07)</b>
	(0.49%)	(390.76)	(0.52%)	(26.44)	0.00%	–	(0.52%)	(26.44)
Hofmann Ceramic GmbH, Germany	<b>3.77%</b>	<b>3,050.10</b>	<b>(34.64%)</b>	<b>(674.04)</b>	<b>0.00%</b>	<b>–</b>	<b>(18.66%)</b>	<b>(674.04)</b>
	4.46%	3,541.12	(8.64%)	(435.89)	0.00%	–	(8.49%)	(435.89)
IFGL GmbH, Germany	<b>6.37%</b>	<b>5,156.14</b>	<b>(0.17%)</b>	<b>(3.33)</b>	<b>0.00%</b>	<b>–</b>	<b>(0.09%)</b>	<b>(3.33)</b>
	6.12%	4,864.48	(0.08%)	(4.07)	0.00%	–	(0.08%)	(4.07)
Tianjin Monocon Refractories Company Limited, PRC	<b>0.76%</b>	<b>614.87</b>	<b>8.52%</b>	<b>165.81</b>	<b>0.00%</b>	<b>–</b>	<b>4.59%</b>	<b>165.81</b>
	0.96%	765.89	7.60%	383.50	0.00%	–	7.47%	383.50
Tianjin Monocon Aluminous Refractories Company Limited, PRC	<b>1.57%</b>	<b>1,270.34</b>	<b>9.47%</b>	<b>184.31</b>	<b>0.00%</b>	<b>–</b>	<b>5.10%</b>	<b>184.31</b>
	1.54%	1,221.51	4.11%	207.21	0.00%	–	4.04%	207.21
Consolidation Adjustments/Eliminations *	<b>(46.45%)</b>	<b>(37,592.57)</b>	<b>(35.28%)</b>	<b>(686.12)</b>	<b>100.15%</b>	<b>1,668.15</b>	<b>27.19%</b>	<b>982.03</b>
	(45.17%)	(35,877.57)	(22.98%)	(1,159.74)	113.92%	100.00	(20.64%)	(1,059.74)
<b>Total</b>	<b>100.00%</b>	<b>80,894.83</b>	<b>100.00%</b>	<b>1,945.67</b>	<b>100.00%</b>	<b>1,665.63</b>	<b>100.00%</b>	<b>3,611.30</b>
	100.00%	79,464.37	100.00%	5,046.03	100.00%	87.78	100.00%	5,133.81

Figures in Bold type relate to current year

\* Consolidation adjustments / eliminations include inter-company eliminations, consolidation adjustments and GAAP differences.



## Notes to the Consolidated Financial Statements *(Contd.)*

(₹ in lacs)

### 39. AMALGAMATION WITH ERSTWHILE IFGL REFRACTORIES LIMITED (THE ERSTWHILE HOLDING COMPANY)

Hon'ble National Company Law Tribunal, Kolkata Bench (Tribunal) by passing an Order on 3rd August 2017 under Sections 230 and 232 of the Companies Act 2013 sanctioned a Scheme of Amalgamation (Scheme) for merger of erstwhile IFGL Refractories Ltd ("IFGL") with the Holding Company on and from 1st April 2016, being the Appointed Date. Scheme became effective from 5th August 2017 following filing of Order of Hon'ble Tribunal with the Ministry of Corporate Affairs (Registrar of Companies) by the Holding Company and IFGL on that date. The Scheme was accordingly given effect to in the FY 2017-2018 Financial Statements.

In accordance with the provisions of aforesaid Scheme -

- The Amalgamation was accounted under the 'Purchase Method' as prescribed by Accounting Standard 14 - Accounting for Amalgamations under the previous GAAP.
- The excess of the value of Equity Shares issued by the Holding Company over the book value of assets and liabilities taken over by the Holding Company and cancellation of Equity Shares held by the erstwhile IFGL Refractories Limited in the Holding Company, amounting to ₹ 26,699.46 was recorded as goodwill arising on amalgamation.
- The Goodwill recorded on amalgamation is being amortised and the Holding Company has estimated its useful life of 10 years. Accordingly, amortisation for the year amounting to ₹ 2,669.95 has been recognised in the Statement of Profit and Loss.

### 40. INCOME TAX EXPENSE

This Note provides an analysis of the Group's Income Tax Expense, shows amounts that are recognised directly in Equity and how the tax expenses is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to Tax positions.

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Current Tax Expense recognised in Profit or Loss</b>		
Current Tax on Profits for the year	968.59	1,495.60
Excess Provision of Tax relating to earlier years written back	-	-
<b>Total Current Tax Expense (A)</b>	<b>968.59</b>	<b>1,495.60</b>
<b>Deferred Tax Expense recognised in Profit or Loss</b>		
Deferred Taxes	82.55	(136.71)
<b>Total Deferred Tax Expense recognised in Profit or Loss (B)</b>	<b>82.55</b>	<b>(136.71)</b>
<b>Deferred Tax Expense recognised in Other Comprehensive Income</b>		
Deferred Taxes	(1.35)	(20.14)
<b>Total Deferred Tax Expense recognised in Other Comprehensive Income (C)</b>	<b>(1.35)</b>	<b>(20.14)</b>
<b>Total Deferred Tax for the Year (B + C)</b>	<b>81.20</b>	<b>(156.85)</b>
<b>Total Income Tax Expense recognised in Profit or Loss (A + B)</b>	<b>1,051.14</b>	<b>1,358.89</b>
<b>Total Income Tax Expense (A + B + C)</b>	<b>1,049.79</b>	<b>1,338.75</b>

Reconciliation of Tax Expense and the accounting profit multiplied by India's Tax Rate:

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Profit before Tax</b>	2,996.81	6,404.92
<b>Tax at the Indian Tax Rate of 34.944% (2018-2019: 34.608%)</b>	1,047.20	2,216.61
Income exempt from Taxes	(417.64)	(488.74)
Expense not deductible	458.99	-
Effect of Tax Rate differences of Subsidiaries operating in other jurisdiction and other Tax bracket	(33.99)	(515.20)
Effect of other items	(4.77)	126.08
<b>Income Tax Expense</b>	<b>1,049.79</b>	<b>1,338.75</b>

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

The Holding Company opts to pay Income Tax under older tax regime and have not opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019 considering the accumulated MAT credit and other benefits under the Income Tax Act, 1961.

41. During the year, the Group has recognised impairment loss amounting to ₹ 2,061.39, which is disclosed as an exceptional item in the Consolidated Statement of Profit and Loss. 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.
42. 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 have been in line with those achieved in the last quarter of 2019-2020.

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.

43. The Ind AS Consolidated Financial Statements of the Holding Company for the year ended 31st March 2019, included in these Ind AS Consolidated Financial Statements of the Group, have been audited by a firm of Chartered Accountants other than S.R. Batliboi & Co. LLP.

Signature to Note '1' to '43'

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005  
**per Bhaswar Sarkar**  
Partner  
Membership No. 055596  
Kolkata  
18th July 2020

For and on behalf of the Board of Directors

**S K Bajoria**  
Chairman  
(DIN : 00084004)

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

**Rajesh Agarwal**  
Company Secretary  
(FCS : 2825)

**Kamal Sarda**  
Director and Chief Financial Officer  
(DIN : 03151258)



**Refractories Limited**

CIN : L51909OR2007PLC027954

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**Registered Office :**

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