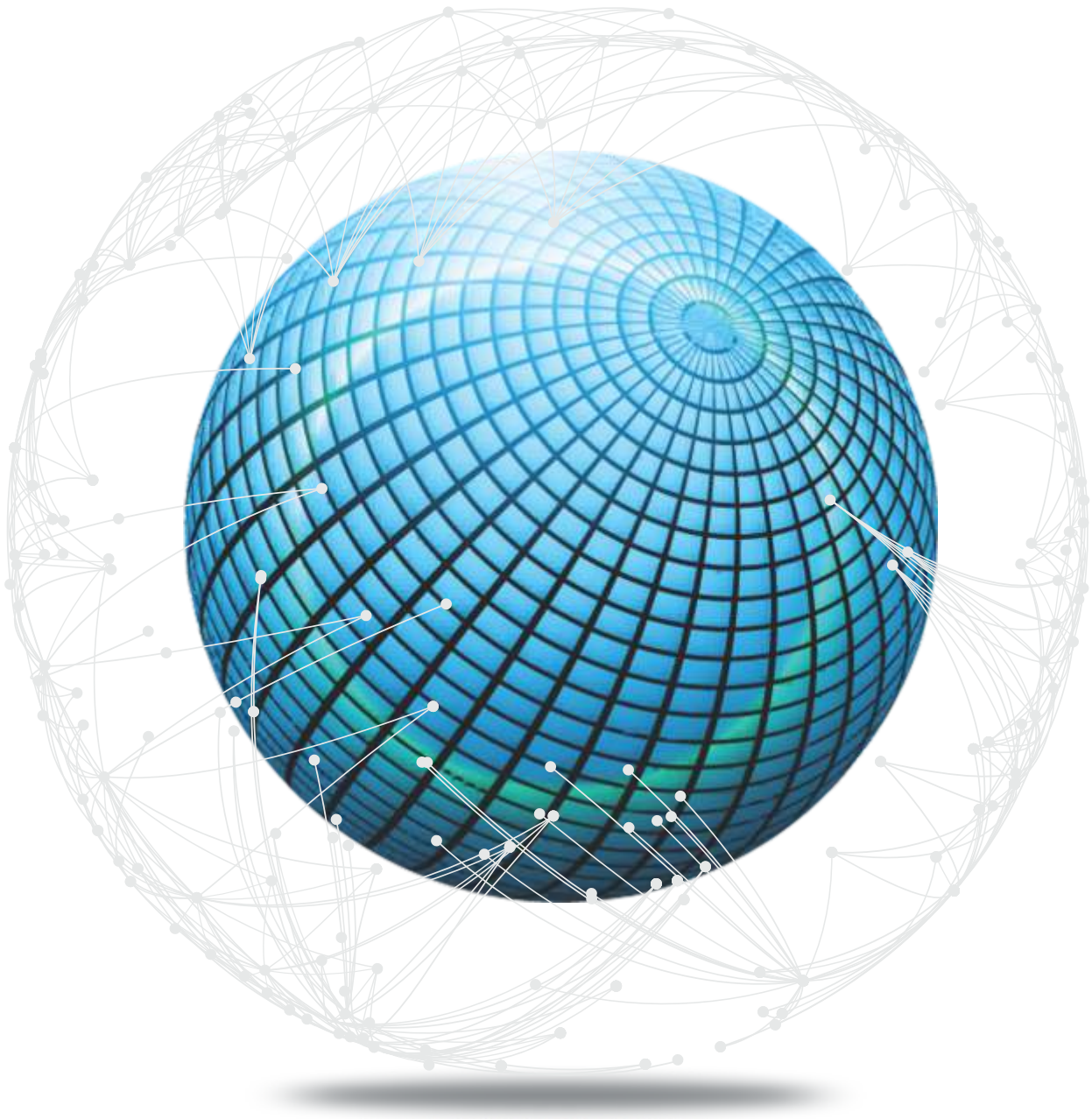


DEDICATED TO CLEAN METAL



IFGL Refractories Limited

ANNUAL REPORT 2015 - 2016

Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospect 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 of 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
K Dalmia
S Khasnobis
H Okumura (w.e.f. 16.05.2015)
Prof S Munshi
D G Rajan
Prof Bharati Ray
Prof A N Sadhu
K S B Sanyal

Chairman

S K Bajoria

Managing Director

P Bajoria

Company Secretary

R Agarwal

Chief Financial Officer

K Poddar

Auditors

Deloitte Haskins & Sells
Grant Thornton UK LLP
Crowe Horwath LLP

Internal Auditor

Rupa & Co.

Cost Auditor

Mani & Co.

Secretarial Auditor

S M Gupta & Co.

Principal Bankers

State Bank of India
The Hongkong & Shanghai
Banking Corporation Limited
Fifth Third Bank
Export Import Bank of India

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

Registered Office & 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,
investorcomplaints@ifgl.in

Overseas Branches

RAS Al Khaimah FTZ, UAE
Genoa, Italy

BETWEEN THE COVERS

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Directors' Report and Management Discussion and Analysis Report to the Shareholders

Dear Shareholders

Your Directors present the 27th Annual Report together with Statement of Profit and Loss for Financial Year ended on 31st March 2016 (FY 2015-2016) and Balance Sheet as on that date along with Notes, Cash Flow Statement and Auditors' Report forming part thereof.

Performance of your Company for FY 2015-2016 on Consolidated and Standalone basis is as follows :

	(₹ in Millions)	
	Consolidated	Standalone
Total Revenue	7,220.56	3,073.20
Total Expenses	6,409.50	2,701.82
EBIDTA	811.06	371.38
Finance Costs	47.50	20.76
Depreciation and Amortisation Expense	154.72	63.21
Profit before Tax	608.84	287.41
Provision for Current Tax/Deferred Tax	156.86	101.78
Profit after Tax	*451.98	185.63
Earning Per Share (₹)	12.12	5.36

*including Minority Interest of ₹ 32.35

Global Scenario and Future Outlook

The year 2015-2016 saw some macro economic contradictions. The Chinese economy which was hitherto growing well, experienced a slowing down both on the external and internal fronts. This resulted in sizeable excess capacities. Export of steel from China reached 110 Millions tonnes in 2015 recording a growth of 22% over the previous year.

On the energy front crude oil experienced one of the lowest selling prices in recent times. While this ordinarily would have been a big benefit to most countries importing oil, the prices reached a point that while the direct outgo on account of oil imports reduced substantially but so did the export of goods and services as the entire development work in the oil exporting countries reduced substantially.

The steel production in USA was negatively impacted on both the counts, the Chinese export at prices much below the US levels and the reduction in demand for steel pipes as the shell oil and gas became unviable due to very low crude oil prices.

The World Economic Outlook was reduced to 3.2% for the year 2016 but some optimism has been built in for 2017 at 3.5%. Similar optimism is derived from the World Steel Association, which has projected a growth of 1.8% and 4.8% in 2016 and 2017 respectively, outside of China.

Your Directors are of the view that globally economies are going through a phase of consolidation, which is likely to stabilize going forward. Your Company is poised to do well and prospects and outlook of your Company for the future therefore appear to be encouraging. Various opportunities for both organic and inorganic growth are also being looked at.

Directors' Report and Management Discussion and Analysis Report to the Shareholders (Contd.)

Dividend

Following your Company's Policy of distributing available profits amongst the Shareholders, your Directors had declared an Interim Dividend of 20% i.e. ₹ 2/- per Equity Share for FY 2015-2016 on 13th March 2016. The amount involved together with Dividend Distribution Tax aggregated to ₹ 83.31 Millions. Your Directors are not recommending payment of any further Dividend for FY 2015-2016. The Dividend declared and paid for the year 2015-2016 is similar to the previous year 2014-2015 (20%), despite a low Profit after Tax.

Subsidiaries

Due to the prevailing market scenario the performance of the steel and other related industries remained weak. This got further aggravated by a big increase in exports of steel by China at very low prices. This led to substantial reduction/closure of steel production capacities and thereby affected performance of your Subsidiaries excepting German Subsidiary, Hofmann Ceramic GmbH and Indian Subsidiary, IFGL Exports Limited. Total Revenue, PBT and PAT on consolidated basis of IFGL Worldwide Holdings Limited, which hold all overseas subsidiaries, have been GBP 40.96 Millions, GBP 2.32 Millions and GBP 1.75 Millions respectively.

Performance of Hofmann Ceramic has been better than that of immediately preceding financial year inasmuch as Total Revenue, PBT and PAT are Euro 10.6 Millions, Euro 0.9 Millions and Euro 0.7 Millions respectively.

IFGL Exports Limited recorded a robust performance. While the Total Income was ₹ 465.68 Millions in 2015-2016 against ₹ 438.67 Millions in 2014-2015, an increase of 6% over previous year. The PBT for the year jumped to ₹ 65.53 Millions, a PBT margin of 14.1% on Total Income, as against ₹ 3.64 Millions in the previous year. EBITDA rose to ₹ 114.71 Millions for the year (24.6% of Total Income) as against ₹ 66.10 Millions (15.1% of Total Income). The plant is now fully stabilized and has been able to reduce in process rejections. The plant is running full capacity and has undertaken work on expanding the capacity, which is scheduled to be completed in the first half of the current year.

Expansion, New Products and Other Measures

During FY 2015-2016, capacity expansion of Iso Statically pressed (ISO) Continuous Casting Refractories (CCR) from 85,000 pcs to 126,000 pcs per annum and facilities set up for manufacture of 10,000 pcs of Clay Graphite Stopper Rods for foundries by US Subsidiary, EI Ceramics LLC were stabilized. Similarly, second phase of capacity expansion at Company's Indian Subsidiary for manufacture of CCR from 80,000 pcs to 160,000 pcs per annum is going on and orders for key equipments have already been placed. Hofmann Ceramic, Germany Subsidiary, is in the process of setting up facilities for manufacture of Feeders. Several initiatives have been taken for costs reduction. Besides this, it has been continued endeavor of your Company to further synergies resources available within the Group, thereby optimize revenues and increase margins.

Corporate Governance/Internal Control System and their adequacy

Report on Corporate Governance duly certified by your Company's Statutory Auditors form part of this Report as **Annexure 'A'**. Corporate Governance Policies and Procedures practiced by your Company are following continued philosophy for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

Vigil Mechanism/Whistle Blower Policy and Policy for Prevention of Sexual Harassment of Women at work place have also been implemented. During FY 2015-2016, no complaint was received under these Policies. Policies and Systems for Internal Control including Financial, Risk Management and Transfer Pricing in place are commensurate to nature of business and size of your Company and are reviewed and updated from time to time as and when necessary.

Disclosure of Information

Form MGT 9, being extract of Annual Return, form part of this Report as **Annexure 'B'**. Several matters including those provided at Section 134(3) of the Companies Act, 2013 read with relevant provisions of the Companies (Accounts) Rules 2014 and Regulation 34 and 53 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015) required to be included herein, have been dealt in Annexures hereto including Audited Financial Statements and Notes forming part thereof and thus have not been included herein again, for brevity. Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in **Annexure 'C'**. Transactions with related parties have been in ordinary course of your Company's business and at arms length and hence, details thereof have not been given in Form AOC-2. Formal Annual Evaluation has been made by your Board of its performance and that of its Committees and Individual Directors - further details are appearing in Report on Corporate Governance, being Annexure 'A' hereto

Your Directors are now regularly doing Quarterly Presentations, Conference Calls and Interaction, following Announcement of Quarterly and Annual Results and this has enhanced Investors confidence in your Company.

Directors' Report and Management Discussion and Analysis Report to the Shareholders (Contd.)

Accounts of Subsidiary Companies

A statement in Form AOC-1 having financial information of Subsidiary Companies form part of this Annual Report as **Annexure 'D'**. Shareholders of the Company and those of Subsidiary Companies who are desirous of having complete Statement of Accounts and related detailed information of Subsidiary Companies, may send their request therefor either to the Company's Registered Office or to Head and Corporate Office. The same are being kept for inspection at Head Offices of your Company and Subsidiary Companies and also available on your Company's website i.e. www.ifglref.com.

Directors Responsibility Statement

Your Directors state that :

- a) in preparation of Annual Accounts, the applicable Accounting Standards have been followed.
- b) Accounting Policies selected and applied are consistent and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and Loss of the 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 the Company and for preventing and detecting fraud and other irregularities.
- 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.

Your Company's Statutory Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants have Audited the Statement of Accounts in accordance with Generally Accepted Accounting Standards and Practices as indicated in their Report.

CSR, Human Resources and Industrial Relations

Your Company has a Committee of the Directors on Corporate Social Responsibility. For details regarding constitution, reference is drawn to Corporate Governance Report i.e. Annexure 'A'. Annual Report in compliance of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is forming part hereof as **Annexure 'E'**.

Your Company also has a Nomination and Remuneration Committee of Directors following provisions of Section 178(1) of the Act and brief details thereof are also contained in Corporate Governance Report. Based on recommendation of this Committee, your Board has adopted a Nomination and Remuneration Policy, which is hosted on your Company's website www.ifglref.com. For the sake of brevity said Policy has not been reproduced here.

4 persons employed throughout FY 2015-2016 were in receipt of remuneration of ₹ 60 lacs per annum or more. None was employed for part of the year and received remuneration of ₹ 5 lacs per month or more. Whole-time Directors, Mr S K Bajoria and Mr P Bajoria have been paid "minimum remuneration" for FY 2015-2016 in accordance with Special Resolutions passed by you in Annual General Meeting held on 22nd August 2014 and approval of the Central Government as per provisions of Section 197(3) and other relevant applicable Sections of the Act. As on 31st March 2016, your Company have had 380 permanent employees in India. An Annexure having information following provisions of Sections 134(3)(q) and 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. This Annexure is however not being sent to Members as per provisions of Section 136 of the Act. Members desirous of having the Annexure may write to the Company Secretary at the Registered Office and or Head & Corporate Office. However the Annexure will also be available for inspection by the Members at Company's Registered Office upto conclusion of forthcoming Annual General Meeting. None of the Employees listed in the Annexure is a relative of any Director of the Company. None of the Employees, excepting your Chairman, hold (by himself or along with his spouse) more than two percent of Total Equity Share Capital of your Company.

During FY 2015-2016, Industrial Relations remained cordial. Your Company continued to provide conducive working environment to its team members and empowered them by trainings on latest techniques and practices. Compensation packages and benefits provided compare favourably with those offered by others in the Refractory Industry.

Directors' Report and Management Discussion and Analysis Report to the Shareholders (Contd.)

Consolidated Financial Statements

In accordance with Accounting Standard 21 and other relevant provisions particularly Section 129(3) of the Act, Consolidated Financial Statements duly audited by Statutory Auditors, M/s Deloitte Haskins & Sells form part of this Annual Report. Consolidated Financial Statements have been prepared based on Financial Statements (including Consolidated) of immediate two Subsidiary Companies i.e. IFGL Worldwide Holdings Limited and IFGL Exports Limited, as approved by their respective Boards.

Directors

Director due to retire at ensuing Annual General Meeting is Mr S K Bajoria (DIN : 00084004) who consented to retire by rotation for compliance with the requirements of Section 152 of the Act and being eligible, has offered himself for re-appointment. His Profile is also forming part of Notice of ensuing Annual General Meeting.

Secretarial Audit

M/s S M Gupta & Co., Practicing Company Secretaries have carried out Secretarial Audit following provisions of Section 204 of the Act. Their Report in MR 3, free of qualifications, form part hereof as **Annexure 'F'**.

Auditors' Report and Auditors

Report of the Auditors, including references made therein to the Notes forming part of the Statement of Accounts, are self explanatory.

Auditors, M/s Deloitte Haskins & Sells (Regn No. 302009E), Chartered Accountants will retire at conclusion of 30th Annual General Meeting. Following provisions of Section 139 of the Act, their appointment as Auditors of your Company is required to be ratified at ensuing Annual General Meeting.

Acknowledgement

Your Directors place on record their sincere appreciation for continued support received from all stakeholders particularly you the Shareholders.

On behalf of the Board of Directors

Kolkata
14th May 2016

S K Bajoria
(DIN : 00084004)
Chairman

P Bajoria
(DIN : 00084031)
Managing Director

Annexure 'A' to Directors' Report - Report on Corporate Governance

1. Your Company's philosophy for Corporate Governance continues to apply best management practices, compliance of law in true letter and spirit and 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) read with relevant provisions of the Companies Act, 2013 (the Act) and Rules framed thereunder, is given below.

2. Board of Directors

Composition of Board of Directors as at 31st March 2016

Category	No. of Directors	%
Executive Directors	2	18
Non-Executive Directors	2	18
Non-Executive Independent Directors	6	55
Non-Executive Independent Woman Director	1	9
	11	100

Mr S K Bajoria is designated as the Chairman of the Company.

Composition, Category, their Directorship and Committee Memberships in other Companies

Name of Directors	Category of Directors	Members of the Board of other Public Limited Companies incorporated in India	Total Number of Committee (d) Membership held in other Public Limited Companies (excluding Private Limited Companies, Foreign Companies and Companies of Section 8 of the Act)	
			As Chairperson	As Member
P Bajoria	Executive	3	–	–
S K Bajoria (a)	Executive	3	–	–
D K Banerji	Non-Executive (c)	–	–	–
K Dalmia	Non-Executive	–	–	–
S Khasnobis	Non-Executive (c)	–	–	–
Prof S Munshi	Non-Executive (c)	–	–	–
H Okumura (b)	Non-Executive (w.e.f. 16.05.2015)	1	–	–
D G Rajan	Non-Executive (c)	6	5	–
Prof Bharati Ray	Non-Executive (c)	1	–	1
Prof A N Sadhu	Non-Executive (c)	4	2	1
K S B Sanyal	Non-Executive (c)	4	2	1

None of the above Directors are related inter-se.

a) Also Promoter.

b) A Senior Executive of Krosaki Harima Corporation, Japan, being Foreign Promoter and Technical Collaborator of your Company.

c) Also Independent.

d) Only 2 (two) Committees viz Audit Committee and Stakeholders Relationship Committee are considered.

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

Non-Executive Directors (other than Mr K Dalmia) do not have any pecuniary relationship and/or transaction with your Company other than payment of Sitting Fees (as indicated in paragraph 3C below) and/or reimbursement of out-of-pocket expenses for attending meetings of the Board and/or Committee(s) thereof. The Company pays sitting fees as follows per meeting per Director for attending meeting of the Board/Committees within the limit prescribed under the Act.

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

Board Meeting	₹ 20,000/-
Audit Committee Meeting	₹ 10,000/-
Corporate Social Responsibility Committee Meeting	₹ 5,000/-
Nomination and Remuneration Committee Meeting	₹ 5,000/-
Investment Committee Meeting	₹ 5,000/-
Stakeholders Relationship Committee Meeting	₹ 5,000/-

For Mr K Dalmia's pecuniary relationship, please refer to paragraph 6 below.

Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)

During the Financial Year (FY) ended on 31st March 2016, the Board met 5 (five) times. The details of Board Meetings held during the FY 2015-2016 are as under :

Date of Board Meeting	No. of Directors present
16th May 2015	10
8th August 2015	8
7th November 2015	10
6th February 2016	8
13th March 2016	8

Intervening period between two Board Meetings was well within the maximum gap of one hundred twenty days prescribed under Regulation 17(2) of the SEBI LODR, 2015. Attendance thereat and also at AGM, of the Directors was as follows :

Name of Directors	Number of Board Meetings		Attended last AGM held on 22nd August 2015
	Held	Attended	
P Bajoria	5	5	Yes
S K Bajoria	5	5	No
D K Banerji	5	5	No
K Dalmia	5	1	No
S Khasnobis	5	3	No
Prof S Munshi	5	5	No
H Okumura @	5	2	No
D G Rajan	5	5	No
Prof Bharati Ray	5	5	No
Prof A N Sadhu	5	3	No
K S B Sanyal	5	5	Yes

@ Became Director w.e.f. 16.05.2015.

- No Director of the Company is related to any other Director of the Company.
- Particulars of Equity Shares of ₹ 10/- each of the Company held by Non-Executive Directors (both own or held by/for other person on a beneficial basis) are as follows :

Name of Directors	Number of Shares held
Prof A N Sadhu	850
D G Rajan	490
K S B Sanyal	Nil
K Dalmia	Nil
H Okumura	Nil
S Khasnobis	Nil
D K Banerji	Nil
Prof S Munshi	Nil
Prof Bharati Ray	Nil

Annexure 'A' to Directors' Report - Report on Corporate Governance *(Contd.)*

Information placed before the Board

Board Meetings of the Company are governed by a structured agenda. The Board members, in consultation with the Chairman may bring up any matter for consideration of the Board. All major Agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

Required information as enumerated in Part A of Schedule II of the SEBI LODR, 2015 is made available to the Board Members for discussion and consideration at Board Meetings.

3. Committees of the Board

The Company has five Board level Committees :

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee and
- 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 and composition of these Committees including details of Meetings held during FY and the attendance thereof are provided herein below :

A. Audit Committee

The Company has an Audit Committee (the Committee) comprising of following three Non-Executive Independent Directors. All of them are financially literate and have accounting or related Financial Management expertise.

Name of Directors	Position	No. of Meetings	
		Held	Attended
K S B Sanyal	Chairperson	4	4
D G Rajan	Member	4	4
Prof A N Sadhu	Member	4	3

During FY ended on 31st March 2016, 4 (four) meetings of the Committee were held on 16th May 2015, 8th August 2015, 7th November 2015 and 6th February 2016. The gap between two meetings never exceeded one hundred and twenty days.

The Chairman, Managing Director, Chief Financial Officer, Internal Auditors and Statutory Auditors who are permanent invitees to all the meetings, have attended all meetings of the Committee. Mr R Agarwal, Company Secretary, is the Secretary to the Committee.

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

Terms of reference of the Committee include powers and role including review of information, as specified in Part C of Schedule II of SEBI LODR, 2015, of the Company as well as that of its Subsidiary Companies.

B. Corporate Social Responsibility Committee

The Company has a Corporate Social Responsibility Committee (the Committee) constituted in compliance of Section 135 of the Act and Rules framed thereunder. Following its role and responsibility, the Committee has 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. Following Directors are the Members of the Committee :

Name of Directors	Position	No. of Meetings	
		Held	Attended
K S B Sanyal	Chairperson	4	4
D K Banerji	Member	4	4
S K Bajoria	Member	4	4
Prof Bharati Ray (appointed w.e.f. 16.05.2015)	Member	3	3

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

During FY ended on 31st March 2016, 4 (four) meetings of the Committee were held on 16th May 2015, 8th August 2015, 7th November 2015 and 6th February 2016.

C. 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) inter alia is to formulate 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 on behalf of the Board and on behalf of the Shareholders, the Company's 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.

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 performance of which is to be evaluated, at their first meeting of each of FY shall evaluate performance and based on such evaluations, whether to extend or continue term of the appointment of the Independent Directors will be determined.

The Committee comprises of following Non-Executive Independent Directors :

Name of Directors	Position	No. of Meetings	
		Held	Attended
Prof A N Sadhu	Chairperson	4	3
D G Rajan	Member	4	4
K S B Sanyal	Member	4	4

During FY ended on 31st March 2016, 4 (four) meetings of the Committee were held on 16th May 2015, 8th August 2015, 7th November 2015 and 6th February 2016.

Details of remuneration paid/payable to the Executive Directors and Non-Executive Directors for FY 2015-2016 are 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)*	155.32	—	100.19	4.78	—	—
S K Bajoria (e)**	120.00	—	78.72	16.02	—	—
D K Banerji	—	—	—	—	1.00	0.20
K Dalmia	—	—	—	—	0.20	—
S Khasnobis	—	—	—	—	0.60	0.15
Prof S Munshi	—	—	—	—	1.00	—
H Okumura@	—	—	—	—	0.40	—
D G Rajan	—	—	—	—	1.00	0.60
Prof A N Sadhu***	—	—	—	—	—	—
Prof Bharati Ray	—	—	—	—	1.00	0.15
K S B Sanyal	—	—	—	—	1.00	1.45

* Net of ₹ 17.48 lacs refunded to the Company, being remuneration in excess to that approved by the Central Government for payment for FY 2015-2016.

** Within the remuneration approved by the Central Government for FY 2015-2016.

*** Waived his entitlement to Sitting Fees.

@ Director w.e.f. 16.05.2015

Annexure 'A' to Directors' Report - Report on Corporate Governance *(Contd.)*

- e) i) Service Contract - 5 years (from 1st April 2015 to 31st March 2020)
 ii) Notice period - 3 months Notice from either side
 iii) Severance Fees - 3 months salary in lieu of Notice
 iv) Commission - 1% of the 'Net Profit' eligible subject to total remuneration not exceeding 5% thereof for the FY.

No stock option was given to the Directors during the FY 2015-2016.

D. Stakeholders Relationship Committee

The Stakeholders Relationship Committee (the Committee) comprises of following Directors :

Name of Directors	Position	No. of Meetings	
		Held	Attended
K S B Sanyal	Chairperson	13	13
S K Bajoria	Member	13	11
P Bajoria	Member	13	12

During the FY ended on 31st March 2016, 13 (thirteen) meetings of the Committee were held and gap between two meetings never exceeded 30 (thirty) days.

Following Para B of Part D of Schedule II of the SEBI LODR, 2015, role of the Committee include redressal of Shareholders' complaints relating to Transfer/Transmission of Shares, Exchange of Share Certificates, Non-Receipt of Balance Sheet, Non-Receipt of declared Dividends etc.

Pursuant to Regulation 40 of the SEBI LODR, 2015, the Board of the Company has delegated the power of Share Transfer to the Company Secretary, Mr R Agarwal subject to ratification at the immediately succeeding meeting of the Committee.

Status of complaints of Shareholders/Investors is as under :

Number of complaints pending as on 1st April 2015	–
Number of complaints received during the FY	5
Number of complaints redressed during the FY	5
Number of complaints pending as on 31st March 2016	–

Most of the complaints received related to exchange of Share Certificates (a) consequent to reduction of paid up capital of Equity Shares of the Company in the year 1996 and (b) amalgamation of Indo Flogates Limited with the Company on and from 1st April 1999 pursuant to Orders of Hon'ble Orissa High Court of 5th November 1996 and 3rd August 2000 respectively, registration of Transfer/Transmission of Equity Shares, Issuance of Duplicate Share Certificates, Non-Receipt of Dividend Warrants and Annual Reports.

Registrar and Share Transfer Agent for Physical and Demat Segments

Maheshwari Datamatics Private Limited
 6, Mangoe Lane (Surendra Mohan Ghosh Sarani)
 2nd Floor, Kolkata 700 001
 Phone : +91 33 22482248, Fax No : +91 33 22484787
 E-mail : mdpldc@yahoo.com

Compliance Officer/Chief Investor Relations Officer

Mr Rajesh Agarwal, Company Secretary
 3, Netaji Subhas Road, Kolkata 700 001
 Phone : +91 33 40106114, Fax : +91 33 22430886
 E-mail : 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 or to the Compliance Officer.

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

E. Investment Committee

The Board has constituted an Investment Committee (the Committee), which comprises of following Directors :

Name of Directors	Position	No. of Meetings	
		Held	Attended
S K Bajoria	Chairperson	4	4
P Bajoria	Member	4	4
S Khasnobis	Member	4	3

During the FY ended on 31st March 2016, 4 (four) meetings of the Committee were held on 16th May 2015, 8th August 2015, 7th November 2015 and 6th February 2016.

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 were held

AGM	FY	Date	Time	Place
24th	2012-2013	Friday, 23rd August 2013	11 AM	Sector 'B', Kalunga Industrial Estate P.O. Kalunga - 770 031, Dist. Sundergarh, Odisha
25th	2013-2014	Friday, 22nd August 2014	11 AM	-do-
26th	2014-2015	Saturday, 22nd August 2015	11 AM	-do-

Special Resolutions passed at last 3 (three) AGMs

FY	Items
2012-2013	i) Change in Remuneration and payment of Minimum Remuneration to Mr S K Bajoria.
	ii) Payment of Minimum Remuneration to Mr P Bajoria.
2013-2014	i) Re-appointment of Mr S K Bajoria as Chairman for a period of five years from 1st April 2015 and payment of Remuneration.
	ii) Re-appointment of Mr P Bajoria as Managing Director for a period of five years from 1st April 2015 and payment of Remuneration.
	iii) Under Section 180(1)(c) of the Act for borrowing from time to time but not exceeding ₹ 500 crores and provide security in respect thereof in accordance with provisions of Section 180(1)(a) of the Act.
	iv) Under Section 188 of the Act for Mr Akshay Bajoria, son of Mr P Bajoria, to hold an office or place of profit.
	v) Under Section 188 of the Act for entering into contracts/arrangements for sales, purchases etc with related parties.
	vi) For alteration of Articles of Association.
2014-2015	i) Under Section 188 of the Act for entering into contracts/arrangements for sales, purchases etc with related parties.

Postal Ballot

The Company did not conduct any business through Postal Ballot during FY under review.

Annexure 'A' to Directors' Report - Report on Corporate Governance *(Contd.)*

Means of Communication

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is the core of good governance. Towards this end :

- Quarterly results of the Company are announced within 45 days of the completion of the Quarter and Audited Annual Results are announced within 60 days of end of last Quarter and Stock Exchanges are immediately intimated after the same is taken on record by the Board. Further coverage is given for the benefit of Shareholders and Investors by publication of the Financial Results in English and Odia newspapers (normally Business Standard – English and Utkal Mail/Pragativadi – Odia) widely circulating in the State of Odisha. The Company however does not send half yearly reports to the Individual Shareholders.
- Audited/Unaudited Financial Results and other pertinent information are also made available on Company's website i.e. www.ifglref.com, website of National Stock Exchange of India Limited i.e. www.nseindia.com and website of BSE Limited i.e. www.bseindia.com.
- Information relating to Shareholding Pattern, entire Annual Report of the Company and its Subsidiaries and Corporate Announcements/Press Releases, Investors Presentation, Transcript of Quarterly Earnings Conference Call with Investors, made by the Company are also uploaded on Company's website www.ifglref.com.

5. General Shareholder Information

Date of AGM	Friday, 19th August 2016
Time	11 AM
Venue	Company's Registered Office at Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh, Odisha
Financial Calendar 2016-2017 (tentative and subject to change)	<ul style="list-style-type: none"> Financial Year - April to March
	<ul style="list-style-type: none"> First Quarter Results - by second week of August 2016
	<ul style="list-style-type: none"> Second Quarter Results - by second week of November 2016
	<ul style="list-style-type: none"> Third Quarter Results - by second week of February 2017
	<ul style="list-style-type: none"> Audited Results for the year ending 31st March 2017 - by last week of May 2017
Dividend Payment Date	On 13th March 2016, the Board of Directors of the Company approved payment of Interim Dividend @ 20% i.e. ₹ 2/- per Equity Share for FY 2015-2016. The Board has recommended to the Shareholders that said Interim Dividend be declared and approved as Final Dividend for FY 2015-2016 at their ensuing AGM.

Listing on Stock Exchanges

Name of the Stock Exchange	Address	Stock Code
National Stock Exchange of India Limited (NSE)	'Exchange Plaza' C-1, Block G, Bandra-Kurla Complex, Bandra(E), Mumbai 400 051	IFGLREFRAC(EQ)
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	532133

Listing Fees for the FY 2016-2017 has been paid to the Stock Exchanges

International Security Identification Number (ISIN) allotted to the Company's Share under the Depository System is INE023B01012. Annual Custody Fee for the FY 2016-2017 has been paid to NSDL and CDSL, the Depositories.

Addresses for correspondence

Registered Office & 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
Head & Corporate Office	McLeod House, 3, Netaji Subhas Road, Kolkata 700 001 Tel : +91 33 40106100, Fax : +91 33 22430886, +91 33 22480482 E-mail : ifgl.ho@ifgl.in and investorcomplaints@ifgl.in

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

Corporate Identity Number

Corporate Identity Number (CIN) of the Company is L27202OR1989PLC002971.

Market Price Data

Months	BSE Limited		National Stock Exchange of India Limited	
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
April 2015	159.90	117.00	149.80	115.30
May 2015	145.40	112.00	146.00	112.05
June 2015	116.90	100.00	117.70	100.00
July 2015	128.90	100.00	129.00	100.15
August 2015	136.90	96.00	137.30	98.00
September 2015	121.00	102.60	122.50	103.10
October 2015	123.50	106.00	123.90	105.50
November 2015	122.00	92.00	116.50	91.00
December 2015	115.80	101.00	116.00	100.25
January 2016	119.00	84.00	118.40	83.50
February 2016	93.90	75.00	93.85	75.10
March 2016	92.90	78.20	91.70	77.90

Equity Shares of the Company are regularly traded on the BSE and NSE. However, its Market Price does not substantially fluctuate with increase or decrease in the SENSEX/NIFTY.

6. Disclosures :

- A Statement in summary form of transactions with related parties in ordinary course of business is placed periodically before the Audit Committee. All transactions with related parties have been on an arms length basis. A Policy on transactions with related parties have also been formulated, which has been hosted on Company's website www.ifglref.com.
- The Company did not have any materially significant related party transactions, which may have potential conflict with interest of the Company.
- While preparing Financial Statements for FY under review, no accounting treatment which was different from that prescribed in the Accounting Standard has been followed.
- For disclosures of related party relationship and transactions as per Accounting Standard 18, "Related Party Disclosures", Note 34 to the Annual Audited Accounts of the Company for the FY ended 31st March 2016 may be referred to.
- The Company, during the FY under review, continued to supply Refractories (of unique/special nature) to a company (where Mr K Dalmia, a Director of the Company happens to hold Directorship) as per the latter's requirements from time to time at prices and terms which were negotiated and mutually agreed. In the AGM of the Shareholders held on 22nd August 2014 and 22nd August 2015, Special Resolutions under Section 188 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 have also been passed with regard to transactions with related parties.
- Resume and other information of the Director proposed to be re-appointed at the ensuing AGM are given in the Notice relating thereto to the Shareholders as required under Regulation 36(3) of SEBI LODR, 2015.
- Nomination and Remuneration Committee has devised a Policy on Board Diversity, a copy whereof is hosted on Company's website www.ifglref.com.
- A Management Discussion and Analysis Report has been included as a part of the Directors' Report to the Shareholders for FY ended 31st March 2016.
- In accordance with requirement of Corporate Governance, the Board of the Company has formulated a Code of Conduct for Board including Independent Directors and Senior Management Personnel of the Company and compliance thereof has been affirmed

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

by all concerned. Required declaration to this effect signed by the Managing Director is appended as a separate Annexure to this Report. This Code of Conduct has also been hosted on Company's website www.ifglref.com. Code provide for duties of Independent Directors as laid down in the Act. No penalties/strictures were imposed on the Company by any regulatory authority on any matter related to capital markets during the last three years.

- IFGL Exports Limited (IEL) is a Non Material Indian Subsidiary of the Company. Following principles of good Corporate Governance, Mr K S B Sanyal, being one of the Independent Directors of the Company, is also a Director on the Board of said IEL.
- Minutes of Subsidiaries, are placed before the Board of the Company and attention of the Directors is drawn to significant transactions and arrangement entered into by said Subsidiary Companies. The Company has formulated policy for determining Material Subsidiaries and such Policy is hosted on Company's website www.ifglref.com. The Company however had/has no Material Subsidiary.
- The Company has laid down procedures to inform the Board Members about the risk assessment and minimisation procedures. These procedures are periodically reviewed to ensure that Executive Management control risks through means of a properly defined framework.
- The Board of Directors of 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. The Board has also formulated a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information following said new SEBI Insider Trading Regulations and have hosted a copy thereof on Company's website www.ifglref.com. For the purposes, the Company Secretary has also been appointed as Compliance Officer and 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 400 099 as Investor Relations Advisors. Quarterly Results and presentation made to analysts are hosted on Company's website www.ifglref.com. Similarly transcripts of Quarterly Conference Calls on Financial Performance are also hosted on Company's website.
- The Board of Directors of the Company has also 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 the Company's website www.ifglref.com. During FY 2015-2016, no complaint regarding Sexual Harassment was received.
- The Board of the Company have received a Certificate from the Managing Director and Chief Financial Officer of the Company in compliance of Regulation 17(8) of SEBI LODR, 2015.
- The Company has a Whistle Blower Policy, whereby Vigil Mechanism has been established for Directors and Employees, both permanent and temporary, to report genuine concerns about unethical conduct and improper practices or alleged fraud or violation of the Company's 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 providing for adequate safeguards against victimization of persons availing mechanism of the same and also providing for direct access to the Chairperson of the Audit Committee in exceptional cases, has been hosted on Company's website www.ifglref.com. It is hereby affirmed that no person was denied access to the Audit Committee to lodge their grievances during FY 2015-2016.
- Pursuant to Regulation 40 of SEBI LODR, 2015, Certificates, 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. The Audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of Shares in physical form and the total number of Shares in dematerialised form (held with NSDL and CDSL).
- All mandatory requirements of Corporate Governance have been complied with by the Company. Compliance of discretionary requirements are dealt with at the end of the Report. Quarterly Compliance Reports on Corporate Governance in format prescribed have been sent to Stock Exchanges within prescribed time following Regulation 27(2) of SEBI LODR, 2015.
- Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR, 2015.
- Tenure of some of the Independent Directors is more than nine years in aggregate considering their respective initial date of induction on the Board. None of the Independent Directors has/is serving as Independent Directors in more than seven listed Companies. Formal letters of appointment have been issued and hosted on Company's website www.ifglref.com.

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

- During FY 2015-2016, a meeting of the Independent Directors was held on 16th May 2015, whereat all of them were present. Independent Directors following Company's Policy were familiarized with their roles, rights and responsibilities, nature of industry in which the Company operates, business models of the Company etc. Details of familiarization programmes forming part of Company's Policy therefor are hosted on Company's website www.ifglref.com.
- Independent Directors, in their meeting, inter-alia also reviewed performance of the 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 assessed. These were found to be satisfactory.
- Website 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, a Compliance Certificate duly signed both by Compliance Officer of the Company and authorised representative of Share Transfer Agent for half year ended on 31st March 2016 has been submitted to Stock Exchanges within time prescribed. The Company has also made compliance of Regulation 7 and other Regulations relevant of Chapter III of SEBI LODR, 2015.
- 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 is Euro. Based on recommendation of the Investment Committee and supported by experts advice, the Company from time to time entered into forward contracts to hedge risks on account of foreign exchange fluctuation.
- Manufacturing facilities of the Company are situated at Sector 'A' and 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh, Odisha.

7. Unclaimed Shares

In accordance with Regulation 39(4) read with Schedule VI of SEBI LODR, 2015, an Unclaimed Shares Demat Suspense Account has been opened with HDFC Bank Limited and all Equity Shares in physical form lying unclaimed pursuant to Public/Rights Issues of the Company as well as by erstwhile Indo Flogates Limited have been dematerialised and credited to said Demat Account. Whenever any request for said unclaimed Shares is received, Equity Shares either in electronic or physical forms is issued to the claimant concerned after debiting said Demat Account. Voting Rights of these shares shall be frozen till they are claimed.

	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and the outstanding Shares in the Suspense Account lying at the beginning of the FY	52	4,488
Number of Shareholders who approached issuer for Transfer of Shares from Suspense Account during the FY	—	—
Number of Shareholders to whom Shares were Transferred from Suspense Account during the FY	—	—
Aggregate number of Shareholders and the outstanding Shares in the Suspense Account lying at the end of the FY	52	4,488

8. Share Transfer System

Share Transfers are presently registered within a maximum period of 15 (fifteen) days from the date of receipt provided the documents are complete in all respects. All Share Transfers are approved by the Company Secretary under the authority delegated to him by the Stakeholders Relationship Committee of the Directors.

Annexure 'A' to Directors' Report - Report on Corporate Governance *(Contd.)*

9. Distribution of Equity Shareholding as on 31st March 2016

Category	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Promoter's Holding*				
- Indian Promoters	5	0.03	19,669,248	56.83
- Foreign Promoter	1	0.00	5,006,956	14.47
Financial Institutions/Banks/ Mutual Funds/UTI	28	0.14	653,972	1.89
Foreign Institutional Investors/Foreign Portfolio Investors	5	0.03	44,540	0.13
State Government	1	0.00	291,880	0.84
NRIs/Clearing Member	341	1.72	321,100	0.93
Private Body Corporate	222	1.12	2,627,416	7.59
Individuals	19,219	96.96	5,995,360	17.32
Total	19,822	100.00	34,610,472	100.00

*Shares held by the Promoters have not been pledged or otherwise encumbered in any manner.

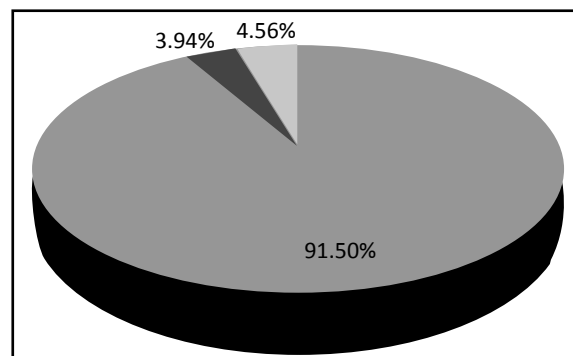
Number of Shares	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Upto 500	18,156	91.60	2,403,941	6.95
501 to 1000	791	3.99	644,873	1.86
1001 to 2000	419	2.11	629,238	1.82
2001 to 3000	149	0.75	380,586	1.10
3001 to 4000	61	0.31	217,616	0.63
4001 to 5000	56	0.28	256,667	0.74
5001 to 10000	100	0.51	718,362	2.07
10001 and above	90	0.45	29,359,189	84.83
Total	19,822	100.00	34,610,472	100.00

10. Dematerialisation of Shares and Liquidity

The Shareholders may have their holding of Equity Shares of the Company Dematerialised either with the NSDL or CDSL if Equity Shares are desired to be held in electronic mode.

Shares held in Physical and Dematerialised Form as on 31st March 2016 :

- Shares held in Dematerialised Form in NSDL : 31,667,874 (91.50%)
- Shares held in Dematerialised Form in CDSL : 1,363,873 (3.94%)
- Shares held in Physical Form : 1,578,725 (4.56%)



Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity.

Not Applicable

Annexure 'A' to Directors' Report - Report on Corporate Governance *(Contd.)*

11. Unclaimed Dividend

Pursuant to Sections 205A and 205C of the erstwhile Companies Act, 1956, all unclaimed/unpaid Dividend pertaining to the Company remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government. Unclaimed/unpaid dividend for financial year 2007-2008 was transferred to IEPF on 14th October 2015.

Following table gives information relating to outstanding Dividend accounts and dates when due for transfer to IEPF

FY	Date of Declaration of Dividend	Proposed Date for transfer to IEPF*
2009-2010	31.07.2010	29.09.2017
2010-2011	26.08.2011	25.10.2018
2011-2012	24.08.2012	23.10.2019
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.

Persons who have not yet encashed their above outstanding Dividends may send their claims to the Company.

12. Status of Adoption of the Discretionary Requirements :

Non-Executive Chairman's Office/Separate persons to the post of Chairman and Managing Director :

The Company has Executive Chairman. The Company also has Managing Director.

Audit Qualification

The Company does not have any qualification pertaining to the Financial Statements of the FY under review.

Other Items

Unaudited Financial Results are published in English and Vernacular Newspapers, filed with BSE and NSE and also hosted on Company's website. Internal Auditor reports to the Company's Chairman and Managing Director and their Quarterly Reports are mandatorily placed before the Audit Committee for discussion.

Necessary steps wherever necessary have been taken by the Company to implement relevant and applicable provisions of the Act and Rules framed thereunder and also SEBI LODR, 2015 and this will be a continuing endeavor.

13. Auditors' Certificate on Corporate Governance

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

Annexure 'A' to Directors' Report - Report on Corporate Governance *(Contd.)*

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

DECLARATION

As required under Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board Members and Senior Management Personnel i.e. Employees in the grades of General Manager and above, of the Company have affirmed compliance with the Code of Conduct of the Company for financial year ended 31st March 2016.

Kolkata
14th May 2016

P Bajoria
(DIN : 00084031)
Managing Director

Independent Auditors' Certificate

TO THE MEMBERS OF IFGL REFRACTORIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by IFGL REFRACTORIES LIMITED ("the Company"), for the year ended on 31st March 2016, as stipulated in :
 - Clause 49 [excluding Clause 49(VII)(E)] of the Listing Agreements of the Company with Stock Exchange(s) for the period from 1st April 2015 to 30th November 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the Stock Exchange(s) for the period from 1st April 2015 to 1st September 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from 2nd September 2015 to 31st March 2016 and
 - Regulations 17 to 27 [excluding Regulation 23(4)] and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the Listing Regulations for the period from 1st December 2015 to 31st March 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant and as per the Guidance Note on Certification of Corporate Governance issued by The Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under Paragraph 1 above, during the year ended 31st March 2016.
5. 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 the affairs of the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 302009E)
A Bhattacharya
Partner
(Membership No. 054110)

Kolkata
14th May 2016

Annexure 'B' to Directors' Report - MGT 9

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31st March 2016

[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	L27202OR1989PLC002971
2.	Registration Date	22.11.1989
3.	Name of the Company	IFGL Refractories Limited
4.	Category/Sub Category of the Company	Public Limited Company
5.	Address of the Registered Office & Contact Details	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
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 6, Mangoe Lane (Surendra Mohan Ghosh Sarani) 2nd Floor, Kolkata 700 001 Tel : + 91 33 22482248, Fax : +91 33 22484787 E-mail : mdpldc@yahoo.com

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	83
2.	Trading	—	14

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 Holdings Private Limited, India	U67120WB1983PTC036590	Holding Company	52.93	2(46)
2.	IFGL Exports Limited, India	U51909WB2007PLC118407	Subsidiary Company	51	2(87)
3.	IFGL Worldwide Holdings Limited, Isle of Man	NA	Subsidiary Company	100	2(87)
4.	IFGL Monocon Holdings Limited, UK	NA	Step down Subsidiary	100	2(87)
5.	Monocon International Refractories Limited, UK	NA	Step down Subsidiary	100	2(87)
6.	Monocon Overseas Limited, UK	NA	Step down Subsidiary	100	2(87)
7.	Mono Ceramics Inc., USA	NA	Step down Subsidiary	100	2(87)
8.	Monotec Refratarios Ltda, Brazil	NA	Step down Subsidiary	95	2(87)
9.	Tianjin Monocon Refractories Company Limited, PRC	NA	Step down Subsidiary	100	2(87)
10.	Tianjin Monocon Aluminous Refractories Company Limited, PRC	NA	Step down Subsidiary	100	2(87)
11.	Goricon Metallurgical Services Limited, UK	NA	Step down Subsidiary	100	2(87)
12.	IFGL GmbH, Germany	NA	Step down Subsidiary	100	2(87)

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

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
13.	Hofmann Ceramic GmbH, Germany	NA	Step down Subsidiary	100	2(87)
14.	Hofmann GmbH & Co. OHG, Germany	NA	Step down Subsidiary	100	2(87)
15.	Hofmann Ceramic CZ s.r.o., Czech Republic	NA	Step down Subsidiary	98.78	2(87)
16.	Hofmann Ceramic Limited, UK	NA	Step down Subsidiary	100	2(87)
17.	Hofmann Ceramic LLC, USA	NA	Step down Subsidiary	100	2(87)
18.	Hofmann Pyemetric LLC, USA	NA	Step down Subsidiary	51	2(87)
19.	IFGL Inc., USA	NA	Step down Subsidiary	100	2(87)
20.	El Ceramics LLC, USA	NA	Step down Subsidiary	100	2(87)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity) :

i) Category wise Shareholding

Category of Shareholders	No. of Shares held at beginning of the Year				No. of Shares held at end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	1,348,275	–	1,348,275	3.90	1,348,275	–	1,348,275	3.90	0.00
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corporate	18,320,973	–	18,320,973	52.93	18,320,973	–	18,320,973	52.93	0.00
e) Banks/FI's	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub Total (A)(1)	19,669,248	–	19,669,248	56.83	19,669,248	–	19,669,248	56.83	0.00
2. Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	5,006,956	–	5,006,956	14.47	5,006,956	–	5,006,956	14.47	0.00
d) Banks/FI's	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
Sub Total (A)(2)	5,006,956	–	5,006,956	14.47	5,006,956	–	5,006,956	14.47	0.00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	24,676,204	–	24,676,204	71.30	24,676,204	–	24,676,204	71.30	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	162,614	10,280	172,894	0.50	641,087	10,280	651,367	1.88	276.74
b) Banks/FI's	360,729	2,605	363,334	1.05	–	2,605	2,605	0.01	(99.28)
c) Central Govt	–	–	–	–	291,880	–	291,880	0.84	100.00
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	471,680	1,300	472,980	1.36	25,140	1,300	26,440	0.08	(94.41)

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

Category of Shareholders	No. of Shares held at beginning of the Year				No. of Shares held at end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (Specify)									
- Foreign Portfolio Investors	–	–	–	–	18,100	–	18,100	0.05	100.00
Sub Total (B)(1)	995,023	14,185	1,009,208	2.91	976,207	14,185	990,392	2.86	(1.86)
2. Non Institutions									
a) Bodies Corporate									
i) Indian	2,443,317	282,307	2,725,624	7.87	2,587,686	39,730	2,627,416	7.59	(3.60)
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual Shareholders holding Nominal Share Capital upto ₹ 1 lac	2,993,652	1,532,198	4,525,850	13.08	3,204,654	1,497,175	4,701,829	13.58	3.89
ii) Individual Shareholders holding Nominal Share Capital in excess of ₹ 1 lac	1,459,988	24,000	1,483,988	4.29	1,269,531	24,000	1,293,531	3.74	(12.83)
c) Others (Specify)									
i) Non Resident Indians	140,178	3,635	143,813	0.42	214,048	3,635	217,683	0.63	51.37
ii) Overseas Corporate Bodies	–	–	–	–	–	–	–	–	–
iii) Foreign Nationals	–	–	–	–	–	–	–	–	–
iv) Clearing Members	45,785	–	45,785	0.13	103,417	–	103,417	0.30	125.88
v) Trusts	–	–	–	–	–	–	–	–	–
vi) Foreign Bodies – D R	–	–	–	–	–	–	–	–	–
Sub Total (B)(2)	7,082,920	1,842,140	8,925,060	25.79	7,379,336	1,564,540	8,943,876	25.84	0.21
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8,077,943	1,856,325	9,934,268	28.70	8,355,543	1,578,725	9,934,268	28.70	0.00
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	32,754,147	1,856,325	34,610,472	100.00	33,031,747	1,578,725	34,610,472	100.00	0.00

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

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at beginning of the Year			Shareholding at 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	
	Indian Promoter							
	<i>Individuals/HUF</i>							
1.	Shishir Kumar Bajoria	770,732	2.23	–	770,732	2.23	–	–
2.	Smita Bajoria	44,343	0.13	–	44,343	0.13	–	–
3.	Mihir Bajoria	218,475	0.63	–	218,475	0.63	–	–
4.	S K Bajoria & Others (HUF)	314,725	0.91	–	314,725	0.91	–	–
	(A)	1,348,275	3.90	–	1,348,275	3.90	–	–
	<i>Bodies Corporate</i>							
5.	Bajoria Holdings Private Limited (B)	18,320,973	52.93	–	18,320,973	52.93	–	–
	Foreign Promoter							
	<i>Bodies Corporate</i>							
6.	Krosaki Harima Corporation, Japan (C)	5,006,956	14.47	–	5,006,956	14.47	–	–
	Total (A+B+C)	24,676,204	71.30	–	24,676,204	71.30	–	–

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

Sl. No.		Shareholding at 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	24,676,204	71.30		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			24,676,204	71.30

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

Sl. No.	For each of Top 10 Shareholders	Shareholding at 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
1.	Dhanlakshmi Vyapaar Private Limited				
a)	At the beginning of the year	952,142	2.75		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			952,142	2.75
2.	Santosh Tour and Travels Private Limited				
a)	At the beginning of the year	701,618	2.03		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			701,618	2.03

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

Sl. No.	For each of Top 10 Shareholders	Shareholding at 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
3.	Industrial Promotion and Investment Corporation of Orissa Limited				
a)	At the beginning of the year	350,000	1.01		
b)	Changes during the year				
	Bought during the year	–	–	350,000	1.01
	Sold during the year	(58,120)	(0.17)	291,880	0.84
c)	At the end of the year			291,880	0.84
4.	Star Finvest Private Limited*				
a)	At the beginning of the year	56,000	0.16		
b)	Changes during the year				
	Bought during the year	255,046	0.74	311,046	0.90
	Sold during the year	(201,046)	(0.58)	110,000	0.32
c)	At the end of the year			110,000	0.32
5.	VLS Finance Limited				
a)	At the beginning of the year	232,000	0.67		
b)	Changes during the year				
	Bought during the year	498,000	1.44	730,000	2.11
	Sold during the year	(480,000)	(1.39)	250,000	0.72
c)	At the end of the year			250,000	0.72
6.	Sangeeta Nirmal Bang				
a)	At the beginning of the year	151,658	0.44		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			151,658	0.44
7.	Union KBC Small & Midcap Fund				
a)	At the beginning of the year	92,195	0.27		
b)	Changes during the year				
	Bought during the year	14,600	0.04	106,795	0.31
	Sold during the year	–	–	106,795	0.31
c)	At the end of the year			106,795	0.31
8.	Surender Kumar Gupta				
a)	At the beginning of the year	265,000	0.77		
b)	Changes during the year				
	Bought during the year	119,799	0.35	384,799	1.12
	Sold during the year	(265,000)	(0.77)	119,799	0.35
c)	At the end of the year			119,799	0.35

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

Sl. No.	For each of Top 10 Shareholders	Shareholding at 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
9.	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Dynamic Asset*				
a)	At the beginning of the year	–	–		
b)	Changes during the year				
	Bought during the year	295,100	0.85	295,100	0.85
	Sold during the year	–	–	295,100	0.85
c)	At the end of the year			295,100	0.85
10.	HDFC Small & Midcap Fund*				
a)	At the beginning of the year	–	–		
b)	Changes during the year				
	Bought during the year	200,700	0.58	200,700	0.58
	Sold during the year	–	–	200,700	0.58
c)	At the end of the year			200,700	0.58
11.	JNJ Holdings Private Limited#				
a)	At the beginning of the year	102,000	0.29		
b)	Changes during the year				
	Bought during the year	–	–	102,000	0.29
	Sold during the year	(101,999)	(0.29)	1	0.00
c)	At the end of the year			1	0.00
12.	Grandeur Peak Global Reach Fund#				
a)	At the beginning of the year	108,100	0.31		
b)	Changes during the year				
	Bought during the year	–	–	108,100	0.31
	Sold during the year	(92,755)	(0.27)	15,345	0.04
c)	At the end of the year			15,345	0.04
13.	Grandeur Peak Emerging Markets Opportunities Fund#				
a)	At the beginning of the year	359,956	1.04		
b)	Changes during the year				
	Bought during the year	–	–	359,956	1.04
	Sold during the year	(353,785)	(1.02)	6,171	0.02
c)	At the end of the year			6,171	0.02

* As on 31st March 2016

As on 1st April 2015

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

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

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and Key Managerial Person	Shareholding at 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
1.	S K Bajoria, Chairman				
a)	At the beginning of the year	770,732	2.23		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			770,732	2.23
2.	P Bajoria, Managing Director				
a)	At the beginning of the year	61,000	0.18		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			61,000	0.18
3.	D G Rajan, Independent Director				
a)	At the beginning of the year	390	0.00		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			390	0.00
4.	Prof A N Sadhu, Independent Director				
a)	At the beginning of the year	850	0.00		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			850	0.00
5.	R Agarwal, Company Secretary				
a)	At the beginning of the year	2,319	0.00		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			2,319	0.00

(₹ in lacs)

V. Indebtedness – Indebtedness of the Company including Interest Outstanding/Accrued but not due for Payment

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	5,214.59	–	–	5,214.59
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	5,214.59	–	–	5,214.59
Change in Indebtedness during the Financial Year				
- Addition	–	–	–	–
- Reduction	1,361.76	–	–	1,361.76
Net Change	1,361.76	–	–	1,361.76
Indebtedness at the end of the Financial Year				
i) Principal Amount	3,852.83	–	–	3,852.83
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	3,852.83	–	–	3,852.83

Annexure 'B' 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/WT/ Manager		Total Amount
		S K Bajoria Chairman	P Bajoria Managing Director	
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	120.00	157.43	277.43
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	46.02*	38.66**	84.68
	c) Profits in lieu of Salary under Section 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	14.40	17.28	31.68
	- Gratuity	34.32	46.92	81.24
	Total	214.74	260.29	475.03
	Ceiling as per the Act @	250.18	260.29	510.47

* 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 ₹ 0.40 on account of Motor Car.

@ As per Central Government approval letter dated 10th May 2016.

B. Remuneration to Other Directors

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		D K Banerji	S Khasnobis	Prof S Munshi	D G Rajan	Prof B Ray	K S B Sanyal	Prof A N Sadhu*	
1.	Independent Directors								
	Fee for attending Board/ Committee Meetings	1.20	0.75	1.00	1.60	1.15	2.45	—	8.15
	Commission	—	—	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—	—	—
	Total (1)	1.20	0.75	1.00	1.60	1.15	2.45	—	8.15
2.	Other Non-Executive Directors	K Dalmia	H Okumura						
	Fee for attending Board/ Committee Meetings	0.20	0.40						0.60
	Commission	—	—						—
	Others, please specify	—	—						—
	Total (2)	0.20	0.40						0.60
	Total (1+2)	1.40	1.15	1.00	1.60	1.15	2.45	—	8.75
	Total Managerial Remuneration								8.75
	Overall Ceiling as per the Act	Sitting Fee paid is within limit prescribed at Section 197 of the Act							

* Waived his entitlement of Sitting Fees.

Annexure 'B' 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	K Poddar Chief Financial Officer	
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	63.23	28.77	92.00
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	5.28*	0.67	5.95
	c) Profits in lieu of Salary under Section 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	1.82	0.22	2.04
	- Gratuity	3.36	0.12	3.48
	Total	73.69	29.78	103.47

* 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)
A. COMPANY					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
B. DIRECTORS					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
C. OTHER OFFICERS IN DEFAULT					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

Annexure 'C' to Directors' Report

Information under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and Rule 8(3) of Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for financial year ended on 31st March 2016

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.

For conservation of energy, the Company have taken several steps and using energy to the extent necessary only. Wastage of energy is strict no-no. Energy efficient systems namely LED lights, CFL lamps, drive control and dampers, voltage stabilizers etc. have been installed to reduce consumption. Use of compressed air has also been optimized. Investments made have generally been regular in nature and during FY 2015-2016 no amount was capitalized. Steps for use of solar energy have also been taken and few fittings for illumination have been installed on trial basis

Details of total energy consumption and energy consumption per unit of production are given in enclosed **Form A**.

B. Technology Absorption

Efforts made towards technology absorption, benefits derived therefrom, details of imported technologies and expenditure incurred on Research & Development.

Improvement in product quality and performance, development of indigenous source of raw materials including quality upgradation and substitutes, enhancement of production capacity and capability and other important areas like customers satisfaction, cost competitiveness, cost control etc. are looked into by Company's in-house Research and Development facility. These efforts and inputs received from time to time from various stakeholders including providers of technologies, bring about and foster requisite desired advantages to keep pace with rapid changes taking place in dynamic market in the products segment the Company is operating in.

During last 3 FYs including FY 2015-2016, the Company have not imported any technology.

R & D activities are an integral part of the manufacturing activities carried out by the Company. Expenditure incurred on R & D are not captured separately unless substantial in nature.

C. Foreign Exchange Earnings and Outgo

Total Foreign Exchange used and earned :

(**₹** in Millions)

1.	Foreign Exchange Outgo	
	i) CIF Value of Imports of Raw Materials, Stores and Spares, Trading Items and Capital Goods	406.56
	ii) Others	143.51
2.	Foreign Exchange Earnings	
	FOB Value of Exports	994.96

Annexure 'C' to Directors' Report (Contd.)

Form – A

Disclosure of particulars with respect to conservation of energy

	For the year ended 31st March 2016	For the year ended 31st March 2015
A. Power & Fuel Consumption		
1. Electricity		
a) Purchased		
Units (KWH)	4,634,630	4,531,520
Total Amount (₹ in Millions)	29.57	27.84
Rate/Unit (₹)	6.38	6.13
b) Own Generation		
i) Through Diesel Generator		
Units (KWH)	360,504	375,545
Units per Ltr of Diesel Oil	2.87	2.93
Cost/Unit (₹)	18.02	20.41
ii) Through Steam Turbine/Generator		
Units (KWH)	Nil	Nil
Units per Ltr of Fuel Oil/Gas	Nil	Nil
Cost/Unit (₹)	Nil	Nil
2. Coal (Specify quality and where used)		
Quantity	Nil	Nil
Total Cost	Nil	Nil
Average Rate	Nil	Nil
3. LDO		
Quantity (Kilo Ltr)	Nil	Nil
Total Cost (₹ in Millions)	Nil	Nil
Average Rate (₹/Ltr)	Nil	Nil
4. LPG		
Quantity (MT)	1,461.80	1,606.96
Total Cost (₹ in Millions)	63.70	101.50
Average Rate (₹/MT)	43,575.71	63,160.30
5. Others/Internal generation		
Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil
B. Consumption per unit of production		
Products-Refractories		
Electricity (KWH/Pc)	9.41	8.76
LDO (Ltrs/Pc)	Nil	Nil
Coal	Nil	Nil
LPG (Kgs/Pc)	2.79	2.88
HSD (Ltrs/Pc)	0.27	0.25

Annexure 'D' to Directors' Report

Statement (Form AOC 1) Containing Salient Features of Financial Statements of Subsidiaries as at 31st March 2016

[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] (₹ in lacs)

Subsidiary's Name and Currency	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
Subsidiary											
IFGL Exports Limited, India (INR)	216.00	2,396.49	5,837.01	3,224.52	-	4,652.69	655.26	-	655.26	-	51
IFGL Worldwide Holdings Limited, Isle of Man (GBP)	6,049.65	5,035.01	5,442.79	-	-	-	241.88	-	241.88	-	100
Step Down Subsidiaries											
El Ceramics LLC, USA (USD)	925.70	1,192.82	5,178.29	3,059.78	-	10,062.21	814.34	271.55	542.79	-	100
Goricon Metallurgical Services Limited, UK (GBP)	57.16	446.05	647.41	144.19	-	107.81	(37.73)	1.31	(39.04)	-	100
Hofmann Ceramic CZ s.r.o., Czech Republic (Euro)*	52.24	(473.75)	286.30	707.81	-	826.34	95.82	2.79	93.03	-	98.78
Hofmann Ceramic GmbH, Germany (Euro)	196.59	2,434.96	3,332.65	814.41	-	7,616.98	291.19	79.11	212.08	-	100
Hofmann Ceramic LLC, USA (GBP)	16.96	200.18	231.99	14.85	-	-	50.05	22.95	27.09	-	100
Hofmann Ceramic Limited, UK (GBP)	0.10	-	0.10	-	-	-	-	-	-	-	100
Hofmann GmbH & Co. OHG, Germany (Euro)	88.07	1,184.58	2,159.90	887.25	-	-	158.90	8.57	150.33	-	100
Hofmann Pymetric LLC, USA (GBP)	0.32	10.36	15.45	-	-	-	4.94	-	4.94	-	51
IFGL GmbH, Germany (Euro)	4,720.34	(87.09)	30.31	113.20	-	-	0.30	-	0.30	-	100
IFGL Inc., USA (USD)	2,646.40	3,223.47	32.08	1,479.76	-	-	934.87	(22.92)	957.80	-	100
IFGL Monocon Holdings Limited, UK (GBP)	4,763.50	-	-	23.82	-	-	-	-	-	-	100
Mono Ceramics Inc., USA (GBP)	2,482.79	3,249.47	3,933.19	772.68	-	5,080.30	5.14	(3.79)	8.93	-	100
Monocon International Refractories Limited, UK (GBP)	0.10	10,353.49	9,021.90	7,846.80	-	16,694.93	410.98	60.80	350.17	-	100
Monocon Overseas Limited, UK (GBP)	0.95	7,646.88	4.23	691.84	-	-	(18.55)	-	(18.55)	-	100
Monotec Refratarios Ltda, Brazil (GBP)*	261.97	(261.97)	-	-	-	-	-	-	-	-	95
Tianjin Monocon Aluminous Refractories Company Limited, PRC (GBP)*	494.38	674.95	1,294.98	125.64	-	2,056.04	322.05	80.86	241.20	110.07	100
Tianjin Monocon Refractories Company Limited, PRC (GBP)*	133.38	421.92	1,173.22	617.92	-	3,327.14	181.89	45.58	136.31	140.61 @	100

@ Paid to Holding Company, IFGL Worldwide Holdings Limited, Isle of Man.

* 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 ₹ 75.61 equivalent to 1 Euro, ₹ 95.27 equivalent to 1 GBP and ₹ 66.16 equivalent to 1 USD. Profit and Loss figure have however been converted into Indian Rupees by using Average Exchange Rate of ₹ 71.97 equivalent to 1 Euro, ₹ 98.05 equivalent to 1 GBP and ₹ 65.43 equivalent to 1 USD.
- Investment exclude investments made in Subsidiary Companies. 3) The Company neither had nor have Associates/Joint Ventures. 4) Reporting period of Subsidiaries is mentioned at Note 2.2 on Consolidated Statement of Accounts.

Kolkata

14th May 2016

R Agarwal

Company Secretary

K Poddar

Chief Financial Officer

P Bajoria

Managing Director

S K Bajoria

Chairman

Annexure 'E' to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2015-2016

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.	CSR Policy adopted by your Company is hosted on its website : www.ifglref.com . Your Company pursue permissible CSR activities through Income Tax registered IFGL Refractories Welfare Trust, also having recognition for deduction under Section 80G of the Income Tax Act, 1961. Your Company has in place a CSR Committee of Directors – for details of composition thereof reference is drawn to Para 3B of the Report on Corporate Governance.
3.	Average Net Profit of the Company for last three Financial Years	₹ 3,470.56 lacs
4.	Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above)	₹ 69.41 lacs
5.	Details of CSR spent during the Financial Year :	
	a) Total amount to be spent for the Financial Year	₹ 70 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	Promotion of Eductaion	P.O. Kalunga, Dist. Sundergarh, Odisha	Open	₹ 8.12 lacs	*	Through Implementing Agency
	b) Kalunga Shilpanchala Bidyalaya			Open	₹ 3.01 lacs	*	
2.	a) Free Allopathy Clinic	Promotion of health care including preventive health care	Dist. Sundergarh, Odisha	Open	₹ 2.45 lacs	*	
	b) Free Homeopathic Clinic			Open	₹ 1.07 lacs	*	
	c) Free bed at Rajasthan Seva Sadan			Open	₹ 1.20 lacs	*	
3.	a) IDC Sulabh Souchalaya at Kalunga Industrial Estate	Promotion of sanitation	Dist. Sundergarh, Odisha	Open	₹ 2.34 lacs	*	
	b) Souchalaya at Vedvyas UP School			Open	₹ 2.03 lacs	*	
	c) Souchalaya at Kilinga Village			Open	₹ 7.05 lacs	*	
4.	Contribution to Enrico Piperno Tennis Trust	Promotion of Sport	Kolkata, India	Open	₹ 1.50 lacs	*	
5.	Others	Charitable Contributions	Kolkata/Rourkela, India	Open	₹ 1.60 lacs	*	

*On-going handholding extended.

Annexure 'E' to Directors' Report *(Contd.)*

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 is in compliance with CSR objectives and policy of the Company.

Kolkata
14th May 2016

S K Bajoria
(DIN : 00084004)
Director

K S B Sanyal
(DIN : 00009497)
Chairman, CSR Committee

Annexure 'F' to Directors' Report

FORM NO. MR 3

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

TO THE MEMBERS

IFGL REFRACTORIES LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IFGL REFRACTORIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in accordance with the 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 the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial 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 2016 generally complied with the applicable statutory provisions listed hereunder 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 IFGL REFRACTORIES LIMITED for the financial year ended on 31st March 2016 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, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company - The Company had no FDI/ODI/ECB transactions during the year.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :
 - 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, 1992 as replaced by 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 - No securities were issued during the year.
 - 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 - No instances were reported during the year.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - No instances were reported during the year.
 - 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 authorised Category I Registrar and Share Transfer Agent as required under Law.

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

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - No delisting was done during the year.
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - No Buyback was done during the year.
- 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

We have also examined compliance with the applicable clauses of the following :

- i. Secretarial Standards issued by The Institute of Company Secretaries of India - which came into effect from 01.07.2015.
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited upto 30.11.2015 and thereafter the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 from 01.12.2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc mentioned above.

We further report that as far as we have been able to ascertain –

- 1. 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.
- 2. Adequate notice is 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.
- 3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- 4. We further report that 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.

We further report that as informed to us, during the audit period the Company has had no specific events except those already informed to the stock exchanges as required under the Listing Agreement/Listing Regulations.

It is stated that the compliance of all the 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 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.

(S. M. Gupta)

Partner

S. M. Gupta & Co.

Company Secretaries

Firm Registration No. : P1993WB046600

FCS No : 896

C P No : 2053

Kolkata

14th May 2016

Encl : Annexure 'A' forming an integral part of this Report.

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

ANNEXURE A

TO THE MEMBERS

IFGL REFRACTORIES LIMITED

Our Report 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 these secretarial records based on our audits.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the 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

C P No : 2053

Kolkata

14th May 2016

Independent Auditors' Report

**TO THE MEMBERS OF
IFGL REFRACTORIES LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of IFGL Refractories Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act.

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers Internal Financial Control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by 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 2016, and its Profit and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

Independent Auditors' Report *(Contd.)*

- d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the Directors as on 31st March 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2016 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial reporting.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Financial Statements - Refer Notes 11.2 and 32(a) to the 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.
2. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a Statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
 (Firm's Registration No. 302009E)

A Bhattacharya
Partner
 (Membership No. 054110)

Kolkata
 14th May 2016

Annexure 'A' to the Independent Auditor's Report

(Referred to in Paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 2016 in conjunction with our audit of the Standalone 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 (the "Guidance Note") 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 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 system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, 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 auditors' judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion on the Company's Internal Financial Controls System over Financial Reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control over Financial Reporting 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 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 Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over Financial Reporting to future periods are subject to the risk that the Internal Financial Control over Financial Reporting 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 and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate Internal Financial Controls system over Financial Reporting and such Internal Financial Controls over Financial

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

Reporting were operating effectively as at 31st March 2016, 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.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 302009E)

A Bhattacharya
Partner

Kolkata
14th May 2016

(Membership No. 054110)

Annexure 'B' to the Independent Auditor's Report

(Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our Report of even date)

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b) The Company has a program of verification of Fixed Assets to cover all the items in a phased manner over a period of 3 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 Fixed Assets 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 to us and the records examined by us and based on the examination of the registered conveyance deed provided to us, we report that with respect to immovable properties of acquired Land that are Freehold, the title deeds of such immovable properties are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of Land that have been taken on lease and disclosed as Fixed Asset in the Financial Statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii) As explained to us, the Inventories other than material lying with third parties (which have substantially been confirmed) were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii) 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.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and had no unclaimed deposits at the beginning of the year as per the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 (for manufacture and sale of certain castable materials). We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) According to the information and explanations given to us, in respect of Statutory Dues :
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.

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

- c) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31st March 2016 on account of disputes are given below :

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lacs)	Amount unpaid (₹ in lacs)
Sales Tax					
Central Sales Tax Act, 1956	Sales Tax	Sales Tax Tribunal	1995-1996	5.14	1.14
	Sales Tax	Additional Commissioner of Sales Tax	1997-1998	1.97	0.47
	Sales Tax	Orissa High Court	1999-2000	2.17	2.17
	Sales Tax	Assistant Commissioner of Sales Tax	2003-2004	0.25	0.25
	Sales Tax	Additional Commissioner of Sales Tax	1st July 2006 to 31st March 2011	24.04	8.49
Orissa Sales Tax Act, 1947	Sales Tax	Orissa Sales Tax Tribunal	1996-1997 and 1997-1998	39.91	39.91
	Sales Tax	Orissa High Court	1999-2000	0.11	0.11
	Total			73.59	52.54
Excise Duty and Service Tax					
Service Tax Rules, 1994	Service Tax	Joint Commissioner of Central Excise, Customs & Service Tax	2006-2007	1.54	1.54
Service Tax Rules, 1994	Service Tax	Commissioner of Central Excise (Appeals)	2007-2008	1.66	1.66
	Total			3.20	3.20
Income Tax					
The Income Tax Act, 1962	Income Tax Dues	Commissioner of Income Tax (Appeals)	Assessment Year 2012-2013	9.99	9.99
	Total			9.99	9.99

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans and borrowings to any banks. The Company has not taken any loans or borrowings from any financial institutions or Government. The Company has not taken any loans or borrowings from Government or has issued any debentures.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the Term Loans were applied for the purposes for which they were raised.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided Managerial Remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013 to the Chairman of the Company. In respect of the Managing Director of the Company, the Company has paid/provided Managerial Remuneration in excess of the limits and approvals prescribed under Section 197 read with Schedule V to the Companies Act, 2013 :

Managerial Position	Excess amount of Remuneration paid/provided (₹ in lacs)	Financial Year ended	Treatment of the excess Remuneration in the respective year Financial Statements	Steps taken by the Company for securing refund
Managing Director	17.48	31st March 2016	Shown as recoverable from the Managing Director [Note 21 – Short Term Loans and Advances]	The amount has been refunded back to the Company on 12th May 2016

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

- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and Section 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 302009E)

A Bhattacharya

Partner

(Membership No. 054110)

Kolkata

14th May 2016

Balance Sheet as at 31st March 2016

(₹ in lacs)

	Note No.	As at 31st March 2016		As at 31st March 2015	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds :					
a) Share Capital	3	3,461.05		3,461.05	
b) Reserves and Surplus	4	13,208.19	16,669.24	12,185.03	15,646.08
2. Non-Current Liabilities :					
a) Long-Term Borrowings	5	11.10		5.49	
b) Deferred Tax Liabilities (Net)	6	144.44		242.98	
c) Long-Term Provisions	7	22.29	177.83	23.40	271.87
3. Current Liabilities :					
a) Short-Term Borrowings	8	3,829.85		4,934.13	
b) Trade Payables :					
i) Total Outstanding dues of Micro Enterprises and Small Enterprises	9.1	141.59		86.81	
ii) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	9	4,183.87		4,239.20	
c) Other Current Liabilities	10	240.89		564.54	
d) Short-Term Provisions	11	119.46	8,515.66	911.33	10,736.01
Total			25,362.73		26,653.96
II. ASSETS					
1. Non-Current Assets :					
a) Fixed Assets :					
i) Tangible Assets	12	3,372.56		3,463.38	
ii) Intangible Assets	13	31.16		24.30	
iii) Capital Work-in-Progress		20.72	3,424.44	48.00	3,535.68
b) Non-Current Investments	14		6,776.99		6,776.99
c) Long-Term Loans and Advances	15		125.34		116.11
d) Other Non-Current Assets	16		68.46		54.61
2. Current Assets :					
a) Current Investments	17	800.00		–	
b) Inventories	18	2,520.36		3,982.78	
c) Trade Receivables	19	9,638.97		9,521.17	
d) Cash and Cash Equivalents	20	1,673.77		2,289.99	
e) Short-Term Loans and Advances	21	177.24		175.98	
f) Other Current Assets	22	157.16	14,967.50	200.65	16,170.57
Total			25,362.73		26,653.96

See accompanying Notes forming part of the Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

A Bhattacharya

Partner

Membership No. 054110

Kolkata

14th May 2016

On behalf of the Board of Directors

R Agarwal
Company Secretary

K Poddar
Chief Financial Officer

P Bajoria
Managing Director

S K Bajoria
Chairman

Statement of Profit and Loss for the year ended 31st March 2016

(₹ in lacs)

	Note No.	For the year ended 31st March 2016		For the year ended 31st March 2015	
I. REVENUE FROM OPERATIONS (GROSS)	23	32,123.62		35,141.31	
Less : Excise Duty		(1,699.53)		(1,673.41)	
Revenue from Operations (Net)			30,424.09		33,467.90
II. Other Income	24		307.93		349.21
III. Total Revenue (I + II)			30,732.02		33,817.11
IV. EXPENSES :					
Cost of Materials and Components Consumed	25	13,255.24		15,430.91	
Purchases of Stock-in-Trade	26	3,897.91		3,088.12	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	443.41		(65.11)	
Employee Benefit Expenses	28	3,299.72		3,185.98	
Finance Costs	29	207.58		189.19	
Depreciation and Amortisation Expense	13.2	632.12		554.10	
Other Expenses	30	6,121.93		7,282.92	
Total Expenses			27,857.91		29,666.11
V. PROFIT BEFORE TAX (III-IV)			2,874.11		4,151.00
VI. Tax Expense :					
1) Current Tax Expense		1,116.36		1,432.10	
2) Deferred Tax Charge/(Reversals)		(98.54)	1,017.82	32.56	1,464.66
VII. PROFIT FOR THE YEAR (V-VI)			1,856.29		2,686.34
VIII. Earnings Per Share :					
1) Basic	31		5.36		7.54
2) Diluted	31		5.36		7.54

See accompanying Notes forming part of the Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

A Bhattacharya

Partner

Membership No. 054110

Kolkata

14th May 2016

On behalf of the Board of Directors

R Agarwal
Company Secretary**K Poddar**
Chief Financial Officer**P Bajoria**
Managing Director**S K Bajoria**
Chairman

Cash Flow Statement for the year ended 31st March 2016

(₹ in lacs)

	For the year ended 31st March 2016		For the year ended 31st March 2015	
A . CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax		2,874.11		4,151.00
Adjustments for :				
Depreciation and Amortisation Expense	632.12		554.10	
Finance Income (Net)	(57.70)		(125.59)	
Liabilities no longer required Written Back	(14.26)		(17.01)	
Bad Debts/Advances Written Off	89.67		29.60	
Provision for Doubtful Debts	96.86		–	
Unrealised Foreign Exchange Gain (Net)	25.91		95.02	
Loss on Sale/Discard of Assets (Net)	0.93	773.53	(1.58)	534.54
Operating Profit before Working Capital Changes		3,647.64		4,685.54
Adjustments for :				
Trade and Other Receivables	(136.08)		(1,681.00)	
Inventories	1,462.43		42.98	
Trade and Other Payables	(84.39)	1,241.96	825.99	(812.03)
Cash generated from Operations		4,889.60		3,873.51
Income Taxes Paid (Net)		(1,018.24)		(1,404.72)
Cash flows before Extra-ordinary Items		3,871.36		2,468.79
Net Cash Generated from Operating Activities (A)		3,871.36		2,468.79
B . CASH FLOW FROM INVESTING ACTIVITIES :				
Capital Expenditure on Fixed Assets including Capital Advances	(539.81)		(529.79)	
Proceeds from Sale of Fixed Assets	8.04		4.74	
Interest Received	150.74		295.97	
Loan given to Subsidiary	–		(100.00)	
Refund of Loan from Subsidiary	–		350.00	
Investment in Mutual Funds	(800.00)	(1,181.03)	–	20.92
Net Cash from/(used) in Investing Activities (B)		(1,181.03)		20.92

Cash Flow Statement for the year ended 31st March 2016 (Contd.)

(₹ in lacs)

	For the year ended 31st March 2016		For the year ended 31st March 2015	
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Repayment of Preference Share Capital	–		(1,450.00)	
Finance Costs	(207.58)		(189.19)	
Dividend Paid	(1,345.88)		(739.07)	
Tax on Dividend	(281.84)		(128.28)	
Repayment of Long-Term Borrowings	(250.00)		(250.00)	
(Repayment)/Proceeds from Short-Term Borrowings	(1,207.40)	(3,292.70)	900.40	(1,856.14)
Net Cash used in Financing Activities (C)		(3,292.70)		(1,856.14)
Net Decrease in Cash and Cash Equivalents (A+B+C)		(602.37)		(633.57)
Cash and Cash Equivalents at the beginning of the year		2,289.99		1,694.23
Cash and Cash Equivalents at the end of the year		1,687.62		2,327.80
Reconciliation of Cash and Cash Equivalents with the Balance Sheet :				
Cash and Cash Equivalents (Refer Note 20)		1,673.77		2,289.99
Add/(Less) : Bank Balances not considered as Cash and Cash Equivalents				
i) In other Deposit Accounts-Original Maturity more than 12 Months Net Cash and Cash Equivalents Included in Note 16-Closing		68.46		54.61
ii) In other Deposit Accounts-Original Maturity more than 12 Months Net Cash and Cash Equivalents included in Note 16-Opening		(54.61)		(16.80)
		1,687.62		2,327.80

Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.
- Figures for the previous year have been re-arranged/re-grouped wherever necessary to conform with the current year's classification.
- Cash and Cash Equivalents include ₹ 97.57 (31.03.2015 : ₹ 59.04) in respect of unpaid dividend accounts.

The Notes referred to above form an integral part of these Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

A Bhattacharya

Partner

Membership No. 054110

Kolkata

14th May 2016

On behalf of the Board of Directors

R Agarwal
Company Secretary

K Poddar
Chief Financial Officer

P Bajoria
Managing Director

S K Bajoria
Chairman

Notes to the Financial Statements

(₹ in lacs)

1. GENERAL INFORMATION

IFGL Refractories Limited (the "Company") is incorporated as Public Limited Company. Its shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company is primarily engaged in the manufacturing, trading and selling of Refractory items used in Steel plants. The Company and its Subsidiaries have manufacturing plants in Asia (India and China), in Europe (Germany and United Kingdom) and in North America (USA). The Company caters to both domestic and international market.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

2.1 Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The Financial Statements have been prepared on accrual basis under the Historical Cost Convention. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year. All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III. Based on the nature of products 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.

2.2 Use of Estimates

The preparation of Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities) and the reported Income and Expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 Fixed Assets (including Intangible Assets) are stated at cost less accumulated depreciation/amortisation and impairment losses, if any. The Company capitalises all costs (Net of CENVAT Credit) relating to acquisition and installation of Fixed Assets. An impairment loss is recognised wherever the carrying value of the Fixed Assets exceeds its recoverable amount i.e. net selling price or value in use, whichever is higher.

2.4 Depreciation and Amortisation on Fixed Assets

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation on Tangible Fixed Assets has been provided on the Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold Land is amortised over the duration of the lease. Intangible Assets (other than Goodwill arising on amalgamation fully amortised in earlier years and Computer Software which are amortised over a period of two to five years) are amortised on Straight Line Method over a period of five years. The estimated useful life of the Intangible Assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any. Spares that can be used only with particular items of Plant and Machinery and such usage is expected to be irregular are depreciated over a period not exceeding the useful lives of Plant and Machinery with which such spares can be used.

2.5 Inventories are valued at lower of Cost and Net Realisable Value after providing for obsolescence and other losses, where considered necessary. Cost is determined on the Weighted Average basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads.

2.6 Revenue from sale of products are exclusive of Sales Tax and returns and are recognised when significant risk and rewards of ownership of the goods is transferred to the buyer and the revenue is measurable at the time of sale and it is reasonable to expect ultimate collection of the sale consideration. Revenue from services are recognised when services are rendered and related costs are incurred. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Interest income is accounted for on accrual basis.

2.7 Current Investments are stated at lower of cost and fair value. Non-current Investments are carried individually at cost less provision for diminution, other than temporary.

2.8 Current Tax is determined as the amount of tax payable in respect of taxable income for the year based on applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Deferred Tax is recognised on timing differences, being

Notes to the Financial Statements (Contd.)

(₹ in lacs)

the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred Tax Liabilities are recognised for all timing differences. Deferred Tax Assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, Deferred Tax Assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred Tax Assets are reviewed at each Balance Sheet date for their realisability.

2.9 Transactions in Foreign Currencies are recognised at the rates existing at the time of such transactions. Gain or losses resulting from the settlement of such transactions are recognised in the Statement of Profit and Loss. Year end balances of monetary assets and liabilities denominated in foreign currencies are translated at applicable year end rates and the resultant differences are recognised in the Statement of Profit and Loss. Non monetary items at the Balance Sheet date are stated at Historical Cost. In case of Forward Exchange Contracts which are entered into to hedge the foreign currency risk of a trade receivable/trade payable recognised in these Financial Statements, premium or discount on such contracts are amortised over the life of the contract and exchange differences arising thereon in the reporting period are recognised in the Statement of Profit and Loss. Any Profit or Loss arising on cancellation or renewal of such a Forward Exchange Contracts is recognised as income or as expense in the period in which such cancellation or renewal is made. Forward Exchange Contracts which are arranged to hedge the foreign currency risk of a firm commitment or a highly probable forecast transaction is marked to market at the year end and the resulting losses, if any, are charged to the Statement of Profit and Loss. The gain, if any, based on the above evaluation, is not accounted for on grounds of prudence.

2.10 Borrowing Cost that are attributable to acquisition, construction or production of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalised as part of cost of such assets. All other borrowing costs are recognised as expenses in the period they are incurred.

2.11 Employee Benefits :

- i) The undiscounted amount of Short-Term Employee Benefits (i.e. benefits payable within one year) is recognised in the period in which employee services are rendered.
- ii) Contributions towards Provident Fund are recognised as expense. Provident Fund contributions in respect of employees are made to Trust administered by the Company; the interest rate payable to the members of the Trust is not lower than the rate of interest declared annually by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, is to be made good by the Company.
- iii) Contribution under Employees' Pension Scheme is made as per statutory requirements and charged as expenses for the year.
- iv) Contribution to Superannuation (Defined Contribution Plan) is made as per the approved Scheme and charged as expenses for the year.
- v) The Company also contributes to the Central Government administered Employees' State Insurance Scheme for its eligible employees which is a Defined Contribution Plan.
- vi) Liability towards Gratuity, Superannuation (Defined Benefit Plan) covering eligible employees, is provided and funded on the basis of year end actuarial valuation.
- vii) Accrued liability towards compensated absence, covering eligible employees, evaluated on the basis of year end actuarial valuation is recognised as a charge.
- viii) Actuarial gains/losses arising under Defined Benefit Plans are recognised immediately in the Statement of Profit and Loss as income/expense for the year in which they occur.

2.12 Provisions and Contingencies

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016	As at 31st March 2015
3. SHARE CAPITAL :		
Authorised		
40,000,000 (31.03.2015 : 40,000,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
2,000,000 (31.03.2015 : 2,000,000) 5% Redeemable Preference Shares of ₹ 100/- each	2,000.00	2,000.00
Total	6,000.00	6,000.00
Issued, Subscribed and Fully Paid Up		
34,610,472 (31.03.2015 : 34,610,472) Equity Shares of ₹ 10/- each, fully paid up	3,461.05	3,461.05
Total	3,461.05	3,461.05

	Equity Shares	
	No. of Shares	₹ in lacs
3.1 Reconciliation of Number of Shares		
Shares outstanding on 01.04.2015	34,610,472	3,461.05
Shares outstanding on 31.03.2016	34,610,472	3,461.05

3.2 Terms/Rights attached to Equity Shares

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

3.3 Shares held by the Holding Company and Subsidiaries of the Holding Company

			As at 31st March 2016		As at 31st March 2015	
Name of Shareholder	Relationship	Nature of Shares	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bajoria Holdings Private Limited (BHPL)	Holding Company	Equity	18,320,973	52.93	18,320,973	52.93

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

			As at 31st March 2016		As at 31st March 2015	
Name of Shareholder	Relationship	Nature of Shares	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Krosaki Harima Corporation, Japan	Foreign Promoter	Equity	5,006,956	14.47	5,006,956	14.47
Bajoria Holdings Private Limited	Holding Company	Equity	18,320,973	52.93	18,320,973	52.93

	As at 31st March 2016		As at 31st March 2015	
4. RESERVES AND SURPLUS				
Capital Reserve as at the beginning and end of the year		5.00		5.00
Capital Redemption Reserve				
Balance as at the beginning of the year	1,450.00		510.00	
Add : Transferred from Statement of Profit and Loss	—	1,450.00	940.00	1,450.00
General Reserve				
As at the beginning and end of the year		801.85		801.85

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016		As at 31st March 2015	
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year	9,928.18		9,107.47	
Less : Depreciation on Transition to Schedule II of The Companies Act, 2013 on Tangible Fixed Assets with nil remaining useful life [Net of Deferred Tax ₹ NIL (31.03.2015 : ₹ 7.49)]	–		(14.57)	
Add : Profit for the year	1,856.29		2,686.34	
Less : Transferred to Capital Redemption Reserve	–		(940.00)	
Less : Dividend paid on Preference Shares	–		(64.95)	
Less : Interim Dividend paid on Equity Shares	(692.21)		–	
Less : Proposed Dividend on Equity Shares	–		(692.21)	
Less : Tax on Preference Dividend Paid	–		(12.99)	
Less : Tax on Interim Dividend Paid	(140.92)		–	
Less : Tax on Proposed Dividend	–	10,951.34	(140.91)	9,928.18
Total		13,208.19		12,185.03

	As at 31st March 2016		As at 31st March 2015	
5. LONG-TERM BORROWINGS :				
Other Loans (Vehicle Loans)				
- From Yes Bank Limited	–		1.75	
- From ICICI Bank Limited	11.10		3.74	
Total	11.10		5.49	

5.1 Nature of Security and Terms of Repayment of Secured Borrowings :

Vehicle Loans from ICICI Bank Limited and Yes Bank Limited

Vehicle Loans are secured by hypothecation of respective vehicles.

Repayable over 1-2 Years at interest rate of 9.10% - 10.99%.

	As at 31st March 2016		As at 31st March 2015	
6. DEFERRED TAX LIABILITIES (NET)				
Tax Impact of –				
Assets :				
Accrued Expenses deductible when paid	(88.11)		(21.70)	
Depreciation on Fixed Assets (Transitional Effect)	–		(7.49)	
Liabilities :				
Difference between Tax Depreciation and Book Depreciation	232.55		272.17	
Net Liability	144.44		242.98	

	As at 31st March 2016		As at 31st March 2015	
7. LONG-TERM PROVISIONS				
Provision for Employee Benefits				
Compensated Absence	22.29		23.40	
Total	22.29		23.40	

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016	As at 31st March 2015
8. SHORT-TERM BORROWINGS :		
Secured		
Loans from Banks		
Working Capital Loans repayable on Demand		
- From State Bank of India	2,622.90	3,431.28
- From The Hongkong and Shanghai Banking Corporation Limited	1,206.95	1,502.85
Total	3,829.85	4,934.13

- 8.1** The Loans from State Bank of India and The Hongkong and Shanghai Banking Corporation Limited is secured by hypothecation of Stocks of Raw Materials, Stock-in-Process, Finished Goods, Consumables, Spares, Stores, Receivables and other Current Assets on pari passu basis and by a second charge over all Fixed Assets of the Company, situated at Sectors 'A' and 'B' of Kalunga Industrial Estate, near Rourkela, on pari passu basis.

	As at 31st March 2016	As at 31st March 2015
9. TRADE PAYABLES :		
Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 9.1 below)	141.59	86.81
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	4,183.87	4,239.20
Total	4,325.46	4,326.01

9.1 Dues to the Micro Enterprises and Small Enterprises

Information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March 2016 are as under :

	As at 31st March 2016	As at 31st March 2015
1. The principal amount remaining unpaid to suppliers as at the end of accounting year	141.59	86.81
2. The interest due thereon remaining unpaid to suppliers as at the end of accounting year	1.27	—
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 2015-2016	—	—
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.	1.27	—
5. The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	—	—

	As at 31st March 2016	As at 31st March 2015
10. OTHER CURRENT LIABILITIES :		
Current Maturities of Long-Term Debt (Secured)	11.88	274.97
Unclaimed Dividends (Refer Note 10.1)	97.57	59.04
Other Payables (Refer Note 10.2)	131.44	230.53
Total	240.89	564.54

Notes to the Financial Statements (Contd.)

(₹ in lacs)

10.1 There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the 1956 Act as at the year end.

	As at 31st March 2016	As at 31st March 2015
10.2 Other Payables		
Advance from Customers	6.56	19.73
Statutory Liabilities	87.69	88.97
Security Deposits Received	12.29	37.71
Liability for Gratuity	24.90	84.12
Total	131.44	230.53

	As at 31st March 2016	As at 31st March 2015
11. SHORT-TERM PROVISIONS :		
Provision for Employee Benefits		
- Compensated Absence	1.17	1.33
- Provident Fund (Refer Note 28.2)	—	—
Others :		
Provision for Taxation	4,785.85	3,669.49
Less : Advance Income Tax/Fringe Benefits Tax and Tax Deducted at Source	4,699.87	3,624.88
Proposed Dividend (Refer Note 11.1 below)		
- On Equity Shares	—	692.16
Tax on Proposed Dividend	—	140.92
Sales Tax (Refer Note 11.2 below)	18.49	18.49
Entry Tax (Refer Note 11.2 below)	13.82	13.82
Total	119.46	911.33

	As at 31st March 2016	As at 31st March 2015
11.1 Proposed Dividend		
On Equity Shares of ₹ 10/- Each		
Amount of Dividend Proposed	—	692.16
Dividend per Equity Share (₹)	—	2.00

		As at 31st March 2016		As at 31st March 2015	
		Sales Tax	Entry Tax	Sales Tax	Entry Tax
11.2	Sales Tax/Entry Tax				
	Opening Balance	18.49	13.82	18.49	13.82
	Provision during the year	–	–	–	–
	Provision Utilised/Paid during the year	–	–	–	–
	Closing Balance	18.49	13.82	18.49	13.82

The above provision represents obligations that may materialise in respect of matters in appeal.

Notes to the Financial Statements (Contd.)

(₹ in lacs)

12. TANGIBLE ASSETS :

	GROSS BLOCK - AT COST				DEPRECIATION					NET BLOCK
OWN ASSETS	As at 1st April 2015	Additions during the year	Deductions during the year	Total as at 31st March 2016	Upto 1st April 2015	For the year	Deductions during the year	Transition Adjustment	Total upto 31st March 2016	As at 31st March 2016
Land (Leasehold) (Refer Note 12.1 below)	34.76	–	–	34.76	5.22	0.43	–	–	5.65	29.11
Land (Freehold)	1.29	–	–	1.29	–	–	–	–	–	1.29
Buildings	1,313.29	83.36	–	1,396.65	589.60	47.00	–	–	636.60	760.05
Plant and Equipment	8,372.15	393.05	27.07	8,738.13	5,911.05	496.19	27.07	–	6,380.17	2,357.96
Furniture and Fixtures	114.84	1.83	–	116.67	92.87	3.51	–	–	96.38	20.29
Leasehold Improvements	48.91	–	–	48.91	19.56	9.03	–	–	28.59	20.32
Vehicles	265.29	35.07	15.86	284.50	147.77	23.77	6.89	–	164.65	119.85
Office Equipment	109.55	7.07	0.83	115.79	66.31	15.98	0.83	–	81.46	34.33
Computers	112.30	11.19	–	123.49	76.62	17.51	–	–	94.13	29.36
Total	10,372.38	531.57	43.76	10,860.19	6,909.00	613.42	34.79	–	7,487.63	3,372.56

	GROSS BLOCK - AT COST				DEPRECIATION					NET BLOCK
OWN ASSETS	As at 1st April 2014	Additions during 2014-2015	Deductions during 2014-2015	Total as at 31st March 2015	Upto 1st April 2014	For 2014-2015	Deductions during 2014-2015	Transition Adjustment	Total upto 31st March 2015	As at 31st March 2015
Land (Leasehold) (Refer Note 12.1 below)	34.76	–	–	34.76	4.79	0.43	–	–	5.22	29.54
Land (Freehold)	1.29	–	–	1.29	–	–	–	–	–	1.29
Buildings	1,288.42	24.87	–	1,313.29	544.92	44.68	–	–	589.60	723.69
Plant and Equipment	8,073.19	307.53	8.57	8,372.15	5,474.59	437.97	5.45	3.94	5,911.05	2,461.10
Furniture and Fixtures	98.77	16.07	–	114.84	89.88	2.22	–	0.77	92.87	21.97
Leasehold Improvements	48.91	–	–	48.91	10.53	9.03	–	–	19.56	29.35
Vehicles	273.12	10.17	18.00	265.29	143.20	22.57	18.00	–	147.77	117.52
Office Equipment	100.07	9.48	–	109.55	31.65	17.31	–	17.35	66.31	43.24
Computers	83.00	29.56	0.26	112.30	65.41	11.43	0.22	–	76.62	35.68
Total	10,001.53	397.68	26.83	10,372.38	6,364.97	545.64	23.67	22.06	6,909.00	3,463.38

12.1 Acquired under a lease of 99 years with a renewal option.

13. INTANGIBLE ASSETS :

	GROSS BLOCK - AT COST				AMORTISATION				NET BLOCK
OWN ASSETS (ACQUIRED)	As at 1st April 2015	Additions during the year	Deductions during the year	Total as at 31st March 2016	Upto 1st April 2015	For the year	Deductions during the year	Total upto 31st March 2016	As at 31st March 2016
Goodwill (arising on Amalgamation)	503.06	–	–	503.06	503.06	–	–	503.06	–
Computer Software	59.19	25.56	–	84.75	34.89	18.70	–	53.59	31.16
Intellectual Property Rights (Technical Know-how) (Refer Note 13.1)	232.29	–	–	232.29	232.29	–	–	232.29	–
Total	794.54	25.56	–	820.10	770.24	18.70	–	788.94	31.16

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	GROSS BLOCK - AT COST				AMORTISATION				NET BLOCK
	As at 1st April 2014	Additions during 2014-2015	Deductions during 2014-2015	Total as at 31st March 2015	Upto 1st April 2014	For 2014- 2015	Deductions during 2014-2015	Total upto 31st March 2015	As at 31st March 2015
OWN ASSETS (ACQUIRED)									
Goodwill (arising on Amalgamation)	503.06	—	—	503.06	503.06	—	—	503.06	—
Computer Software	28.06	31.13	—	59.19	26.43	8.46	—	34.89	24.30
Intellectual Property Rights (Technical Know-how) (Refer Note 13.1 below)	232.29	—	—	232.29	232.29	—	—	232.29	—
Total	763.41	31.13	—	794.54	761.78	8.46	—	770.24	24.30

13.1 Technical Know-how represents Technical Drawings, Designs etc. relating to manufacture of the Company's products and acquired pursuant to various agreements conferring the right to usage only.

	For the year ended 31st March 2016	For the year ended 31st March 2015
13.2 Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	613.42	545.64
Amortisation of Intangible Assets	18.70	8.46
Total	632.12	554.10

	As at 31st March 2016	As at 31st March 2015
14. NON-CURRENT INVESTMENTS :		
Investment Properties	—	—
Trade Investments-Long Term (Valued at Cost unless stated otherwise)		
Unquoted Equity Investments		
<i>Investment In Subsidiaries</i>		
- IFGL Worldwide Holdings Limited [6,350,000 (31.03.2015 : 6,350,000) Fully paid Equity Shares of GBP 1 each]	5,625.39	5,625.39
- IFGL Exports Limited (Refer Note 14.1 below) [1,101,600 (31.03.2015 : 1,101,600) Fully paid Equity Shares of ₹ 10 each]	1,101.60	1,101.60
Other Investments (Valued at Cost unless stated otherwise)		
<i>Quoted</i>		
- Investments in Debentures or Bonds [50 (31.03.2015 : 50) 8.09% Tax Free Bonds of Power Finance Corporation Limited of Face Value ₹ 100,000 each]	50.00	50.00
Total	6,776.99	6,776.99
Aggregate Amount of Quoted Investments	50.00	50.00
Aggregate Amount of Unquoted Investments	6,726.99	6,726.99
Market Value of Quoted Investments	52.05	52.79

14.1 Shares of IFGL Exports Limited are pledged with Export Import Bank of India for loans granted by them to IFGL Exports Limited.

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016	As at 31st March 2015
15. LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Capital Advances	22.53	20.05
Security Deposits	102.81	96.06
Total	125.34	116.11

	As at 31st March 2016	As at 31st March 2015
16. OTHER NON-CURRENT ASSETS		
Long-Term Deposits with Banks with original maturity period of more than 12 months*	68.46	54.61
Total	68.46	54.61

*Kept under lien by Bank as Margin Money against non fund based facilities provided.

	As at 31st March 2016	As at 31st March 2015
17. CURRENT INVESTMENTS (AT LOWER OF COST OR FAIR VALUE)		
Investments in Mutual Funds		
- Reliance Medium Term Fund - Direct Growth Plan - Growth Option (Quoted) 966,030.233 (31.03.2015 : Nil) Units of ₹ 31.0549 each	300.00	—
- IDFC Corporate Bond Fund Direct Plan - Growth (Quoted) 5,002,801.569 (31.03.2015 : Nil) Units of ₹ 9.9944 each	500.00	—
Total	800.00	—
Aggregate Market Value of Quoted Investments	816.10	—

	As at 31st March 2016	As at 31st March 2015
18. INVENTORIES :		
Valued at lower of Cost and Net Realisable Value		
Raw Materials and Components (includes in transit ₹ 308.02 (31.03.2015 : ₹ 126.43))	1,213.74	2,172.34
Work-in-Progress (Refer Note 18.1)	594.72	864.99
Finished Goods [includes in transit ₹ 86.55 (31.03.2015 : ₹ 98.30)] (Refer Note 18.2)	368.49	495.30
Stock of Traded Goods (Refer Note 18.3)	154.86	201.19
Stores and Spares	188.55	248.96
Total	2,520.36	3,982.78

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016	As at 31st March 2015
18.1 Details of Work-in-Progress		
Shaped Refractories	398.27	535.89
Unshaped Refractories	196.45	329.10
Total	594.72	864.99

	As at 31st March 2016	As at 31st March 2015
18.2 Details of Finished Goods		
Shaped Refractories	319.03	427.24
Unshaped Refractories	49.46	68.06
Total	368.49	495.30

	As at 31st March 2016	As at 31st March 2015
18.3 Details of Stock of Traded Goods		
Operating Systems for Refractories	2.87	11.45
Others	151.99	189.74
Total	154.86	201.19

	As at 31st March 2016	As at 31st March 2015
19. TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	489.22	472.13
- Considered Doubtful	118.43	21.64
Less : Provision for Doubtful Receivables	(118.43)	(21.64)
Other Receivables		
- Considered Good	9,149.75	9,049.04
Total	9,638.97	9,521.17

	As at 31st March 2016	As at 31st March 2015
20. CASH AND CASH EQUIVALENTS		
Balances with Banks		
- In Current Accounts	31.60	33.17
- In Deposit Accounts (with original maturity of less than 3 months)	158.97	1,238.19
Cheques on Hand	5.44	10.76
Cash on Hand	8.29	14.49
Other Bank Balances		
- On Unclaimed Dividend Accounts	97.57	59.04
- Deposits with original maturity of more than 3 months but less than 12 months*	1,371.90	934.34
Total	1,673.77	2,289.99

*Above Deposits are kept under lien by the Bank as Margin Money against non fund based facility provided.

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016		As at 31st March 2015	
21. SHORT-TERM LOANS AND ADVANCES :				
Unsecured, Considered Good				
Loans and Advances to Related Party		17.48		6.46
- Excess Remuneration recoverable from Managing Director (Refer Note 21.1 below)		–		–
Other Loans and Advances				
- Others (Refer Note 21.2 below)	111.72		119.05	
- Prepaid Expenses	48.04	159.76	50.47	169.52
Total		177.24		175.98

21.1 Represents the difference between the Remuneration paid to the Managing Director based on recommendation of the Nomination and Remuneration Committee and the amount approved by the Central Government vide its letter dated 10th May 2016. The amount has been refunded on 12th May 2016.

	As at 31st March 2016		As at 31st March 2015	
21.2 Loans and Advances-Others				
Advance to Suppliers		4.00		36.12
Insurance Claims Receivable		–		9.37
Advance for Expenses		107.72		73.56
Total		111.72		119.05

	As at 31st March 2016		As at 31st March 2015	
22. OTHER CURRENT ASSETS				
Unsecured, Considered Good				
Interest Accrued on Fixed Deposits		57.79		18.82
Accrued Export Benefits		14.08		22.78
Balances with Excise Authorities etc.		85.29		159.05
Total		157.16		200.65

	For the year ended 31st March 2016		For the year ended 31st March 2015	
23. REVENUE FROM OPERATIONS :				
Revenue from Sale of Products (Gross) :				
Finished Goods (Refer Note 23.1)		27,049.94		30,763.31
Traded Goods (Refer Note 23.2)		4,204.17		3,683.55
		31,254.11		34,446.86
Less : Excise Duty		(1,699.53)		(1,673.41)
Revenue from Sale of Products (Net) :		29,554.58		32,773.45
Service Income (Refer Note 23.3)		840.84		666.80
Other Operating Revenue (Scrap Sales)		28.67		27.65
Total		30,424.09		33,467.90

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
23.1 Details of Sales of Finished Goods		
Shaped Refractories	22,680.26	26,375.35
Unshaped Refractories	4,369.68	4,387.96
Total	27,049.94	30,763.31

	For the year ended 31st March 2016	For the year ended 31st March 2015
23.2 Details of Sales of Traded Goods		
Shaped Refractories	2,574.00	2,015.59
Unshaped Refractories	1,476.55	1,454.30
Others	153.62	213.66
Total	4,204.17	3,683.55

	For the year ended 31st March 2016	For the year ended 31st March 2015
23.3 Details of Service Income		
Management Services	232.18	282.32
Application Services	608.66	384.48
Total	840.84	666.80

	For the year ended 31st March 2016	For the year ended 31st March 2015
24. OTHER INCOME :		
Interest Income (Refer Note 24.1 below)	265.28	314.78
Liabilities no longer required Written Back	14.26	17.01
Other Non Operating Income (Refer Note 24.2 below)	28.39	17.42
Total	307.93	349.21

	For the year ended 31st March 2016	For the year ended 31st March 2015
24.1 Details of Interest Income		
Interest on Bank Deposits	225.99	284.78
Interest from Customers	39.26	29.87
Interest Others	0.03	0.13
Total	265.28	314.78

No Interest was capitalised during the year.

	For the year ended 31st March 2016	For the year ended 31st March 2015
24.2 Other Non Operating Income		
Bad Debts Recovery	6.06	—
Sundry Receipts	22.33	17.42
Total	28.39	17.42

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
25. COST OF MATERIALS AND COMPONENTS CONSUMED :		
Raw Materials (including Packing Materials) (Refer Notes 25.1 and 25.2 below)	13,255.24	15,430.91
Total	13,255.24	15,430.91

	For the year ended 31st March 2016	For the year ended 31st March 2015
25.1 Details of Materials Consumed		
Raw Materials		
Alumina	3,318.08	3,648.82
Zirconia	2,167.61	2,682.12
Resin	1,700.11	2,244.53
Others	6,069.44	6,855.44
Total	13,255.24	15,430.91

	For the year ended 31st March 2016		For the year ended 31st March 2015	
	Value	%	Value	%
25.2 Cost of Imported and Indigenous Materials Consumed				
Raw Materials				
- Imported	5,242.83	39.55	7,495.07	48.57
- Indigenous	8,012.41	60.45	7,935.84	51.43
Total	13,255.24	100.00	15,430.91	100.00
Stores and Spares				
- Imported	37.38	7.43	65.64	11.41
- Indigenous	465.42	92.57	509.58	88.59
Total	502.80	100.00	575.22	100.00

	For the year ended 31st March 2016	For the year ended 31st March 2015
26. DETAILS OF PURCHASES OF TRADED GOODS		
Shaped Refractories	2,006.31	1,568.24
Unshaped Refractories	1,712.97	1,329.47
Others	178.63	190.41
Total	3,897.91	3,088.12

	For the year ended 31st March 2016		For the year ended 31st March 2015	
27. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
Opening Stock				
Finished Goods and Stock of Traded Goods	696.49		760.03	
Work-in-Progress	864.99	1,561.48	736.34	1,496.37
Less : Closing Stock				
Finished Goods and Stock of Traded Goods	523.35		696.49	
Work-in-Progress	594.72	1,118.07	864.99	1,561.48
Total		443.41		(65.11)

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
28. EMPLOYEE BENEFIT EXPENSES :		
Salaries, Wages and Bonus	2,761.68	2,726.31
Contribution to Funds (Refer Note 28.1 below)	451.50	371.07
Staff Welfare Expenses	86.54	88.60
Total	3,299.72	3,185.98

28.1 The Company has recognised in the Statement of Profit and Loss for the year ended 31st March 2016 an amount of ₹ 296.60 (31.03.2015 : ₹ 250.46) as expenses under Defined Contribution Plans.

28.2 Provident Fund (Funded)

Provident Fund contributions in respect of Employees are made to Trust administered by the Company and it has the liability to Fund any shortfall on the yield of the Trust's investments over the administered interest rates on an annual basis. These administered interest rates are determined annually predominantly considering the social rather than economic factors. The contribution by the employer and employee together with the interest accumulated thereon are payable to the Employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the Employee. Based on the final guidance for measurement of Provident Fund liabilities issued by the Actuarial Society of India, the Company's liability at the year end of ₹ NIL (31.03.2015 : ₹ NIL) has been actuarially determined by an independent actuary and provided for.

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

	For the year ended 31st March 2016	For the year ended 31st March 2015
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	7.70%	7.80%
Expected Guaranteed Interest Rate	8.60%	8.60%

28.3 Gratuity (Funded)

The Company provides for Gratuity, a Defined Benefit Retirement Plan covering eligible Employees. As per the Scheme, the Gratuity Trust Fund makes payments to vested Employees on Retirement, Death, Incapacitation or Termination of Employment. For Employees joining after 1st April 2003, the amount is based on the respective Employee's eligible Salary (Half Month's Salary) depending on the tenure of the Service subject to a maximum amount as per The Payment of Gratuity Act, 1972. For Employees joining before 1st April 2003, the amount is calculated similarly as per The Payment of Gratuity Act, 1972 or the Company's Scheme, whichever is higher. Vesting occurs on completion of five years of service. Liabilities with regard to the Gratuity plan are determined by Actuarial Valuation as set out in Note 2.11 (vi) above, based on which the Company makes contribution to the Fund. The most recent Actuarial Valuation of the Fund was carried out as at 31st March 2016.

28.4 Superannuation (Funded)

In keeping with the Company's Superannuation Scheme (applicable to Employees joined before 31st March 2004), Employees are entitled to Superannuation Benefit on Retirement/Death/Incapacitation/Termination. Superannuation Scheme was amended from Defined Benefit Plan to Defined Contribution Plan effective 1st April 2004 and the benefits under the Defined Benefit Plan were frozen as on 31st March 2004. Necessary formalities/approvals have been complied with/obtained. Also refer Notes 2.11 (iv) and (vi) for accounting policy relating to Superannuation.

28.5 Compensated Absence (Unfunded)

The Company provides for 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 2.11 (vii) above.

Notes to the Financial Statements (Contd.)

(₹ in lacs)

28.6 Following are the further particulars with respect to Defined Benefit Plans of the Company for the year ended 31st March 2016 :

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)	
	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015
a) Reconciliation of the Opening and Closing Balances of Present Value of Defined Benefit Obligation :						
Present Value of Obligation, as at the beginning of the year	775.22	570.14	254.05	226.57	24.73	19.21
Service Cost	48.43	35.62	–	–	3.42	2.67
Interest Cost	58.95	52.55	19.52	20.77	1.81	1.78
Actuarial (Gains)/Losses	89.55	127.08	19.90	13.21	(3.35)	1.17
(Benefits Paid)	(38.96)	(10.17)	(7.53)	(6.50)	(3.15)	(0.10)
Present Value of Obligation as at the end of the year	933.19	775.22	285.94	254.05	23.46	24.73
b) Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets :						
Fair Value of Plan Assets at the beginning of the year	691.10	576.63	564.82	497.47	–	–
Expected Return on Plan Assets	64.63	48.68	46.01	40.53	–	–
Actuarial Gains/(Losses)	(22.60)	45.96	(12.41)	33.32	–	–
Contribution by the Company	214.12	30.00	–	–	–	0.10
(Benefits Paid)	(38.96)	(10.17)	(7.53)	(6.50)	–	(0.10)
Fair Value of Plan Assets at the end of the year	908.29	691.10	590.89	564.82	–	–
c) Reconciliation of the Present Value of Defined Benefit Obligation and Fair Value of the Plan Assets :						
Fair Value of Plan Assets at the end of the year	908.29	691.10	590.89	564.82	–	–
Present Value of Obligation at the end of the year	933.19	775.22	285.94	254.05	23.46	24.73
Assets/(Liabilities) recognised in the Balance Sheet	(24.90)	(84.12)	304.95 #	310.77 #	(23.46)	(24.73)
# Actual amount of Asset in the Balance Sheet Nil (31.03.2015 : Nil)						
d) Expense recognised in the Statement of Profit and Loss :						
Current Service Cost	48.43	35.62	–	–	3.42	2.67
Interest Cost	58.95	52.55	19.52	20.77	1.81	1.78
(Expected Return of Plan Assets)	(64.63)	(48.68)	(46.01)	(40.53)	–	–
Actuarial (Gain)/Loss	112.15	81.12	32.31	(20.11)	(3.35)	1.17
Total Expense as per the Actuarial Valuation	154.90	120.61	5.82	(39.87)	1.88	5.62
Actual Expenses Recognised	* 154.90	* 120.61	–	–	** 1.88	** 5.62

*The Expenses for the above benefit are recognised under 'Contribution to Funds' on Note 28.

**The Expenses for the above benefit are recognised under 'Salary, Wages and Bonus' on Note 28.

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)	
	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015
	%	%	%	%	%	%
e) Category of Plan Assets :						
GOI Securities	1	2	6	4	NA	NA
Bonds	–	2	3	2	NA	NA
State Government/State Government Guaranteed Securities	–	–	–	–	NA	NA
Units of Insurers	98	95	85	90	NA	NA
Others (including Bank Balances)	1	1	6	4	NA	NA
	100	100	100	100	NA	NA
f) Principal Actuarial Assumptions :						
Discount Rate (per annum) (%)	7.70	7.80	7.70	7.80	7.70	7.80
Rate of Increase in Salaries (%)	6.00	6.00	NA	NA	6.00	6.00
Expected Rate of Return on Plan Assets (%)	8.30	8.30	8.20	8.20	NA	NA
Remaining Working Life (in years)	18.32	17.95	10.37	10.96	13.55	13.79
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	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	42.03	94.64	33.60	73.85	NA	NA
g) Other Disclosures :						
Gratuity Scheme :						
	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	
Experience History						
Defined Benefit Obligation at end of the period	(933.19)	(775.22)	(570.14)	(520.12)	(423.28)	
Plan Assets at end of the period	908.29	691.10	576.63	476.70	410.19	
Funded Status	(24.90)	(84.12)	6.49	(43.42)	(13.09)	
Experience Gain/(Loss) adjustments on Plan Liabilities	(85.12)	(66.98)	(26.05)	(18.73)	(20.39)	
Experience Gain/(Loss) adjustments on Plan Assets	(22.60)	45.96	(3.70)	4.11	(4.83)	
Actuarial Gain/(Loss) due to change on Assumptions	(4.43)	(60.10)	44.25	(19.58)	18.00	

Notes to the Financial Statements (Contd.)

(₹ in lacs)

Superannuation Scheme :

	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012
Experience History					
Defined Benefit Obligation at end of the period	(285.94)	(254.06)	(226.57)	(223.25)	(206.07)
Plan Assets at end of the period	590.89	564.82	497.47	458.77	420.42
Funded Status	304.95	310.77	270.90	235.52	214.35
Experience Gain/(Loss) adjustments on Plan Liabilities	(19.36)	(2.87)	3.09	2.64	5.46
Experience Gain/(Loss) adjustments on Plan Assets	(12.41)	33.32	1.61	7.48	(6.26)
Actuarial Gain/(Loss) due to change on Assumptions	(0.54)	(10.34)	10.92	(5.71)	6.23

Compensated Absence Scheme :

	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012
Experience History					
Defined Benefit Obligation at end of the period	(23.46)	(24.73)	(19.21)	(18.37)	(16.67)
Plan Assets at end of the period	–	–	–	–	–
Funded Status	(23.46)	(24.73)	(19.21)	(18.37)	(16.67)
Experience Gain/(Loss) adjustments on Plan Liabilities	3.53	1.33	1.47	(0.72)	3.64
Experience Gain/(Loss) adjustments on Plan Assets	–	–	–	–	–
Actuarial Gain/(Loss) due to change on Assumptions	(0.18)	(2.50)	1.98	(0.86)	0.88

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.

	For the year ended 31st March 2016	For the year ended 31st March 2015
29. FINANCE COSTS		
Interest	197.73	183.11
Other Borrowing Cost	9.85	6.08
Total	207.58	189.19

	For the year ended 31st March 2016	For the year ended 31st March 2015
30. OTHER EXPENSES :		
Consumption of Stores and Spare Parts (Refer Note 25.2)	502.80	575.22
Power and Fuel	1,017.07	1,408.09
Rent	54.01	41.95
Rates and Taxes	41.44	25.29
Repairs :		
- Machinery	125.81	176.47
- Buildings	14.95	31.75
- Others	118.91	73.59
Insurance	74.07	94.36
Payment to Auditors (Refer Note 30.1)	33.03	22.88

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
Directors' Fees	8.75	6.50
Bank Charges	57.57	69.03
Computerisation Expenses	19.44	32.26
Provision for Doubtful Trade Receivables/Advances	140.55	(0.50)
Sundry Debit Balances/Advances Written Off	45.99	30.10
Travelling and Conveyance	495.89	489.96
Site Contractor Expenses	991.25	789.14
Printing and Stationery	18.24	29.17
Processing Charges	327.85	364.00
Corporate Social Responsibility Expenditure	70.00	60.00
Professional Charges	187.47	177.49
Postage, Telephone, Telex etc.	53.53	63.26
Royalty	139.82	163.81
Service Charges	134.10	125.40
Commission and Brokerage	285.35	594.85
Packing Expenses	670.08	885.53
Delivery and Forwarding Expenses	1,042.86	1,348.38
Net Gain on Sale of Fixed Assets	0.93	(1.58)
Net (Gain)/Loss on Foreign Exchange Rate Fluctuation and Translation (Refer Note 30.2 below)	(919.81)	(709.34)
Security Charges	40.38	33.80
Miscellaneous Expenses	329.60	282.06
Total	6,121.93	7,282.92

	For the year ended 31st March 2016	For the year ended 31st March 2015
30.1 Amounts Paid/Payable to Auditors		
As Auditors		
For Statutory Audit	12.00	9.00
For Tax Audit	2.50	2.50
For Limited Reviews	6.00	6.00
Other Certification Services	11.40	4.55
Reimbursement of Expenses	1.13	0.83

The above amount excludes Service Tax and Education Cess thereon.

30.2 Net Gain of ₹ 919.81 (31.03.2015 : Gain of ₹ 709.34) includes Provision for 'Mark to Market' losses on Derivatives of ₹ NIL (31.03.2015 : ₹ NIL)

	For the year ended 31st March 2016	For the year ended 31st March 2015
31. EARNINGS PER SHARE (EPS)-THE NUMERATORS AND DENOMINATORS USED TO CALCULATE BASIC AND DILUTED EPS		
Profit after Tax	1,856.29	2,686.34
Less : Dividend on Preference Shares	—	64.95
Tax on Dividend on Preference Shares	—	12.99
Profit after Tax attributable to the Equity Shareholders (A)	1,856.29	2,608.40
Weighted Average Number of Equity Shares (in Numbers) (B)	34,610,472	34,610,472
Nominal Value of Equity Shares (in ₹)	10.00	10.00
Dilutive Potential Equity Shares	—	—
Basic/Diluted EPS (A/B)	5.36	7.54

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016	As at 31st March 2015
32. CONTINGENT LIABILITIES		
a) Claims against the Company not acknowledged as Debts :		
i) Sales Tax matters under dispute relating to issues of applicability and classification [related payments ₹ 21.05 (31.03.2015 : ₹ 10.30)]	65.11	92.08
ii) Income Tax matters under dispute relating to issues of applicability and determination	9.99	15.88
iii) Service Tax/Excise Duty matters under dispute relating to issues of applicability and classification	3.20	6.57
iv) Custom Duty matters under dispute relating to issues of applicability and classification [related payments ₹ 12.50 (31.03.2015 : ₹ 12.50)]	—	140.65
b) Guarantees		
Letter of Comfort/Corporate Guarantee given to Banks against Term Loan, Working Capital and Forward Exchange Contracts provided by them to a Subsidiary [Limit ₹ 4,700 (31.03.2015 : ₹ 4,500)]		
Utilised at year end	2,343.71	3,053.08

The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and result of operations.

The Company does not expect any reimbursements in respect of the above Contingent Liabilities.

	As at 31st March 2016	As at 31st March 2015
33. CAPITAL AND OTHER COMMITMENTS :		
33.1 Capital Commitments		
Estimated value of Contracts on Capital Account remaining to be executed (Net of Advances) and not provided for	18.17	85.78
Total	18.17	85.78

33.2 Derivative Instruments :

Derivatives related Commitments

Hedged Position-Forward Contracts

		As at 31st March 2016		As at 31st March 2015	
	Purpose	No. of Contracts	Amount	No. of Contracts	Amount
Forward Contracts to sell € NIL (31.03.2015 : 60.00)	Hedge of Highly Probable Foreign Currency Sales	—	—	12.00	4,175.20

		As at 31st March 2016		As at 31st March 2015	
Particulars of Unhedged Position					
A. Amounts receivable in Foreign Currency	FX Currency	FX Amount (in lacs)	Total INR Equivalent	FX Amount (in lacs)	Total INR Equivalent
Debtors Outstanding	\$	12.81	844.11	13.42	834.87
	€	43.71	3,241.51	57.73	3,861.72
	£	1.01	94.78	1.54	141.67
B. Amounts payable in Foreign Currency	FX Currency	FX Amount (in lacs)	Total INR Equivalent	FX Amount (in lacs)	Total INR Equivalent
Import of Goods and Services	\$	0.48	31.94	5.18	326.35
	€	0.25	19.32	0.83	56.74
	£	0.40	38.00	0.00	0.10
Loans Payable	\$	8.82	588.96	16.84	1,061.77
	€	34.88	2,643.63	44.00	3,010.67

Notes to the Financial Statements (Contd.)

34. RELATED PARTY DISCLOSURES :

Related Party Disclosures in keeping with Accounting Standard-18 prescribed under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

List of Related Parties

Where Control exists	
Holding Company	Bajoria Holdings Private Limited
Subsidiary Companies (including Step down Subsidiaries)	IFGL Worldwide Holdings Limited
	IFGL Exports 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 GmbH & Co. OHG
	Hofmann Ceramic CZ s.r.o.
	Hofmann Ceramic Limited
	Hofmann Ceramic LLC
	Hofmann Pyemetric LLC
	IFGL Inc.
	EI Ceramics LLC
Fellow Subsidiaries	Heritage Health TPA Private Limited
	Bajoria Financial Services Private Limited
	IFGL Bio Ceramics Limited
	Ganges Art Gallery Private Limited
	Bajoria Enterprises Limited
Others :	
Key Management Personnel	S K Bajoria (Chairman)
	P Bajoria (Managing Director)
	Rajesh Agarwal (Company Secretary)
	Kanhaiya Poddar (Chief Financial Officer)
Relatives of Key Management Personnel	Smita Bajoria (Wife of Chairman)
	Mihir Bajoria (Son of Chairman)
	Akshay Bajoria (Son of Managing Director)
Enterprises in which Key Management Personnel has significant influence	Heritage Insurance Brokers Private Limited
	Bajoria Facilitators Private Limited (upto 26.05.2015 known as Coris Heritage Asia Pacific Private Limited)
	Bajoria Service Providers LLP (upto 08.02.2016 known as Bajoria Service Providers Private Limited)

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	2015-2016	2014-2015
Particulars of Transactions during the year and year end balances		
I) With Holding Company : Bajoria Holdings Private Limited		
Rent for Office Premises	31.41	9.98
Maintenance Charges	–	10.89
Expenses Reimbursement/Incurred	15.15	31.31
Expenses Recovered/Received	0.27	0.20
	46.83	52.38
Year End Balances (Trade Payables)	–	0.85
II) With Subsidiaries including Step down Subsidiaries		
Purchase of Raw Materials		
Mono Ceramics Inc.	0.63	–
Monocon International Refractories Limited	74.76	71.53
Tianjin Monocon Refractories Company Limited	122.94	458.62
EI Ceramics LLC	40.53	–
Hofmann Ceramic GmbH	3.90	4.95
	242.76	535.10
Purchase of Trading Goods		
IFGL Exports Limited	2,004.06	1,453.66
	2,004.06	1,453.66
Purchase of Services		
Tianjin Monocon Refractories Company Limited	3.34	–
	3.34	–
Sale of Finished Goods		
Monocon International Refractories Limited	478.13	1,493.36
Mono Ceramics Inc.	2.94	24.96
Hofmann Ceramic GmbH	15.31	26.47
IFGL Exports Limited	90.59	148.48
	586.97	1,693.27
Commission Income on Technical Services for Marketing and Manufacturing Activities		
IFGL Exports Limited	232.18	282.32
	232.18	282.32
Royalty Paid		
Hofmann Ceramic GmbH	–	3.72
	–	3.72
Expenses Reimbursement/Incurred		
Monocon International Refractories Limited	8.76	–
Hofmann Ceramic GmbH	1.25	–
IFGL Exports Limited	–	1.55
	10.01	1.55
Expenses Recovered/Received		
Monocon International Refractories Limited	83.66	89.30
IFGL Exports Limited	9.24	0.20
	92.90	89.50
Interest Received on Loan Given		
IFGL Exports Limited	–	14.10
	–	14.10
Loan Given		
IFGL Exports Limited	–	100.00
	–	100.00

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	2015-2016	2014-2015
Particulars of Transactions during the year and year end balances		
Loan Amount Received Back		
IFGL Exports Limited	—	350.00
	—	350.00
Year End Balances		
Trade Payables		
Monocon International Refractories Limited	77.34	11.18
Tianjin Monocon Refractories Company Limited	44.83	14.55
Hofmann Ceramic GmbH	0.89	1.07
EI Ceramics LLC	40.53	—
IFGL Exports Limited	701.53	733.96
	865.12	760.76
Trade Receivables		
Monocon International Refractories Limited	33.93	146.59
Hofmann Ceramic GmbH	0.49	13.67
Mono Ceramics Inc.	—	1.87
IFGL Exports Limited	188.20	174.50
	222.62	336.63
Loans and Advances		
Monocon International Refractories Limited	—	6.46
	—	6.46
Non-Current Investment		
IFGL Worldwide Holdings Limited	5,625.39	5,625.39
IFGL Exports Limited	1,101.60	1,101.60
	6,726.99	6,726.99
Corporate Guarantee/Letter of Comfort		
IFGL Exports Limited	2,343.71	3,053.60
	2,343.71	3,053.60
III) With Fellow Subsidiaries		
Sale of Finished Goods		
IFGL Bio Ceramics Limited	—	26.88
	—	26.88
Sale of Services		
IFGL Bio Ceramics Limited	—	4.55
	—	4.55
Expenses Reimbursement/Incurred		
Bajoria Enterprises Limited	12.00	12.00
	12.00	12.00
IV) With Key Management Personnel		
Key Management Personnel Remuneration		
S K Bajoria (Chairman)	214.74 @	173.55
P Bajoria (Managing Director)	260.29 @	214.34
Rajesh Agarwal (Company Secretary)	73.69	65.24
Kanhaiya Poddar (Chief Financial Officer)	29.78	28.25
	578.50	481.38
Director's Commission		
S K Bajoria (Chairman)	—	44.00
P Bajoria (Managing Director)	—	12.00
	—	56.00
Year End Balances		
Director's Commission		
S K Bajoria (Chairman)	—	44.00
P Bajoria (Managing Director)	—	12.00
	—	56.00

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	2015-2016	2014-2015
Particulars of Transactions during the year and year end balances		
Advances Recoverable		
P Bajoria (Managing Director)	17.48 #	—
	17.48	—
V) With Relative of Key Management Personnel		
Remuneration		
Akshay Bajoria	23.10	20.98
	23.10	20.98

@ Paid as per approval of the Central Government dated 10th May 2016.

Refunded on 12th May 2016. Also Refer Note 21.1.

35. OPERATING LEASE COMMITMENTS

The Company entered into Non-Cancelable Operating Lease Agreements in connection with certain Office Spaces. Tenure of Lease is for a period of 5 years. Terms of the Lease include Operating terms of Renewal, Re-imbursement of Maintenance Charges, Increase in Future Maintenance Charges etc. The Future Minimum Lease Commitments of the Company are as follows :

	As at 31st March 2016	As at 31st March 2015
Within 1 Year	31.41	9.98
More than 1 Year upto 5 Years	125.64	18.36
Total	157.05	28.34

Lease Rentals recognised in Note 29 under the heading 'Rent' of the Statement of Profit and Loss amounting to ₹ 31.41 (31.03.2015 : ₹ 9.98)

	For the year ended 31st March 2016	For the year ended 31st March 2015
36. CIF VALUE OF IMPORTS		
Raw Materials	3,806.61	6,784.84
Stores and Spares	41.78	85.79
Trading Items	31.05	13.41
Capital Goods	186.19	59.39

	For the year ended 31st March 2016	For the year ended 31st March 2015
37. EXPENDITURE IN FOREIGN CURRENCY		
Salaries and Wages	519.04	557.68
Travelling	156.57	168.52
Commission	289.98	493.26
Royalty	139.82	163.81
Interest	64.37	68.59
Export Selling Expenses - Sea Freight	79.70	109.48
Export Selling Expenses - Others	120.76	123.58
Professional Fees	14.38	8.38
Others	50.47	108.27

Notes to the Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
38. EARNINGS IN FOREIGN EXCHANGE		
FOB value of Exports	9,949.55	11,283.87

	For the year ended 31st March 2016	For the year ended 31st March 2015
39. DIVIDEND REMITTED IN FOREIGN CURRENCY		
a) Amount Remitted	—	—
b) Number of Non-Resident Shareholders	1	1
c) Number of Shares held by them	5,006,956	5,006,956

40. SEGMENT REPORTING

In terms of Accounting Standard 17 'Segment Reporting' prescribed under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 segment information has been presented in the Consolidated Financial Statements of the Company included in the Annual Report. Given below is the information relating to Geographical Market of the Company :

	For the year ended 31st March 2016	For the year ended 31st March 2015
Revenue from Operations		
India	16,281.76	16,578.99
Outside India		
Direct Exports	10,492.36	11,881.01
Indirect Exports	3,957.90	5,357.11
Total	30,732.02	33,817.11
Carrying amount of Assets		
India	21,048.76	21,546.57
Outside India		
Branch Assets	30.95	37.39
Debtors-Direct Exports	2,902.19	2,992.69
Debtors-Indirect Exports	1,380.83	2,077.31
Total	25,362.73	26,653.96
Purchase of Tangible and Intangible Assets		
India	555.85	428.07
Outside India	1.28	0.74

41. PREVIOUS YEAR FIGURES

Previous Year's figures have been re-grouped/re-classified wherever necessary to conform with the current year's classification.

Signatures to Note '1' to '41'

On behalf of the Board of Directors

Kolkata
14th May 2016

R Agarwal
Company Secretary

K Poddar
Chief Financial Officer

P Bajoria
Managing Director

S K Bajoria
Chairman

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

**TO THE MEMBERS OF
IFGL REFRACTORIES LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated 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 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. 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 the Assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers Internal Financial Control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by 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 2016, and the Consolidated Profit and the Consolidated Cash Flows for the year ended on that date.

Other Matters

We did not audit the Financial Statements of 18 Subsidiaries whose Financial Statements reflect Total Assets of ₹ 36,222.88 lacs as at 31st March 2016, Total Revenues of ₹ 36,970.54 lacs and Net Cash Outflows amounting to ₹ 1,293.01 lacs for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated 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 the other auditors.

Independent Auditors' Report *(Contd.)*

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not qualified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 of the aforesaid Consolidated Financial Statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated 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 and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March 2016 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its Subsidiary Company incorporated in India, none of the Directors of the Group Companies incorporated in India is disqualified as on 31st March 2016 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 and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the Auditors' Reports of the Holding company and the Subsidiary Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's/ Subsidiary Company's incorporated in India Internal Financial Controls over Financial Reporting.
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated Financial Position of the Group - Refer Notes 12.2 and 34(a) to the Consolidated Financial Statements.
 - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There have been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company incorporated in India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 302009E)

A Bhattacharya
Partner
(Membership No. 054110)

Kolkata
14th May 2016

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Financial Statements of the Company as of and for the year ended 31st March 2016, we have audited the Internal Financial Controls over Financial Reporting of IFGL Refractories Limited (hereinafter referred to as "the Holding Company") and its Subsidiary Company, which is a Company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its Subsidiary Company which is a Company incorporated in India, are 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 (the "Guidance Note") issued by The Institute of Chartered Accountants of India (ICAI). 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, 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 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 system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, 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 auditors' judgement, including the assessment of the risks of material misstatement of the 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 Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control over Financial Reporting 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 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 Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over Financial Reporting to future periods are subject to the risk that the Internal Financial Control over Financial Reporting 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 to the best of our information and according to the explanations given to us, the Holding Company and its Subsidiary Company which are Companies incorporated in India, have in all material respects, an adequate Internal Financial Controls system over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March 2016, 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.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 302009E)

A Bhattacharya
Partner
(Membership No. 054110)

Kolkata
14th May 2016

Consolidated Balance Sheet as at 31st March 2016

(₹ in lacs)

	Note No.	As at 31st March 2016		As at 31st March 2015	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds :					
a) Share Capital	4	3,461.05		3,461.05	
b) Reserves and Surplus	5	35,207.45	38,668.50	31,020.15	34,481.20
2. Minority Interest			1,284.88		963.38
3. Non-Current Liabilities :					
a) Long-Term Borrowings	6	1,859.78		2,894.60	
b) Deferred Tax Liabilities (Net)	7	1,115.12		1,079.24	
c) Long-Term Provisions	8	22.29	2,997.19	24.32	3,998.16
4. Current Liabilities :					
a) Short-Term Borrowings	9	5,089.66		6,678.52	
b) Trade Payables :					
i) Total Outstanding dues of Micro Enterprises and Small Enterprises	10	143.61		91.42	
ii) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	10	9,760.32		9,910.04	
c) Other Current Liabilities	11	1,668.82		2,349.57	
d) Short-Term Provisions	12	194.03	16,856.44	1,059.23	20,088.78
Total			59,807.01		59,531.52
II. ASSETS					
1. Non-Current Assets :					
a) Fixed Assets :					
i) Tangible Assets	13	12,703.20		12,374.52	
ii) Intangible Assets	14	278.70		24.61	
iii) Capital Work-in-Progress		196.86	13,178.76	414.88	12,814.01
b) Goodwill on Consolidation	15		12,769.58		12,398.46
c) Non-Current Investments	16		50.00		50.00
d) Long-Term Loans and Advances	17		370.91		193.72
e) Other Non-Current Assets	18		68.46		54.61
2. Current Assets :					
a) Current Investments	19	800.00		–	
b) Inventories	20	7,808.79		10,019.28	
c) Trade Receivables	21	18,030.89		18,033.66	
d) Cash and Cash Equivalents	22	5,477.03		4,786.49	
e) Short-Term Loans and Advances	23	991.47		843.94	
f) Other Current Assets	24	261.12	33,369.30	337.35	34,020.72
Total			59,807.01		59,531.52

See accompanying Notes forming part of the Consolidated Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

A Bhattacharya

Partner

Membership No. 054110

Kolkata

14th May 2016

On behalf of the Board of Directors

R Agarwal
Company Secretary

K Poddar
Chief Financial Officer

P Bajoria
Managing Director

S K Bajoria
Chairman

Consolidated Statement of Profit and Loss for the year ended 31st March 2016

(₹ in lacs)

	Note No.	For the year ended 31st March 2016		For the year ended 31st March 2015	
I. REVENUE FROM OPERATIONS (GROSS)	25	73,401.58		80,361.61	
Less : Excise Duty		(1,704.09)		(1,685.09)	
Revenue from Operations (Net)			71,697.49		78,676.52
II. Other Income	26		508.16		670.34
III. Total Revenue (I + II)			72,205.65		79,346.86
IV. EXPENSES :					
Cost of Materials and Components Consumed	27	28,353.88		33,658.19	
Purchases of Stock-in-Trade	28	6,911.08		6,744.46	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	1,252.81		209.25	
Employee Benefit Expenses	30	11,959.88		11,784.55	
Finance Costs	31	475.00		585.95	
Depreciation and Amortisation Expense	14.2	1,547.19		1,429.26	
Other Expenses	32	15,617.38		17,062.63	
Total Expenses			66,117.22		71,474.29
V. PROFIT BEFORE TAX (III-IV)			6,088.43		7,872.57
VI. Tax Expense :					
1) Current Tax Expense		1,664.72		2,486.06	
2) Deferred Tax (Reversals)/Charge		(96.13)	1,568.59	53.49	2,539.55
VII. PROFIT AFTER TAX (V-VI)			4,519.84		5,333.02
VIII. Share of profits attributable to Minority Interest			(323.50)		(23.12)
IX. PROFIT FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (VII + VIII)			4,196.34		5,309.90
X. Earnings Per Share :					
1) Basic	33		12.12		15.12
2) Diluted	33		12.12		15.12

See accompanying Notes forming part of the Consolidated Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

A Bhattacharya

Partner

Membership No. 054110

Kolkata

14th May 2016

On behalf of the Board of Directors

R Agarwal
Company Secretary**K Poddar**
Chief Financial Officer**P Bajoria**
Managing Director**S K Bajoria**
Chairman

Consolidated Cash Flow Statement for the year ended 31st March 2016

(₹ in lacs)

	For the year ended 31st March 2016		For the year ended 31st March 2015	
A . CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax and Minority Interest		6,088.43		7,872.57
Adjustments for :				
Depreciation and Amortisation Expense	1,547.19		1,429.26	
Finance Costs (Net of Interest Income)	180.61		259.44	
Liability no longer required Written Back	(19.46)		(38.23)	
Loss on Sale/Discard of Assets (Net)	1.35		2.62	
Bad Debts/Advances Written Off	89.67		29.59	
Provision for Doubtful Trade and Other Receivables	80.70		254.95	
Unrealised Exchange Loss (Net)	7.25		95.07	
Effect of change in Foreign Exchange Translation	222.56	2,109.87	315.01	2,347.71
Operating Profit before Working Capital Changes		8,198.30		10,220.28
Adjustments for :				
Trade and Other Receivables	(238.78)		(2,000.13)	
Inventories	2,210.49		321.02	
Trade and Other Payables	(171.63)	1,800.08	486.11	(1,193.00)
Cash generated from Operations		9,998.38		9,027.28
Income Taxes Paid (Net)		(1,696.71)		(2,672.67)
Cash flows before Extra-ordinary Items		8,301.67		6,354.61
Net Cash Generated from Operating Activities (A)		8,301.67		6,354.61
B . CASH FLOW FROM INVESTING ACTIVITIES :				
Capital Expenditure on Fixed Assets including Capital Advances	(1,691.09)		(1,988.62)	
Proceeds from Sale of Fixed Assets	18.84		8.03	
Purchase of Long-Term Investments	(800.00)		–	
Interest Received	255.42	(2,216.83)	335.11	(1,645.48)
Net Cash used in Investing Activities (B)		(2,216.83)		(1,645.48)
C . CASH FLOW FROM FINANCING ACTIVITIES :				
Repayment of Preference Share Capital	–		(1,450.00)	
Repayment of Long-Term Borrowings	(1,659.49)		(979.63)	
Proceeds from Short-Term Borrowings	–		67.94	
(Decrease)/Increase in Cash Credit Facilities	(1,700.98)		1,076.96	
Proceeds from Minority	–		15.00	
Finance Costs	(475.00)		(585.95)	
Dividend Paid	(1,345.88)		(739.06)	
Tax on Dividend	(309.03)	(5,490.38)	(150.84)	(2,745.58)
Net Cash used in Financing Activities (C)		(5,490.38)		(2,745.58)

Consolidated Cash Flow Statement for the year ended 31st March 2016 (Contd.)

(₹ in lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
D. EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY	109.93	(205.23)
Net Increase in Cash and Cash Equivalents (A+B+C+D)	704.39	1,758.32
Cash and Cash Equivalents at the beginning of the year	4,786.49	3,065.98
Cash and Cash Equivalents at the end of the year	5,490.88	4,824.30
Reconciliation of Cash and Cash Equivalents with the Balance Sheet :		
Cash and Cash Equivalents (Refer Note 22)	5,477.03	4,786.49
Add/(Less) : Bank Balances not considered as Cash and Cash Equivalents		
i) In other Deposit Accounts-Original Maturity more than 3 Months Net Cash and Cash Equivalents included in Note 18-Closing	68.46	54.61
ii) In other Deposit Accounts-Original Maturity more than 3 Months Net Cash and Cash Equivalents included in Note 18-Opening	(54.61)	(16.80)
	5,490.88	4,824.30

Notes :

- The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.
- Previous Years Figures have been re-grouped/re-classified wherever necessary to conform with the current year's classification.
- Cash and Cash Equivalents include ₹ 97.57 (31.03.2015 : ₹ 59.04) in respect of unpaid dividend accounts.

See accompanying Notes forming part of the Consolidated Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

A Bhattacharya

Partner

Membership No. 054110

Kolkata

14th May 2016

On behalf of the Board of Directors

R Agarwal
Company Secretary

K Poddar
Chief Financial Officer

P Bajoria
Managing Director

S K Bajoria
Chairman

Notes to the Consolidated Financial Statements

(₹ in lacs)

1. The Consolidated Financial Statements (CFS) of the Company and its Subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The Consolidated Financial Statements have been prepared on accrual basis under the Historical Cost Convention. The accounting policies adopted in the preparation of the Consolidated Financial Statements are consistent with those followed in the previous year.
2. **PRINCIPLES OF CONSOLIDATION :**
- 2.1 The CFS comprises of the Financial Statements of IFGL Refractories Limited (the Company) and its Subsidiary Companies (Group). The Consolidated Financial Statements are in conformity with Accounting Standard 21 on "Consolidated Financial Statements" specified under Section 133 of the 2013 Act and are prepared on the following basis :
 - a) The Financial Statements of the 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 Company's Standalone Financial Statements.
 - c) The excess of cost to the Company of its investment in the Subsidiaries (including Step down Subsidiaries) over the 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 not amortised but 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 Equity (Foreign Currency Translation Reserve) by the Company until the disposal of Investment.
 - e) Minority Interest in the CFS 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 Minority's share of movement in Equity since the date Parent – Subsidiary relationship came into existence.
 - Losses applicable to the Minority in excess of the Minority's Interest, if any, in the Subsidiary's Equity are allocated against the interest of the Group.
 - 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 2015. These Subsidiaries have been consolidated using the Financial Statements for the year ended on that date adjusted for movements to 31st March 2016.
- 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
IFGL Exports Limited	India	51%	31st March
Step down Subsidiaries			
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
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 GmbH & Co. OHG (HGCO)	Germany	100%	31st March
Hofmann Ceramic CZ s.r.o. (HCC)	Czech Republic	98.78%	31st March
Hofmann Ceramic Limited (HCL)	UK	100%	31st March
Hofmann Ceramic LLC (HCLLC)	USA	100%	31st March
Hofmann Pyometric LLC (HPLLC)	USA	51%	31st March
IFGL Inc. (IFGL INC)	USA	100%	31st March
EI Ceramics LLC (EICLLC)	USA	100%	31st March

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

3. Accounting policies for the Group are same as followed by the Company as indicated in Note 2 of the Company's Financial Statements for the year ended 31st March 2016, except as follows :

3.1 Fixed Assets of Operating Step down Overseas Subsidiaries are depreciated under Straight Line Method and also under Written Down Value Method, over the estimated useful lives (being lower than useful lives prescribed under Schedule II of the 2013 Act of India except in case of Buildings), as indicated below :

Building	Upto 50 Years
Plant and Machinery	3 - 10 Years
Fixtures and Fittings	1 - 10 Years
Office Equipments	1 - 4 Years
Computers	1 - 4 Years
Motor Vehicles	4 - 10 Years

Depreciation charge for the year and year end accumulated depreciation pertaining to the aforesaid Subsidiaries amount to ₹ 584.23 (31.03.2015 : ₹ 538.38) and ₹ 8,311.80 (31.03.2015 : ₹ 7,364.40) respectively.

Depreciation charge for the year and accumulated year end depreciation for such Subsidiaries as a proportion to the group are as follows :

	As at 31st March 2016	As at 31st March 2015
Depreciation	37.76%	37.67%
Accumulated Depreciation	46.59%	46.13%

3.2 For the purpose of Inventory Valuation FIFO Method is used by MCI and MIRC unlike the Company, where Weighted Average Method is used to determine the cost. The year end Inventory of such Subsidiaries as a proportion to the Group Inventory is 36.76% (31.03.2015 : 37.08%). However, had the Weighted Average Method being used at the Subsidiaries, the impact on Inventory Valuation is likely to be not material.

	As at 31st March 2016	As at 31st March 2015
4. SHARE CAPITAL :		
Authorised		
40,000,000 (31.03.2015 : 40,000,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
2,000,000 (31.03.2015 : 2,000,000) 5% Redeemable Preference Shares of ₹ 100/- each	2,000.00	2,000.00
Total	6,000.00	6,000.00
Issued, Subscribed and Fully Paid Up		
34,610,472 (31.03.2015 : 34,610,472) Equity Shares of ₹ 10/- each, fully paid up	3,461.05	3,461.05
Total	3,461.05	3,461.05

	Equity Shares	
	No. of Shares	₹ in lacs
4.1 Reconciliation of Number of Shares		
Shares outstanding on 01.04.2015	34,610,472	3,461.05
Shares outstanding on 31.03.2016	34,610,472	3,461.05

4.2 Terms/Rights attached to Equity Shares

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

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

4.3 Shares held by the Holding Company and Subsidiaries of the Holding Company

Name of Shareholder	Relationship	Nature of Shares	As at 31st March 2016		As at 31st March 2015	
			No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bajoria Holdings Private Limited (BHPL)	Holding Company	Equity	18,320,973	52.93	18,320,973	52.93

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

Name of Shareholder	Relationship	Nature of Shares	As at 31st March 2016		As at 31st March 2015	
			No. of Shares held	% of Holding	No. of Shares held	% of Holding
Krosaki Harima Corporation, Japan	Foreign Promoter	Equity	5,006,956	14.47	5,006,956	14.47
Bajoria Holdings Private Limited	Holding Company	Equity	18,320,973	52.93	18,320,973	52.93

	As at 31st March 2016		As at 31st March 2015	
5. RESERVES AND SURPLUS				
Capital Reserve as at the beginning and end of the year		5.00		5.00
Capital Redemption Reserve				
Balance as at the beginning of the year	1,450.00		510.00	
Add : Transferred from Statement of Profit and Loss	–	1,450.00	940.00	1,450.00
General Reserve				
Balance as at the beginning of the year		801.85		801.85
Foreign Exchange Translation Reserve				
Balance as at the beginning of the year	3,715.25		5,045.13	
Add : Net Addition/(Deduction) during the year	851.28	4,566.53	(1,329.88)	3,715.25
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year	25,048.05		21,626.35	
Less : Depreciation on Transition to Schedule II of The Companies Act, 2013 on Tangible Fixed Assets with Nil remaining useful life (Net of Deferred Tax ₹ NIL (31.03.2015 : ₹ 7.49)	–		(14.57)	
Add : Profit for the year	4,196.34		5,309.90	
Less : Transferred to Capital Redemption Reserve	–		(940.00)	
Less : Dividend paid on Non Cumulative Preference Shares	–		(64.95)	
Less : Interim Dividend paid on Equity Shares	(692.21)		–	
Less : Dividend on Equity Shares for the year	–		(692.21)	
Less : Tax on Dividend Paid	–		(12.99)	
Less : Tax on Interim Dividend Paid	(168.11)		–	
Less : Tax on Proposed Dividend for the year	–	28,384.07	(163.48)	25,048.05
Total		35,207.45		31,020.15

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016	As at 31st March 2015
6. LONG-TERM BORROWINGS :		
Secured		
Term Loans		
From Banks		
- From Export Import Bank of India (Rupee Loan and Foreign Currency Loan [Refer Note 6.1 (i)(a)(b)])	471.94	1,085.08
- From Fifth Third Bank [Refer Note 6.1 (ii) below]	655.31	1,230.44
- From Volksbank Dill eG [Refer Note 6.1 (iii) below]	263.60	122.35
- From Commerzbank AG [Refer Note 6.1 (iv) below]	450.94	451.24
Other Loans (Vehicles)		
- From Credium AS [Refer Note 6.1 (v) below]	6.89	—
- From Yes Bank Limited [Refer Note 6.1 (v) below]	—	1.75
- From ICICI Bank Limited [Refer Note 6.1 (v) below]	11.10	3.74
Total	1,859.78	2,894.60

6.1 Nature of Security and Terms of Repayment of Secured Borrowings :

- i) **Term Loan from Export Import Bank of India** is secured by a first charge over entire moveable and immoveable Fixed Assets, both present and future and second charge on the entire Current Assets including Receivables, both present and future of IFGL Exports Limited and further secured by the following Collateral Securities :
 - a) Pledge of 1,101,600 (31.03.2015 : 1,101,600) Equity Shares of IFGL Exports Limited held by the Company and
 - b) Default Payment Guarantee of the Company.
- ii) **Loans from Fifth Third Bank at Mono Ceramics Inc. and EI Ceramics LLC** are secured by all the Assets of the Mono Ceramics Inc., the Company and its wholly owned Subsidiaries, Hofman Ceramic LLC, IFGL Inc., EI Ceramics LLC and its 51% owned subsidiary Hofmann Pyemetric LLC (individually and collectively, the "Company").
- iii) **Term Loan (Euro Currency) from Volksbank Dill eG of Hofmann GmbH & Co. OHG** is secured by :
 - a) Mortgage of small investments and investments in Hofmann CZ plant.
 - b) Specific Plant and Machineries.
- iv) **Loan from Commerzbank AG** is secured by specific Plant & Machinery of the Company.
- v) **Vehicle Loans**
Vehicle Loans are secured by hypothecation of respective Vehicles.

	As at 31st March 2016	As at 31st March 2015
7. DEFERRED TAX LIABILITIES (NET)		
Tax Impact of –		
Assets :		
Accrued Expenses deductible when paid	(48.58)	107.58
Depreciation on Fixed Assets (Transitional Effect)	—	(7.49)
Liabilities :		
Difference between Tax Depreciation and Book Depreciation	1,163.70	979.15
Net Liability	1,115.12	1,079.24

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016	As at 31st March 2015
8. LONG-TERM PROVISIONS		
Provision for Employee Benefits		
Compensated Absence	22.29	24.32
Total	22.29	24.32

	As at 31st March 2016	As at 31st March 2015
9. SHORT-TERM BORROWINGS :		
Secured		
Loans from Banks		
Working Capital Loans repayable on Demand		
- From State Bank of India (Refer Note 9.1 below)	2,622.90	3,431.28
- From HSBC Bank Plc (Refer Note 9.2 below)	—	171.08
- From Fifth Third Bank (Refer Note 9.3 below)	—	109.38
- From The Hongkong and Shanghai Banking Corporation Limited (Refer Note 9.1 below)	1,206.95	1,502.85
- From ICICI Bank Limited (Refer Note 9.4 below)	762.40	612.23
- From DBS Bank Limited (Refer Note 9.4 below)	480.12	736.24
- From Commerzbank AG	17.29	77.71
Unsecured		
- From Others	—	37.75
Total	5,089.66	6,678.52

9.1 The Loan from State Bank of India and The Hongkong and Shanghai Banking Corporation Limited is secured by hypothecation of Stocks of Raw Materials, Stock-in-Process, Finished Goods, Consumables, Spares, Stores, Receivables and other Current Assets on pari passu basis and by a second charge over all Fixed Assets of the Company, situated at Sectors 'A' and 'B' of Kalunga Industrial Estate, near Rourkela, on pari passu basis.

9.2 The Working Capital Loan from HSBC Bank Plc is secured by :

- Debentures comprising fixed and floating charges over all the Assets and Undertakings of IMHL, MOL, MIRL and GMSL, including all present and future Freehold and Leasehold Property, Books and other Debts, Chattels, Goodwill and Uncalled Capital.
- Letter of priority to The Hongkong and Shanghai Banking Corporation Limited over all Currents Assets of IMHL, MOL, MIRL and GMSL.
- Composite Company Guarantee from MIRL, IMHL, MOL, GMSL and IWHL.

9.3 The Loan from Fifth Third Bank - For security Refer Note 6.1 (ii).

9.4 Cash Credit from ICICI Bank Limited and DBS Bank Limited is secured by :

- Pari passu charge on Current Assets and Receivables and second and subservient charge on Moveable Properties of IFGL Exports Limited.
- Corporate Guarantee of the Parent Company.

	As at 31st March 2016	As at 31st March 2015
10. TRADE PAYABLES		
Outstanding dues of Micro Enterprises and Small Enterprises	143.61	91.42
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	9,760.32	9,910.04
Total	9,903.93	10,001.46

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016	As at 31st March 2015
11. OTHER CURRENT LIABILITIES :		
Current Maturities of Long-Term Debt (Secured)	1,423.34	2,048.04
Unclaimed Dividends	97.57	59.04
Other Payables (Refer Note 11.1 below)	147.91	242.49
Total	1,668.82	2,349.57

	As at 31st March 2016	As at 31st March 2015
11.1 Other Payables		
Advance from Customers	6.56	19.73
Statutory Liabilities	101.85	98.70
Security Deposits Received	12.29	37.71
Liability for Gratuity	27.21	86.35
Total	147.91	242.49

	As at 31st March 2016	As at 31st March 2015
12. SHORT-TERM PROVISIONS :		
Provision for Employee Benefits		
- Compensated Absence	1.17	1.33
- Provident Fund	—	—
Others :		
Provision for Taxation	5,261.73	4,414.27
Less : Advance Income Tax/Fringe Benefits Tax and Tax Deducted at Source	5,101.18	4,221.77
Proposed Dividend (Refer Note 12.1 below)		
- On Equity Shares	—	692.17
Tax on Proposed Dividend	—	140.92
Sales Tax (Refer Note 12.2)	18.49	18.49
Entry Tax (Refer Note 12.2)	13.82	13.82
Total	194.03	1,059.23

	As at 31st March 2016	As at 31st March 2015
12.1 Proposed Dividend		
On Equity Shares of ₹ 10/- Each		
Amount of Dividend Proposed	—	692.17
Dividend per Equity Share (₹)	—	2.00

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016		As at 31st March 2015	
	Sales Tax	Entry Tax	Sales Tax	Entry Tax
12.2 Sales Tax/Entry Tax				
Opening Balance	18.49	13.82	18.49	13.82
Provision during the year	—	—	—	—
Provision Utilised/Paid during the year	—	—	—	—
Closing Balance	18.49	13.82	18.49	13.82

The above provision represents obligations that may materialise in respect of matters in appeal.

13. TANGIBLE ASSETS :

	GROSS BLOCK - AT COST					DEPRECIATION						NET BLOCK
	As at 1st April 2015	Additions during the year	Deductions during the year	Exchange Difference on Conso- lidation	Total as at 31st March 2016	Upto 1st April 2015	For the year	Deductions during the year	Adjust- ments	Exchange Difference on Conso- lidation	Total upto 31st March 2016	As at 31st March 2016
OWN ASSETS												
Land (Leasehold) (Refer Note 13.1 below)	34.76	—	—	—	34.76	5.22	0.43	—	—	—	5.65	29.11
Land (Freehold)	707.62	—	—	36.39	744.01	—	—	—	—	—	—	744.01
Buildings	6,654.74	142.82	2.10	255.17	7,050.63	2,184.78	194.92	—	—	121.59	2,501.29	4,549.34
Plant and Equipment	18,179.71	1,300.29	36.78	378.77	19,821.99	11,505.70	1,195.39	27.38	(3.24)	277.05	12,947.52	6,874.47
Furniture and Fixtures	530.78	2.25	—	11.94	544.97	393.83	17.67	—	—	8.93	420.43	124.54
Leasehold Improvements	48.91	—	—	—	48.91	19.56	9.03	—	—	—	28.59	20.32
Vehicles	476.59	63.20	31.85	13.41	521.35	317.18	38.34	23.16	—	11.95	344.31	177.04
Office Equipment	327.20	43.11	0.83	17.56	387.04	215.58	36.18	0.83	—	15.16	266.09	120.95
Computers	455.59	39.96	—	10.03	505.58	399.53	32.68	—	—	9.95	442.16	63.42
Total	27,415.90	1,591.63	71.56	723.27	29,659.24	15,041.38	1,524.64	51.37	(3.24)	444.63	16,956.04	12,703.20

	GROSS BLOCK - AT COST					DEPRECIATION						NET BLOCK
	As at 1st April 2014	Additions during 2014-2015	Deductions during 2014-2015	Exchange Difference on Conso- lidation	Total as at 31st March 2015	Upto 1st April 2014	For the 2014-2015	Deductions during 2014-2015	Adjust- ments	Exchange Difference on Conso- lidation	Total upto 31st March 2015	As at 31st March 2015
OWN ASSETS												
Land (Leasehold) (Refer Note 13.1 below)	34.76	—	—	—	34.76	4.78	0.44	—	—	—	5.22	29.54
Land (Freehold)	734.37	—	—	(26.75)	707.62	—	—	—	—	—	—	707.62
Buildings	6,563.39	214.78	—	(123.43)	6,654.74	2,147.37	217.57	—	—	(180.16)	2,184.78	4,469.96
Plant and Equipment	17,307.47	1,268.84	35.41	(361.19)	18,179.71	10,656.87	1,079.46	24.37	3.94	(210.20)	11,505.70	6,674.01
Furniture and Fixtures	525.75	21.01	—	(15.98)	530.78	394.01	15.05	—	0.77	(16.00)	393.83	136.95
Leasehold Improvements	48.91	—	—	—	48.91	10.53	9.03	—	—	—	19.56	29.35
Vehicles	513.14	10.18	38.68	(8.05)	476.59	322.50	35.98	38.11	—	(3.19)	317.18	159.41
Office Equipment	351.60	30.28	27.07	(27.61)	327.20	212.73	35.89	28.13	17.35	(22.26)	215.58	111.62
Computers	438.30	39.85	0.78	(21.78)	455.59	394.84	26.99	0.68	—	(21.62)	399.53	56.06
Total	26,517.69	1,584.94	101.94	(584.79)	27,415.90	14,143.63	1,420.41	91.29	22.06	(453.43)	15,041.38	12,374.52

13.1 Acquired under a lease of 99 years with a renewal option.

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

14. INTANGIBLE ASSETS :

OWN ASSETS (ACQUIRED)	GROSS BLOCK - AT COST					AMORTISATION					NET BLOCK	
	As at 1st April 2015	Additions during the year	Deductions during the year	Exchange Difference on Consolidation	Total as at 31st March 2016	Upto 1st April 2015	For the year	Deductions during the year	Adjustments	Exchange Difference on Consolidation	Total upto 31st March 2016	As at 31st March 2016
Goodwill (arising on Amalgamation)	503.06	–	–	–	503.06	503.06	–	–	–	–	503.06	–
Goodwill (arising on Acquisition)	2.90	–	–	0.27	3.17	2.90	–	–	–	0.27	3.17	–
Computer Software	71.61	40.18	–	0.91	112.70	47.00	21.32	–	–	1.30	69.62	43.08
Intellectual Property Rights (Technical Know-how) (Refer Note 14.1 below)	243.53	243.84	–	(6.25)	481.12	243.53	1.23	–	–	0.74	245.50	235.62
Total	821.10	284.02	–	(5.07)	1,100.05	796.49	22.55	–	–	2.31	821.35	278.70

OWN ASSETS (ACQUIRED)	GROSS BLOCK - AT COST					AMORTISATION					NET BLOCK	
	As at 1st April 2014	Additions during 2014-2015	Deductions during 2014-2015	Exchange Difference on Consolidation	Total as at 31st March 2015	Upto 1st April 2014	For 2014-2015	Deductions during 2014-2015	Adjustments	Exchange Difference on Consolidation	Total upto 31st March 2015	As at 31st March 2015
Goodwill (arising on Amalgamation)	503.06	–	–	–	503.06	503.06	–	–	–	–	503.06	–
Goodwill (arising on Acquisition)	3.64	–	–	(0.74)	2.90	3.64	–	–	–	(0.74)	2.90	–
Computer Software	46.49	31.49	3.62	(2.75)	71.61	44.86	8.48	3.62	–	(2.72)	47.00	24.61
Intellectual Property Rights (Technical Know-how) (Refer Note 14.1 below)	244.60	–	1.32	0.25	243.53	244.25	0.37	1.32	–	0.23	243.53	–
Total	797.79	31.49	4.94	(3.24)	821.10	795.81	8.85	4.94	–	(3.23)	796.49	24.61

14.1 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.

	For the year ended 31st March 2016	For the year ended 31st March 2015
14.2 Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	1,524.64	1,420.41
Amortisation of Intangible Assets	22.55	8.85
Total	1,547.19	1,429.26

	As at 31st March 2016	As at 31st March 2015
15. GOODWILL ON CONSOLIDATION		
Balance at the beginning of the year	12,398.46	13,420.70
Add : Movement during the year	371.12	(1,022.24)
Closing Balance at the end of the year	12,769.58	12,398.46

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016	As at 31st March 2015
16. NON-CURRENT INVESTMENTS		
Unquoted Equity Investments		
Other Investments (Valued at Cost unless stated otherwise)		
Quoted		
- Investments in Debentures or Bonds [50 (31.03.2015 : 50) 8.09% Tax Free Bonds of Power Finance Corporation Limited of Face Value ₹ 100,000 each]	50.00	50.00
Total	50.00	50.00
Aggregate Amount of Quoted Investments	50.00	50.00
Aggregate Amount of Unquoted Investments	—	—
Market Value of Quoted Investments	52.05	52.79

	As at 31st March 2016	As at 31st March 2015
17. LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Capital Advances	70.01	33.31
MAT Credit Entitlement	175.63	42.03
Security Deposits	125.27	118.38
Total	370.91	193.72

	As at 31st March 2016	As at 31st March 2015
18. OTHER NON-CURRENT ASSETS		
Long-Term Deposits with Banks with original maturity period of more than 12 months*	68.46	54.61
Total	68.46	54.61

*Kept under lien by Bank as Margin Money against non fund based facilities provided.

	As at 31st March 2016	As at 31st March 2015
19. CURRENT INVESTMENTS (AT LOWER OF COST OR FAIR VALUE)		
Investments in Mutual Funds		
- Reliance Medium Term Fund - Direct Growth Plan - Growth Option (Quoted) 966,030.233 (31.03.2015 : Nil) Units of ₹ 31.0549 each	300.00	—
- IDFC Corporate Bond Fund Direct Plan - Growth (Quoted) 5,002,801.569 (31.03.2015 : Nil) Units of ₹ 9.9944 each	500.00	—
Total	800.00	—
Aggregate Market Value of Quoted Investments	816.10	—

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016	As at 31st March 2015
20. INVENTORIES		
Valued at lower of Cost and Net Realisable Value		
Raw Materials and Components (includes in transit)	2,959.89	3,786.97
Work-in-Progress	1,093.94	1,463.20
Finished Goods (includes in transit)	1,905.54	2,381.31
Stock of Traded Goods	1,608.01	2,015.79
Stores and Spares	241.41	372.01
Total	7,808.79	10,019.28

	As at 31st March 2016	As at 31st March 2015
21. TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	527.31	355.99
- Considered Doubtful	797.28	168.35
Less : Provision for Doubtful Receivables	(797.28)	(168.35)
Other Receivables		
- Considered Good	17,503.58	17,677.67
Total	18,030.89	18,033.66

	As at 31st March 2016	As at 31st March 2015
22. CASH AND CASH EQUIVALENTS		
Balances with Banks		
- In Current Accounts	3,790.45	1,589.72
- In Deposit Accounts (with original maturity of less than 3 months)	158.97	2,163.19
Cheques on Hand	5.44	10.76
Funds in Transit	17.78	—
Cash on Hand	34.92	29.44
Other Bank Balances		
- On Unclaimed Dividend Accounts	97.57	59.04
- Deposits with original maturity of more than 3 months but less than 12 months*	1,371.90	934.34
Total	5,477.03	4,786.49

* ₹ 2.54 of Deposits are kept under lien by Bank as Margin Money against non fund based facilities provided.

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016		As at 31st March 2015	
23. SHORT-TERM LOANS AND ADVANCES :				
Unsecured, Considered Good				
Loans and Advances to Related Party		17.48		–
- Excess Remuneration recoverable from Managing Director (Refer Note 23.1 below)				
Other Loans and Advances				
- Others (Refer Note 23.2 below)	669.77		675.66	
- Prepaid Expenses	304.22	973.99	168.28	843.94
Total		991.47		843.94

23.1 Represents the difference between the remuneration paid to the Managing Director based on recommendation of the Nomination and Remuneration Committee and the amount approved by the Central Government vide its letter dated 10th May 2016. The amount has been refunded on 12th May 2016.

	As at 31st March 2016		As at 31st March 2015	
23.2 Loans and Advances-Others				
Advance to Suppliers		42.82		36.12
Insurance Claims Receivable		–		9.37
Advance for Expenses		626.95		630.17
Total		669.77		675.66

	As at 31st March 2016		As at 31st March 2015	
24. OTHER CURRENT ASSETS				
Unsecured, Considered Good				
Interest Accrued on Fixed Deposits		57.81		18.82
Accrued Export Benefits		14.08		22.78
Balances with Excise Authorities etc.		100.20		206.64
Security Deposits		89.03		89.11
Total		261.12		337.35

	For the year ended 31st March 2016		For the year ended 31st March 2015	
25. REVENUE FROM OPERATIONS				
Revenue from Sale of Products (Gross) :				
Finished Goods		66,583.26		73,135.86
Traded Goods		5,356.27		5,842.49
		71,939.53		78,978.35
Less : Excise Duty		(1,704.08)		(1,685.09)
Revenue from Sale of Products (Net) :		70,235.45		77,293.26
Service Income		1,431.43		1,352.47
Other Operating Revenue (Scrap Sales)		30.61		30.79
Total		71,697.49		78,676.52

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
26. OTHER INCOME :		
Interest Income (Refer Note 26.1 below)	294.39	326.51
Liabilities no longer required Written Back	19.46	38.23
Other Non Operating Income (Refer Note 26.2 below)	194.31	305.60
Total	508.16	670.34

	For the year ended 31st March 2016	For the year ended 31st March 2015
26.1 Details of Interest Income		
Interest on Bank Deposits	251.15	296.51
Interest from Customers	39.26	29.87
Interest Others	3.98	0.13
Total	294.39	326.51

No Interest was capitalised during the year.

	For the year ended 31st March 2016	For the year ended 31st March 2015
26.2 Other Non Operating Income		
Bad Debts Recovery	6.06	—
Export Benefits	11.27	14.37
Royalty	63.71	66.18
Sundry Receipts	113.27	225.05
Total	194.31	305.60

	For the year ended 31st March 2016	For the year ended 31st March 2015
27. COST OF MATERIALS AND COMPONENTS CONSUMED		
Raw Materials (including Packing Materials)	28,353.88	33,658.19
Total	28,353.88	33,658.19

	For the year ended 31st March 2016	For the year ended 31st March 2015
28. DETAILS OF PURCHASES OF TRADED GOODS		
Shaped Refractories	5,080.53	5,768.32
Unshaped Refractories	178.63	205.38
Others	1,651.92	770.76
Total	6,911.08	6,744.46

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2016		For the year ended 31st March 2015	
29. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
Opening Stock				
Finished Goods and Traded Goods	4,397.10		4,752.08	
Work-in-Progress	1,463.20	5,860.30	1,317.47	6,069.55
Less : Closing Stock				
Finished Goods and Traded Goods	3,513.55		4,397.10	
Work-in-Progress	1,093.94	4,607.49	1,463.20	5,860.30
Total		1,252.81		209.25
	For the year ended 31st March 2016		For the year ended 31st March 2015	
30. EMPLOYEE BENEFIT EXPENSES :				
Salaries, Wages and Bonus		10,204.66		10,331.60
Contribution to Funds (Refer Note 30.1 below)		1,033.97		755.27
Staff Welfare Expenses		721.25		697.68
Total		11,959.88		11,784.55

30.1 Provident Fund (Funded)

Provident Fund contributions in respect of Employees of the Company are made to Trust administered by the Company and it has the liability to Fund any shortfall on the yield of the Trust's investments over the administered interest rates on an annual basis. These administered interest rates are determined annually predominantly considering the social rather than economic factors. The contribution by the employer and employee together with the interest accumulated thereon are payable to the Employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the Employee. Based on the final guidance for measurement of Provident Fund liabilities issued by the Actuarial Society of India, the Company's liability at the year end of ₹ NIL (31.03.2015 : ₹ NIL) has been actuarially determined by an independent actuary and provided for.

The Company has recognised in the Statement of Profit and Loss for the year ended 31st March 2016 an amount of ₹ 313.24 (31.03.2015 : ₹ 265.10) as expenses under Defined Contribution Plans.

30.2 Gratuity (Funded)

The Company provides for Gratuity, a Defined Benefit Retirement Plan covering eligible Employees. As per the Scheme, the Gratuity Trust fund makes payments to vested Employees on Retirement, Death, Incapacitation or Termination of Employment. For Employees joining after 1st April 2003, the amount is based on the respective Employee's eligible Salary (Half Month's Salary) depending on the tenure of the Service subject to a maximum amount as per the Payment of Gratuity Act, 1972. For Employees joining before 1st April 2003, the amount is calculated similarly as per The Payment of Gratuity Act, 1972 or the Company's Scheme, whichever is higher. Vesting occurs on completion of five years of service. Liabilities with regard to the Gratuity plan are determined by Actuarial Valuation, based on which the Company makes Contribution to the Fund. The most recent Actuarial Valuation of the Fund was carried out as at 31st March 2016.

30.3 Superannuation (Funded)

In keeping with the Company's Superannuation Scheme (applicable to employees joined before 31st March 2004), Employees are entitled to Superannuation Benefit on Retirement/Death/Incapacitation/Termination. Superannuation Scheme was amended from Defined Benefit Plan to Defined Contribution Plan effective 1st April 2004 and the benefits under the Defined Benefit Plan were frozen as on 31st March 2004. Necessary formalities/approvals have been complied with/obtained.

30.4 Compensated Absence (Unfunded)

The Company provides for 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.

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

30.5 Plans at Subsidiaries

With regard to Subsidiaries, including Step down Subsidiaries, they 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 increases 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.

30.6 Following are the further particulars with respect to Defined Benefit Plans of the Group for the year ended 31st March 2016 :

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)		Step down Subsidiary Benefit Scheme (Funded)	
	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015
a) Reconciliation of the Opening and Closing Balances of Present Value of Defined Benefit Obligation :								
Present Value of Obligation, as at the beginning of the year	783.04	574.48	254.05	226.57	24.73	19.21	2,756.50	2,710.52
Service Cost	51.88	38.07	–	–	3.42	2.67	–	–
Interest Cost	59.56	52.95	19.52	20.77	1.81	1.78	96.09	112.50
Actuarial (Gains)/Losses	90.31	127.71	19.90	13.21	(3.35)	1.17	(305.92)	481.56
(Benefits Paid)	(38.96)	(10.17)	(7.53)	(6.50)	(3.15)	(0.10)	(180.41)	(324.66)
Exchange Differences on Foreign Plans	–	–	–	–	–	–	93.61	(223.42)
Present Value of Obligation as at the end of the year	945.83	783.04	285.94	254.05	23.46	24.73	2,459.87	2,756.50
b) Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets :								
Fair Value of Plan Assets at the beginning of the year	697.81	580.11	564.82	497.47	–	–	3,209.76	2,967.85
Expected Return on Plan Assets	65.36	49.11	46.01	40.53	–	–	113.74	112.50
Actuarial Gains/(Losses)	(22.66)	46.11	(12.41)	33.32	–	–	(91.19)	679.91
Contribution by the Company	217.07	32.65	–	–	–	0.10	124.52	31.58
(Benefits Paid)	(38.96)	(10.17)	(7.53)	(6.50)	–	(0.10)	(180.41)	(324.66)
Exchange Differences on Foreign Plans	–	–	–	–	–	–	97.06	(257.42)
Fair Value of Plan Assets at the end of the year	918.62	697.81	590.89	564.82	–	–	3,273.48	3,209.76
c) Reconciliation of the Present Value of Defined Benefit Obligation and Fair Value of the Plan Assets :								
Fair Value of Plan Assets at the end of the year	918.62	697.81	590.89	564.82	–	–	3,273.48	3,209.76
Present Value of Obligation at the end of the year	945.83	783.04	285.94	254.05	23.46	24.73	2,459.87	2,756.50
Assets/(Liabilities) recognised in the Balance Sheet	(27.21)	(85.23)	304.95	310.77	(23.46)	(24.73)	813.61	453.26
			#	#			#	#

Actual amount of Asset in the Balance Sheet Nil (Previous Year Nil)

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)		Step down Subsidiary Benefit Scheme (Funded)	
	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015
d) Expense recognised in the Profit and Loss Statement :								
Current Service Cost	51.88	38.07	–	–	3.42	2.67	–	–
Interest Cost	59.56	52.95	19.52	20.77	1.81	1.78	96.09	112.50
(Expected Return of Plan Assets)	(65.36)	(49.11)	(46.01)	(40.53)	–	–	(113.74)	(112.50)
Actuarial (Gain)/Loss	112.97	81.60	32.31	(20.11)	(3.35)	1.17	(214.73)	(198.35)
Non Recoverable Assets Written Off	–	–	–	–	–	–	214.73	198.35
Total Expense as per the Actuarial Valuation	159.05	123.51	5.82	(39.87)	1.88	5.62	(17.65)	–
Actual Expenses Recognised	*159.05	*122.23	–	–	**1.88	**5.62	–	–

*The Expenses for the above benefit are recognised under 'Contribution to Funds' on Note 30.

**The Expenses for the above benefit are recognised under 'Salary, Wages and Bonus' on Note 30.

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)		Step down Subsidiary Benefit Scheme (Funded)	
	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015
	%	%	%	%	%	%	%	%
e) Category of Plan Assets :								
GOI Securities	1	2	6	4	NA	NA	–	–
Bonds	–	2	3	2	NA	NA	–	–
State Government/State Government Guaranteed Securities	–	–	–	–	NA	NA	–	–
Units of Insurers	98	95	85	90	NA	NA	–	–
Others (including Bank Balances)	1	1	6	4	NA	NA	–	–
Scottish Mutual with Profit Deferred Annuity	–	–	–	–	NA	NA	100	100
	100	100	100	100	NA	NA	100	100
f) Principal Actuarial Assumptions :								
Discount Rate (per annum) (%)	7.70	7.80	7.70	7.80	7.70	7.80	3.70	3.30
Rate of Increase in Salaries (%)	6.00	6.00	NA	NA	6.00	6.00	NA	NA
Expected Rate of Return on Plan Assets (%)	8.30	8.30	8.20	8.20	NA	NA	3.10	4.50
Remaining Working Life (in years)	18.32	17.95	10.37	10.96	13.55	13.79	2.10	3.00
Revaluation in Deferment (Price Inflation with a maximum of 5% p.a)	NA	NA	NA	NA	NA	NA	NA	NA

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)		Step down Subsidiary Benefit Scheme (Funded)	
	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015
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	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	42.70	95.22	33.60	73.85	NA	NA	NA	NA
@ The mortality assumptions adopted at 31st March 2016 imply the following future life expectancies :								
Male Currently Age 65							22.40	22.60
Female Currently Age 65							24.50	24.70

g) Other Disclosures :

Gratuity Scheme :

	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012
Experience History					
Defined Benefit Obligation at end of the period	(933.19)	(775.22)	(570.14)	(520.12)	(423.28)
Plan Assets at end of the period	908.29	691.10	576.63	476.70	410.19
Funded Status	(24.90)	(84.12)	6.49	(43.42)	(13.09)
Experience Gain/(Loss) adjustments on Plan Liabilities	(85.12)	(66.98)	(26.05)	(18.73)	(20.39)
Experience Gain/(Loss) adjustments on Plan Assets	(22.60)	45.96	(3.70)	4.11	(4.83)
Actuarial Gain/(Loss) due to change on Assumptions	(4.43)	(60.10)	44.25	(19.58)	18.00

Superannuation Scheme :

	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012
Experience History					
Defined Benefit Obligation at end of the period	(285.94)	(254.06)	(226.57)	(223.25)	(206.07)
Plan Assets at end of the period	590.89	564.82	497.47	458.77	420.42
Funded Status	304.95	310.77	270.90	235.52	214.35
Experience Gain/(Loss) adjustments on Plan Liabilities	(19.36)	(2.87)	3.09	2.64	5.46
Experience Gain/(Loss) adjustments on Plan Assets	(12.41)	33.32	1.61	7.48	(6.26)
Actuarial Gain/(Loss) due to change on Assumptions	(0.54)	(10.34)	10.92	(5.71)	6.23

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

Compensated Absence (Unfunded) :

	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012
Experience History					
Defined Benefit Obligation at end of the period	(23.46)	(24.73)	(19.21)	(18.37)	(16.67)
Plan Assets at end of the period	–	–	–	–	–
Funded Status	(23.46)	(24.73)	(19.21)	(18.37)	(16.67)
Experience Gain/(Loss) adjustments on Plan Liabilities	3.53	1.33	1.47	(0.72)	3.64
Experience Gain/(Loss) adjustments on Plan Assets	–	–	–	–	–
Actuarial Gain/(Loss) due to change on Assumptions	(0.18)	(2.50)	1.98	(0.86)	0.88

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.

	For the year ended 31st March 2016	For the year ended 31st March 2015
31. FINANCE COSTS		
Interest	466.42	579.87
Other Borrowing Cost	8.58	6.08
Total	475.00	585.95

	For the year ended 31st March 2016	For the year ended 31st March 2015
32. OTHER EXPENSES :		
Consumption of Stores and Spare Parts	1,447.72	1,491.12
Power and Fuel	1,907.34	2,350.53
Rent	536.85	504.33
Rates and Taxes	249.62	240.79
Repairs :		
- Machinery	417.58	548.71
- Buildings	58.71	116.49
- Others	384.65	296.31
Insurance	268.64	268.57
Payment to Auditors	97.30	77.75
Directors' Fees	9.40	7.05
Provision for Doubtful Trade Receivables/Advances	80.70	254.95
Sundry Debit Balances/Advances Written Off	89.67	29.59
Travelling and Conveyance	1,247.13	1,218.82
Site Contractor Expenses	569.84	428.08
Processing Charges	332.35	366.53
Professional Charges	863.79	622.04
Postage, Telephone, Telex etc.	226.89	241.50

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
Royalty	139.82	166.08
Service Charges	305.99	250.40
Commission and Brokerage	1,035.99	1,229.20
Packing Expenses	1,983.47	2,573.78
Delivery and Forwarding Expenses	2,018.87	2,432.38
Net Loss on Sale/Discard of Fixed Assets/Investment	1.35	2.62
Net Gain on Foreign Exchange Rate Fluctuation and Translation (Refer Note 32.1 below)	(1,104.24)	(329.46)
Miscellaneous Expenses	2,447.95	1,674.47
Total	15,617.38	17,062.63

32.1 Net Gain of ₹ 1,104.24 (31.03.2015 : Net Gain of ₹ 329.46) includes Provision for 'Mark to Market' losses on Derivatives of ₹ NIL (31.03.2015 : ₹ NIL)

	For the year ended 31st March 2016	For the year ended 31st March 2015
33. EARNINGS PER SHARE (EPS)-THE NUMERATORS AND DENOMINATORS USED TO CALCULATE BASIC AND DILUTED EPS		
Profit after Tax and Minority Interest	4,196.34	5,309.90
Less : Dividend on Preference Shares	—	64.95
Tax on Dividend on Preference Shares	—	12.99
Profit after Tax attributable to the Equity Shareholders (A)	4,196.34	5,231.96
Weighted Average Number of Equity Shares (in Numbers) (B)	34,610,472	34,610,472
Nominal Value of Equity Shares (in ₹)	10.00	10.00
Dilutive Potential Equity Shares	—	—
Basic/Diluted EPS (A/B)	12.12	15.12

	As at 31st March 2016	As at 31st March 2015
34. CONTINGENT LIABILITIES		
a) Claims against the Company not acknowledged as Debts :		
i) Sales Tax matter under dispute relating to issues of applicability and classification [related payments ₹ 21.05 (31.03.2015 : ₹ 10.30)]	65.11	92.08
ii) Income Tax matters under dispute relating to issues of applicability and determination	9.99	15.88
iii) Service Tax matters under dispute relating to issues of applicability and classification	3.20	6.57
iv) Custom Duty matters under dispute relating to issues of applicability and classification [related payments ₹ 12.50 (31.03.2015 : ₹ 12.50)]	—	140.65
b) Claims against the Subsidiaries not acknowledged as Debts	—	—

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016	As at 31st March 2015
35. CAPITAL AND OTHER COMMITMENTS :		
35.1 Capital Commitments		
Estimated value of Contracts on Capital Account remaining to be executed (Net of Advances) and not provided for	189.80	95.22
Total	189.80	95.22

36. RELATED PARTY DISCLOSURES :

Related Party Disclosures in keeping with Accounting Standard-18 prescribed under 'the Act'.

List of Related Parties

Where Control exists	
Holding Company	Bajoria Holdings Private Limited
Fellow Subsidiaries	Heritage Health TPA Private Limited Bajoria Financial Services Private Limited IFGL Bio Ceramics Limited Ganges Art Gallery Private Limited Bajoria Enterprises Limited
Others :	
Key Management Personnel	S K Bajoria (Chairman) P Bajoria (Managing Director) Rajesh Agarwal (Company Secretary) Kamal Sarda (Director and CEO IFGL Exports Limited) Kanhaiya Poddar (Chief Financial Officer)
Relatives of Key Management Personnel	Mihir Bajoria (Son of Chairman) Smita Bajoria (Wife of Chairman) Akshay Bajoria (Son of Managing Director)
Enterprises in which Key Management Personnel has significant influence	Heritage Insurance Brokers Private Limited Bajoria Facilitators Private Limited (upto 26.05.2015 known as Coris Heritage Asia Pacific Private Limited) Bajoria Service Providers LLP (upto 08.02.2016 known as Bajoria Service Providers Private Limited)

	2015-2016	2014-2015
Particulars of Transactions during the year and year end balances		
I) With Holding Company : Bajoria Holdings Private Limited		
Rent for Office Premises	31.41	9.98
Maintenance Charges	–	10.89
Expenses Reimbursement/Incurred	15.15	31.31
Expenses Recovered/Received	0.27	0.20
	46.83	52.38
Year End Balances		
Trade Payables	–	0.85
Minority Interest	201.91	151.27
	201.91	152.12
II) With Fellow Subsidiaries		
Sale of Finished Goods		
IFGL Bio Ceramics Limited	–	26.88
	–	26.88

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	2015-2016	2014-2015
Particulars of Transactions during the year and year end balances		
Sale of Services		
IFGL Bio Ceramics Limited	—	4.55
	—	4.55
Expenses Reimbursement/Incurred		
Bajoria Enterprises Limited	12.00	12.00
	12.00	12.00
Year End Balances		
Minority Interest		
Bajoria Enterprises Limited	0.41	0.31
	0.41	0.31
III) With Key Management Personnel		
Key Management Personnel Remuneration		
S K Bajoria (Chairman)	214.74 @	173.55
P Bajoria (Managing Director)	260.29 @	214.34
Rajesh Agarwal (Company Secretary)	73.69	65.24
Kamal Sarda (Director and CEO of IFGL Exports Limited)	55.15	55.15
Kanhaiya Poddar (Chief Financial Officer)	29.78	28.23
	633.65	536.51
Director's Commission		
S K Bajoria (Chairman)	—	44.00
P Bajoria (Managing Director)	—	12.00
	—	56.00
Year End Balances		
Minority Interest		
S K Bajoria (Chairman)	1,076.58	806.55
P Bajoria (Managing Director)	0.41	0.31
	1,076.99	806.86
Director's Commission		
S K Bajoria (Chairman)	—	44.00
P Bajoria (Managing Director)	—	12.00
	—	56.00
Advance Recoverable		
P Bajoria (Managing Director)	17.48 #	—
	17.48	—
IV) With Relative of Key Management Personnel		
Remuneration		
Mihir Bajoria	119.37	52.11
Akshay Bajoria	23.10	20.98
	142.47	73.09
Year End Balances		
Minority Interest		
Smita Bajoria	0.41	0.31
Mihir Bajoria	0.41	0.31
	0.82	0.62

@Paid as per approval of the Central Government dated 10th May 2016.

Refunded on 12th May 2016. Also Refer Note 23.1.

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

37. OPERATING LEASE COMMITMENTS

The Group entered into various Non-Cancelable Operating Lease Agreements in connection with certain Property, Plant and Equipment and Vehicles in the earlier years. Tenure of Lease generally varies between 1 and 15 years. Terms of the Lease includes Operating Terms of Renewal, Increase in Rent in future period, Re-imbursement of Maintenance Charges, Terms of Cancellation etc. The Future Minimum Lease Commitments of the Company are as follows :

	As at 31st March 2016	As at 31st March 2015
Within 1 Year	318.97	355.58
More than 1 Year upto 5 Years	690.52	744.26
Total	1,009.49	1,099.84

Lease Rentals recognised in Note 32 of the Statement of Profit and Loss amount to ₹ 428.86 (31.03.2015 : ₹ 425.80)

38. SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH 2016 IN ACCORDANCE WITH AS-17 PRESCRIBED UNDER THE 2013 ACT

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 (Net of Excise Duty)	31,944.61	23,859.38	922.65	14,970.85	71,697.49
	34,086.40	27,376.15	1,012.16	16,201.81	78,676.52
Inter Segment Sales	3,132.19	592.37	4,460.53	187.99	8,373.08
	3,766.36	712.47	5,976.60	66.68	10,522.11
Segment Revenues	35,076.80	24,451.75	5,383.18	15,158.84	80,070.57
	37,852.76	28,088.62	6,988.76	16,268.49	89,198.63
Segment Result	3,897.95	1,237.71	503.94	919.68	6,559.28
	4,664.37	2,308.04	448.14	1,638.98	9,059.53
Segment Assets	24,476.37	14,739.14	2,468.20	7,802.03	49,485.74
	25,581.63	13,452.88	2,705.49	8,010.67	49,750.67
Segment Liabilities	5,522.75	4,517.50	707.91	1,682.87	12,431.03
	5,591.94	4,613.86	1,081.00	1,639.67	12,926.47
Capital Expenditure (Net)	677.96	1,178.15	1.85	17.69	1,875.65
	536.75	200.69	9.61	869.38	1,616.43
Depreciation	962.96	211.66	106.18	266.39	1,547.19
	890.88	191.89	114.38	232.11	1,429.26
Non Cash Expenses other than Depreciation	186.54	(25.04)	–	8.87	170.37
	29.60	100.08	–	154.86	284.54

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

IV) Reconciliation of Reportable Segments with the Financial Statements

	Revenues	Net Profit	Assets	Liabilities @
Total of Reportable Segments	80,070.57	6,559.28	49,485.74	12,431.03
	89,198.63	9,059.53	49,750.67	12,926.47
Corporate-Unallocated (Net)/Adjustments	508.16	4.15	10,321.27	7,422.60
	670.34	(601.01)	9,780.85	11,160.47
Inter Segment Sales	(8,373.08)	—	—	—
	(10,522.11)	—	—	—
Interest (Net)	—	(475.00)	—	—
	—	(585.95)	—	—
Provision for Taxation				
- Current	—	(1,664.72)	—	—
	—	(2,486.06)	—	—
- Deferred	—	96.13	—	—
	—	(53.49)	—	—
As per Financial Statements	72,205.65	4,519.84	59,807.01	19,853.63
	79,346.86	5,333.02	59,531.52	24,086.94
		@@		

@ Excluding Shareholders' Funds and Minority Interest

@@ Profit after Taxation and before Minority Interest

V) Revenue from Sales to External Customers for Customer Based Geographical Segments

	Total
India	16,349.98
	16,875.35
United Kingdom	6,721.04
	9,773.18
Europe other than United Kingdom	22,677.64
	27,749.35
Asia excluding India	8,743.89
	6,410.97
Americas	16,971.62
	17,877.05
Others	233.32
	(9.38)
Total Sales	71,697.49
	78,676.52

Figures in Bold type relate to Current Year.

Notes to the Consolidated Financial Statements *(Contd.)*

(₹ in lacs)

39. 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 Less Total Liabilities)		Share of Profit	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit	Amount
Parent				
IFGL Refractories Limited	43.24	17,277.00	42.73	1,931.15
Subsidiary (Indian)				
IFGL Exports Limited	0.58	230.77	7.39	334.18
Subsidiary (Foreign)				
IFGL Worldwide Holdings Limited	52.96	21,160.73	42.72	1,931.00
Minority Interests in all Subsidiaries	3.22	1,284.88	7.16	323.50
Total	100.00	39,953.38	100.00	4,519.83

40. PREVIOUS YEAR FIGURES

Previous Year's figures have been re-grouped/re-classified wherever necessary to conform with the current year's classification/disclosure.

Signatures to Note '1' to '40'

On behalf of the Board of Directors

Kolkata
14th May 2016

R Agarwal
Company Secretary

K Poddar
Chief Financial Officer

P Bajoria
Managing Director

S K Bajoria
Chairman

Five Year Highlights

Consolidated

	(₹ in lacs)				
FINANCIAL YEAR	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
INCOME					
Total Revenue	72,205.65	79,346.86	78,099.51	67,565.94	60,648.60
EBIDTA	8,110.62	9,887.78	11,299.36	6,267.29	7,782.52
As % of Total Income	11.23	12.46	14.47	9.28	12.83
PBT	6,088.43	7,872.57	9,057.04	4,131.77	5,816.05
PAT (before Minority Interest)	4,519.84	5,333.02	6,576.70	2,537.04	3,982.80
ASSETS EMPLOYED					
Net Fixed Assets (including Goodwill)	25,948.34	25,212.47	25,875.96	23,242.08	22,557.20
Investments	50.00	50.00	50.00	50.20	50.20
Current and Other Assets	33,808.67	34,269.05	31,442.20	24,707.53	22,780.00
Total	59,807.01	59,531.52	57,368.16	47,999.81	45,387.40
NET WORTH	38,668.50	34,481.20	32,899.38	24,552.49	22,189.52
Earnings per Share (₹)	12.12	15.12	18.25	7.91	11.28
Equity Dividend	—	—	—	—	—

Standalone

	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
FINANCIAL YEAR					
INCOME					
Total Revenue	30,732.02	33,817.11	32,894.52	30,842.46	27,720.88
EBIDTA	3,713.81	4,894.29	4,655.00	3,654.38	3,722.57
As % of Total Income	12.08	14.47	14.15	11.85	13.43
PBT	2,874.11	4,151.00	3,722.72	2,537.96	2,622.86
PAT	1,856.29	2,686.34	2,434.71	1,706.34	1,742.76
ASSETS EMPLOYED					
Net Fixed Assets	3,424.44	3,535.68	3,638.19	4,171.69	4,354.82
Investments	6,776.99	6,776.99	6,776.99	6,777.19	6,392.14
Current and Other Assets	15,161.30	16,341.29	14,655.83	13,266.07	12,016.95
Total	25,362.73	26,653.96	25,071.01	24,214.95	22,763.91
NET WORTH	16,669.24	15,646.08	15,335.37	13,694.13	12,680.08
Earnings per Share (₹)	5.36	7.54	6.79	4.69	4.79
Equity Dividend (%)	20	20	17.50	15	15



IFGL Refractories Limited

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