

COMMITTED TO CLEAN METAL



IFGL Refractories Limited

(Formerly IFGL EXPORTS LIMITED)

ANNUAL REPORT 2017 - 2018



Forward Looking Statement

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

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

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

CORPORATE INFORMATION

Board of Directors D K Banerji (w.e.f 05.08.2017) Y Kawatsu (w.e.f 11.05.2017) S Khasnobis (w.e.f 05.08.2017) Prof S Munshi (w.e.f 05.08.2017) H Okumura (ceased w.e.f 06.05.2017) K Oshikawa (w.e.f 09.12.2017) D G Rajan (w.e.f 05.08.2017) Prof Bharati Ray (w.e.f 05.08.2017) K S B Sanyal Chairman S K Bajoria Managing Director P Bajoria Director and Chief Executive Officer K Sarda Company Secretary R Agarwal (w.e.f 05.08.2017) Chief Financial Officer S Yadav (w.e.f 10.02.2018) 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 DBS Bank Limited Yes Bank Limited Registered Office & Kalunga Works Sectors 'B', Kalunga Industrial Estate P.O. : Kalunga 770 031 Dist. : Sundergarh, Odisha Tel : +91 661 2660195 Fax : +91 661 2660173 E-mail : ifgl.works@ifgl.in Website : www.ifglref.com Head & Corporate Office McLeod House, 3, Netaji Subhas Road Kolkata 700 001 Tel : +91 33 40106100 Fax : +91 33 22430886 E-mail : ifgl.ho@ifgl.in, investorcomplaints@ifgl.in Kandla SEZ Works Plot Nos. 638-644, Kandla Special Economic Zone, P.O. : Gandhidham Dist. : Kutch, Gujarat 370 230 Tel/Fax : +91 2836 253900 E-mail : ifglexports@ifgl.in Overseas Branch RAS Al Khaimah FTZ, UAE
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Directors' cum Management Discussion and Analysis Report

Dear Shareholders

Your Directors have pleasure in presenting 11th Annual Report together with Statement of Profit and Loss for Financial Year (FY) ended on 31st March 2018 (FY 2017-2018) and Balance Sheet as on that date along with Notes, Cash Flow Statement and Auditors' Report forming part thereof.

Financial Statements for FY 2017-2018 have been audited by Statutory Auditors, M/s Deloitte Haskins & Sells and highlights thereof are the following :

	(₹ in Millions)	
	Consolidated	Standalone
Total Revenue	8,436.88	4,492.05
Total Expenses	7,333.78	3,737.27
EBIDTA	1,103.10	754.78
Finance Costs	39.68	35.73
Depreciation and Amortisation Expense	437.96	379.72
Profit before Tax	625.46	339.33
Provision for Current Tax/Deferred Tax	154.25	113.53
Profit after Tax	471.21	225.80
Earning per Share (₹)	13.08	6.27
Cash EPS per Share (₹)	25.23	16.80

Financial Results include results of operation of erstwhile IFGL Refractories Limited (IFGL), amalgamated with your Company following passing of an Order by the Hon'ble National Company Law Tribunal, Kolkata Bench on 3rd August 2017, after write off of ₹ 266.99 million towards amortisation of goodwill useful life of which has been estimated to be ten years. These Financial Results are best ever achieved by your Company. Several factors have contributed in achieving these results. All round improvement in the performance in the Indian factories and also in the overseas Subsidiaries. This was further helped by the overall performance of the Steel Industry resulting in increased refractory off take.

Dividend

Your Directors following the Company's policy of distributing profits, recommended payment of Dividend at the rate of 20% i.e. ₹ 2/- per Equity Share for FY 2017-2018. If approved at ensuing Annual General Meeting scheduled to be held on Saturday, 25th August 2018, Dividend including Dividend Distribution Tax will result in outflow of ₹ 86.89 million.

Amalgamation

During FY 2017-2018, your Company completed all formalities relating to amalgamation of IFGL referred above. Equity Shares of your Company were listed both on BSE Limited and National Stock Exchange of India Limited and trading thereof commenced on and from 14th November 2017. Name of your Company was changed to IFGL Refractories Limited w.e.f 25th October 2017 and Registrar of Companies, West Bengal issued a Fresh Certificate of Incorporation. Consequent to change of name, the Registered Office of your Company was shifted from the State of West Bengal to State of Odisha on and from 24th November 2017.

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

Industry Review, Future Outlook and Expansion Plans

Your Company and its Subsidiaries are engaged in manufacture of products primarily for Iron and Steel producers and foundries. Anything concerning Iron and Steel Industry have a bearing on the performance of your Company.

In the year 2017-2018, the steel production recorded a positive growth in all regions of the world. This happened after a gap of many years. In the recent years the growth was mainly in China and India, with other regions negative. The World Steel Association has forecasted the steel demand to grow by 1.8% in 2018 and once again in all the regions.

On the Indian front the economy has been growing at a steady rate and after marginally loosing the 'fastest growing big economy' tag for a short while it is well poised to regain the same at 7.7%. The forecast is to achieve a growth rate of 8% during the year 2018-2019. This rate of growth is likely to generate an additional demand of approximately 15 million tonnes per annum.

The World Bank forecasts is the World Domestic Product would grow at 3.1% in 2018, thereby maintaining the 2017 growth. All this augurs well for the refractory industry.

The only dampener is the rise in oil prices. While on one hand demand for energy went up with the all round growth, but other political factors also caused a reduction in crude output resulting in a spurt in price. While increase in energy cost is a dampener but this has also resulted in a collateral advantage for the Steel Industry in the USA due to increase in shale oil & gas out resulting in additional demand for steel.

Subsidiaries

Your Company has operational subsidiaries in Peoples Republic of China, Germany, UK and USA. As a part of corporate restructuring and simplification, the non operating subsidiaries in USA and Germany have been amalgamated with their respective operating Companies. Performance of your Company's immediate overseas subsidiary, IFGL Worldwide Holdings Limited, Isle of Man has been satisfactory inasmuch as Total Revenue, PBT and PAT on consolidated basis for FY 2017-2018 have been GBP 47.40 million, GBP 3.27 million and GBP 2.81 million respectively.

Corporate Governance/Vigil Mechanism etc

As required under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015), a Report on Corporate Governance along with a Certificate of Compliance from the Statutory Auditors form part of this Report as **Annexure 'A'**.

Your Company has adopted and put in place policies and procedures including Vigil Mechanism (Whistle Blower) Policy, Policy for Prevention of Sexual Harassment etc. Your Directors are pleased to report that no complaint was received during FY 2017-2018. Your Company follows philosophy for effective management and discharge of social responsibility for sustainable development especially of the areas where it undertake manufacturing. Policies and Systems for Internal Control including Financial, Risk Management and Transfer Pricing commensurate to nature of business and size of your Company are also in place and are reviewed and updated as and when necessary.

Disclosures

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 SEBI LODR, 2015 required to be included herein, have been dealt in Annexures hereto including Audited Financial Statements and Notes forming part thereof and have not been included herein again for brevity. Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in **Annexure 'C'**. Transactions with related parties have been in ordinary course of business of your Company and at arms length and hence details thereof have not been given in Form AOC-2. Formal Annual Evaluation of your Company's Board of Directors and its Committees and Individual Directors (including Independent Directors) was carried out at Board Meeting held on Saturday, 19th May 2018. Further details are appearing in Report on Corporate Governance, being Annexure 'A' hereto.

Your Company made Quarterly Presentations, Conference Calls and Interactions, following Announcement of Quarterly and Annual Results and these enhanced confidence of Investors therein.

Your Company does not have any Indian Subsidiary. A statement in Form AOC-1 having financial information of Subsidiary Companies form part of this Report as **Annexure 'D'**. Shareholders of your Company who are desirous of having complete Statement of Accounts and related detailed information of Subsidiary Companies, may send their request therefor to your Company's Registered Office. The

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

same are being kept for inspection at Registered Office of your Company and its Subsidiaries Companies and also available on Company's website i.e. www.ifglref.com.

Directors Responsibility Statement

Your Directors state that :

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

Audit of the Statement of Accounts is in accordance with Generally Accepted Accounting Principles as indicated in Report of Statutory Auditors.

CSR, Human Resource and Industrial Relations

Your Company has a CSR Committee and details have been mentioned in Corporate Governance Report i.e. in Annexure 'A'. Annual Report in compliance of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is forming part as **Annexure 'E'**.

Your Company also has a Nomination and Remuneration Committee of the Directors details are contained in Corporate Governance Report i.e. in Annexure 'A' hereto. Based on recommendation of the 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.

During FY 2017-2018, 3 (three) persons employed (including one employee for part of the year) with your Company received remuneration of ₹ 102 lacs per annum or more or ₹ 8.50 lacs per month or more. Your Company have had 605 permanent employees in India as on 31st March 2018.

An Annexure having information following provisions of Section 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. Remuneration paid has been as per Nomination and Remuneration Policy of your Company. As per provisions of Section 136 of the Act, this Annexure is not being sent to Members. However, Members desirous of having the Annexure may write to Company Secretary at the Registered Office. 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 person mentioned in said annexure is relative of any Director of the Company. None of the Employees either directly or indirectly held/hold more than two percent of Total Equity Share Capital of your Company other than your Chairman, Mr S K Bajoria.

Industrial Relations in your Company remained cordial during FY 2017-2018. Conducive working environment was continued to be provided and employees were empowered by training. Compensation packages and benefits provided were more or less favourable than those of the peers.

Consolidated Financial Statements

In accordance with IND AS 110 and other relevant provisions particularly Section 129(3) of the Act, Consolidated Financial Statements duly audited by Statutory Auditors, M/s Deloitte Haskins & Sells form part of this Annual Report. Consolidated Financial Statements have been prepared based on Financial Statements (including Consolidated) of immediate Subsidiary Company i.e. IFGL Worldwide Holdings Limited, Isle of Man.

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

Directors and Key Managerial Personnel (KMP's)

During FY 2017-2018, Mr Hisatake Okumura ceased to be a Director of your Company on and from 6th May 2017. In the vacancy arising, Mr Yuzo Kawatsu, a Senior Executive of Krosaki Harima Corporation, Japan (KHC) was appointed as an Additional Director of your Company on and from 11th May 2017. He was appointed as a Director liable to retire by rotation at your last general meeting held on Saturday, 23rd December 2017. Mr Kiyotaka Oshikawa, another Senior Executive of KHC was appointed as an Additional Director on 9th December 2017 and thereafter on 23rd December 2017. He will cease to hold office of Director at ensuing Annual General Meeting and being eligible, has offered himself for re-appointment for further period liable to retire by rotation. Your Board and Nomination and Remuneration Committee have recommended re-appointment of Mr Oshikawa.

Following the Amalgamation becoming effective from 5th August 2017, your Board of Directors was re-constituted effective that date and requisite resolutions in connection therewith were passed at the last Annual General Meeting. Chairman, Mr S K Bajoria is retiring by rotation at ensuing Annual General Meeting and being eligible, has offered himself for re-appointment for further period liable to retire by rotation. Your Nomination and Remuneration Committee and also the Board have recommended re-appointment of Mr Bajoria.

Details of meetings of the Board of Directors held during FY 2017-2018 and the attendance details are given in Corporate Governance Report – Annexure 'A'. Following provisions of Section 173(1) of the Act, gap between two Board Meetings did not exceed one hundred twenty days.

Independent Directors, Mr KSB Sanyal, Mr D G Rajan, Mr Debal Kumar Banerji, Prof Bharati Ray, Prof Surendra Munshi and Mr Sudhamoy Khasnobis of your Company have given their statement of declaration under Section 149(7) of the Act that they continue to meet the criteria of Independence as provided in Section 149(6) of the Act and their declarations have been taken on record.

Following provisions of Section 203 of the Act, your Company have appointed Key Managerial Personnel, details whereof are appearing at Note 35 of Audited Statement of Accounts. During FY 2017-2018, Mr Sikander Yadav, FCA, was appointed as Chief Financial Officer on and from 10th February 2018.

The Board of Directors have adopted a Code of Conduct for the Board Members (including Independent Directors) and Senior Management Employees of your Company. This Code helps your Company to maintain standard of Business Ethics and ensure compliance with legal requirements applicable to your Company. All Board Members and Senior Management Personnel as on 31st March 2018 have confirmed compliance with this Code.

Cost Auditor

Cost Auditor, M/s Mani & Co., have been appointed as Cost Auditor of your Company for FY 2018-2019 too. Your Directors are seeking your approval for payment of remuneration not exceeding ₹ 3 lacs per annum for FY 2018-2019 at ensuing Annual General Meeting.

Secretarial Auditor

M/s S M Gupta & Co., Practicing Company Secretaries have carried out Secretarial Audit following provisions of Section 204 of the Act for FY 2017-2018. Their Report in Form MR-3, free of qualifications, form part hereof as **Annexure 'F'**.

Auditors' Report and Auditors

Report of the Auditors, including references made to the Notes forming part of the Statement of Accounts, are self explanatory. Auditors, M/s Deloitte Haskins & Sells (Regn No. 302009E), Chartered Accountant will retire at conclusion of 12th Annual General Meeting of your Company.

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
19th May 2018

S K Bajoria
(DIN : 00084004)
Chairman

P Bajoria
(DIN : 00084031)
Managing Director

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

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

Following passing of an Order on 3rd August 2017 by Hon'ble National Company Law Tribunal, Kolkata Bench (Hon'ble Tribunal) in Applications bearing CP (CAA) No. 216/KB of 2017 and CP (CAA) No. 217/KB of 2017 thereby sanctioning merger of erstwhile IFGL Refractories Limited (Transferor Company) with the Company on and from 1st April 2016, Equity Shares of the Company have got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on and from 14th November 2017. Equity Shares of Transferor Company were listed both on BSE and NSE and trading therein was suspended on and from 14th September 2017. Transferor Company was in full compliance with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015) and details thereof have not been given herein for the sake of brevity. The Company too is committed to adhere to SEBI LODR, 2015 and thus consistently and continually meet requirements of Corporate Governance and all obligations on account thereof.

Following aforesaid Order passed by Hon'ble Tribunal, name of the Company was changed to IFGL Refractories Limited from IFGL Exports Limited inasmuch as Registrar of Companies, Kolkata issued a Fresh Certificate of Incorporation consequent to change of name on 25th October 2017. Registered Office of the Company was shifted from the State of West Bengal to State of Odisha on and from 24th November 2017. To this effect, Registrar of Companies, Cuttack issued a Certificate of Registration for Shifting of Registered Office on that date.

2. Board of Directors

Following aforesaid Amalgamation, whose scheme became effective on and from 5th August 2017, the Company re-constituted its Board of Directors as follows :

Category	No. of Directors	%
Executive Directors	3	30
Non-Executive Non Independent Director	1	10
Non-Executive Independent Directors	5	50
Non-Executive Independent Woman Director	1	10
Total	10	100

Mr Kiyotaka Oshikawa, being Non-Executive Non Independent Director was appointed as an Additional Director on 9th December 2017 to hold said office upto conclusion of AGM held on 23rd December 2017 and then on 23rd December 2017 again appointed as an Additional Director.

Prior to 5th August 2017, composition of the Board of Directors of the Company was as follows :

Category	No. of Directors	%
Executive Directors	1	20
Non-Executive Non Independent Director	3	60
Non-Executive Independent Directors	1	20
Non-Executive Independent Woman Director	–	–
Total	5	100

Composition, Category, Directorship and Committee Membership in other Companies of the Board of Directors of the Company as on 31st March 2018 have been as follows :

Director's Name	Director's Category	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 Companies Act, 2013 (the Act)]	
			As Chairman	As Member
P Bajoria (appointed as Managing Director of the Company on and from 05.08.2017)	Executive	1	–	–
S K Bajoria (appointed as an Executive Chairman on and from 05.08.2017)	Executive (a)	1	–	–

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

Director's Name	Director's Category	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 Companies Act, 2013 (the Act)]	
			As Chairman	As Member
K Sarda	Executive	—	—	—
D K Banerji (appointed w.e.f 05.08.2017)	Non-Executive (c)	—	—	—
S Khasnobis (appointed w.e.f 05.08.2017)	Non-Executive (c)	—	—	—
Y Kawatsu (appointed w.e.f 11.05.2017)	Non-Executive (b)	—	—	—
Prof S Munshi (appointed w.e.f 05.08.2017)	Non-Executive (c)	—	—	—
K Oshikawa * (appointed w.e.f 09.12.2017)	Non-Executive (b)	1	—	—
D G Rajan (appointed w.e.f 05.08.2017)	Non-Executive (c)	6	5	—
Prof Bharati Ray (appointed w.e.f 05.08.2017)	Non-Executive (c)	1	—	1
K S B Sanyal	Non-Executive (c)	3	2	1

H Okumura ceased to be Director of the Company on and from 6th May 2017.

None of the Directors is related inter-se.

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

*K Oshikawa was appointed as an Additional Director on and from 9th December 2017 till conclusion of AGM held on 23rd December, 2017 and on 23rd December 2017, he was again appointed as an Additional Director.

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

Non-Executive Directors did not have any pecuniary relationship and/or transaction with the Company other than payment of Sitting Fees and/or reimbursement of out-of-pocket expenses for attending meetings of the Board and/or Committee(s) thereof.

During FY 2017-2018, the Board of Directors of the Company met 5 times and details thereof are as follows :

Board Meeting dates	No. of Directors present
6th May 2017	5
5th August 2017	4
9th September 2017	7
9th December 2017	9
10th February 2018	9

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

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

Prior to aforesaid Amalgamation becoming effective, the Company made payment of ₹ 10,000/- towards Sitting Fees for attending each of the meeting of the Board. Said Fees has been increased to ₹ 20,000/- after 5th August 2017. Annual General Meeting of the Company was last held on Saturday, 23rd December 2017. Attendance of the Directors at Board Meetings and at AGM held during FY 2017-2018 has been as follows :

Director's Name	Number of Board Meetings held	Number of Board Meetings attended	Attended last AGM held on 23 rd December 2017
P Bajoria	5	5	No
S K Bajoria	5	4	No
D K Banerji	3	3	No
Y Kawatsu	4	1	No
S Khasnobis	3	1	No
Prof S Munshi	3	3	No
K Oshikawa	2	1	No
D G Rajan	3	3	No
Prof Bharati Ray	3	3	No
K S B Sanyal	5	4	Yes
K Sarda	5	5	Yes

Prior to aforesaid Amalgamation becoming effective, the Company was a Subsidiary of Transferor Company. Bajoria Holdings Private Limited (BHPL), 100% shareholding whereof is held by Mr S K Bajoria and his family members, was Holding Company of the Transferor Company.

On aforesaid Amalgamation becoming effective, BHPL became Holding Company of the Company. BHPL held 51.21% of total issued, subscribed and paid up share capital of the Company, which has got transferred to and vested in Bajoria Financial Services Private Limited (BFSPL), a Company whose 100% shareholding is held by Mr S K Bajoria and his family members, following passing of an Order on 13th March 2018 by Hon'ble National Company Law Tribunal, Kolkata Bench, thereby sanctioning demerger of Non-banking Financial Activities business of BHPL and merger thereof with BFSPL. By virtue aforesaid, BFSPL is presently Holding Company of the Company.

Krosaki Harima Corporation (KHC), Japan being foreign promoter of the Company held 20% of shareholding of the Company and 14.47% of the Transferor Company. Post Amalgamation, KHC is holding 55,90,156 Equity Shares being 15.51 % of total issued, subscribed and paid up share capital of the Company.

Particulars of shareholding of Non-Executive Directors of the Company (both own or held by/for other person(s) on beneficial basis), as on 31st March 2018, are as follows :

Director's Name	No. of Shares held
D K Banerji	—
Y Kawatsu	—
S Khasnobis	—
Prof S Munshi	—
K Oshikawa	—
D G Rajan	490
Prof Bharati Ray	—
K S B Sanyal	—

Information placed before the Board

During FY 2017-2018, the Company held its meetings of the Board of Directors following requisite provisions of the Act and on and from 5th August 2017 also following provisions of SEBI LODR, 2015. Board Meetings were governed by a structured agenda. The Board members, with permission of the Chairman brought matters not covered in Agenda for consideration of the Board. All major Agenda items were backed by comprehensive background information to enable the Board members to take informed decisions.

3. Committees of the Board

Prior to aforesaid Amalgamation becoming effective, the Company only had :

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

- a) Corporate Social Responsibility (CSR) Committee which was constituted on 14th May 2016.
- b) Remuneration Committee constituted on 29th November 2012, renamed as Nomination and Remuneration Committee on and from 5th August 2017.

These Committees were reconstituted and Audit Committee, Stakeholders Relationship Committee and Investment Committee of Directors of the Company were constituted on 5th August 2017.

Composition of these Committees and dates on which meeting thereof were held, attendance of Committee Members thereat, their role and responsibility etc are given below.

i) Audit Committee

This Committee constituted on 5th August 2017 comprise of following three Non-Executive Independent Directors, all financially literate and having accounting or related Financial Management expertise.

Director's Name	Position	No. of Meetings	
		Held	Attended
K S B Sanyal	Chairman	3	2
D K Banerji	Member	3	3
D G Rajan	Member	3	3

3 (three) meetings of the Committee were held on 9th September 2017, 9th December 2017 and 10th February 2018 during FY 2017-2018. Gap between two meetings never exceeded one hundred and twenty days.

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

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

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

ii) Corporate Social Responsibility Committee

Following is the composition of this Committee constituted in compliance of Section 135 of the Act and Rules framed thereunder.

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

During FY 2017-2018, 2 (two) meetings of the Committee were held on 9th September 2017 and 10th February 2018. The Committee following its role and responsibility formulated and recommended to the Board a Policy indicating CSR activities to be undertaken, expenditure to be incurred on account thereof and monitoring the same on an ongoing basis.

iii) Nomination and Remuneration Committee

As per Para A of Part D of Schedule II of SEBI LODR, 2015, role of the Nomination and Remuneration Committee (the Committee) include formulation of criteria for determining qualification, positive attributes and independence of Directors and recommend to the Board, Policy relating to Remuneration of Directors, Key Managerial Personnel and other Employees. Role also include determination on behalf of the Board and on behalf of the Shareholders, Policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment and/or to recommend remuneration including perquisites payable by the Company on their appointment and/or re-appointment.

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

This Committee was reconstituted on 5th August 2017 and comprise of following Non-Executive Independent Directors.

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

Director's Name	Position	No. of Meetings	
		Held	Attended
D G Rajan	Chairman	2	2
D K Banerji	Member	2	2
K S B Sanyal	Member	4	3

4 (four) meetings of the Committee were held on 6th May 2017, 5th August 2017, 9th September 2017 and 10th February 2018 during FY 2017-2018.

Mr S K Bajoria and Mr P Bajoria who ceased to be members of said Committee after aforesaid reconstitution, attended meeting of the Committee held on 6th May 2017 and 5th August 2017.

Remuneration paid/payable to Executive and Non-Executive Directors for FY 2017-2018 by the Company including Transferor Company is as follows :

(₹ in lacs)

Name of Directors	Salary and other benefits				Sitting Fees	
	Salary (including House Rent Allowance)	Commission	Contribution to Provident and other Funds	Other Perquisites	Board Meetings	Committee Meetings
P Bajoria (e)*	201.60	15.52	71.87	2.39	–	–
S K Bajoria (e)*	132.00	33.93	13.20	14.67	–	–
D K Banerji	–	–	–	–	0.80	0.70
H Okumura**	–	–	–	–	0.30	–
Y Kawatsu***	–	–	–	–	0.20	–
S Khasnobis	–	–	–	–	0.40	0.05
Prof S Munshi	–	–	–	–	1.00	–
K Oshikawa****	–	–	–	–	0.20	–
D G Rajan	–	–	–	–	1.00	0.55
Prof Bharati Ray	–	–	–	–	1.00	0.15
K S B Sanyal	–	–	–	–	1.00	1.25
K Sarda (f)*	78.36	–	3.64	5.20	–	–

* As per Ind AS - 24 (Refer Note 35 - Related Party Disclosures to Statement of Accounts)

** Resigned w.e.f 6th May 2017

*** Appointed w.e.f 11th May 2017

**** Appointed w.e.f 9th December 2017 and thereafter again appointed w.e.f 23rd December 2017

- e) i) Service Contract - 5th August 2017 to 31st March 2020 (being remainder period of his appointment in Transferor Company)
 ii) Notice Period and Severance Fees - 3 months Notice from either side or salary in lieu of thereof.
 iii) Commission variable within - 1% of the 'Net Profit' eligible subject to total remuneration not exceeding 5% thereof for the FY.
- f) i) Service Contract - 1st October 2017 to 30th September 2020
 ii) Notice Period and Severance Fees - 3 months Notice from either side or salary in lieu of thereof.
 No stock option has been given to the Directors.

iv) Stakeholders Relationship Committee

This Committee constituted on 5th August 2017 comprise of following Executive and Non-Executive Independent Directors :

Director's Name	Position	No. of Meetings	
		Held	Attended
K S B Sanyal	Chairman	8	8
P Bajoria	Member	8	7
K Sarda	Member	8	7

During FY 2017-2018, 8 (eight) meetings of the Committee were held on 28th August 2017, 18th September 2017, 16th October 2017, 13th November 2017, 11th December 2017, 8th January 2018, 5th February 2018 and 5th March 2018 and gap between two meetings never exceeded 30 days.

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

Following Para B of Part D of Schedule II of SEBI LODR, 2015, role of the Committee include redressal of Shareholders complaints relating to transfer/transmission of shares, non-receipt of annual report, non-receipt of dividends/shares etc.

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

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

Number of complaints received since 5th August 2017	3
Number of complaints resolved by 31st March 2018	3
Number of complaints pending as on 31st March 2018	–

Following Amalgamation mentioned hereinbefore, the Company issued and allotted on 18th September 2017 its Equity Shares to holders of Equity Shares of Transferor Company on the record date i.e. 15th September 2017. Most of complaints received related to non-receipt of a) certificates of said Equity Shares of the Company b) dividend declared by Transferor Company and remaining unpaid c) Annual Report etc

v) Investment Committee

This Committee constituted on 5th August 2017 comprise of following Executive and Non-Executive Independent Directors.

Director's Name	Position	No. of Meetings	
		Held	Attended
S K Bajoria	Chairman	2	2
P Bajoria	Member	2	2
S Khasnobis	Member	2	1
K Sarda	Member	2	2

During FY 2017-2018, 2 (two) meetings of the Committee were held on 9th September 2017 and 10th February 2018.

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

4. General Body Meetings

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

AGM	FY	Date	Time	Place
8th	2014-2015	Monday, 29th June 2015	11 AM	3, Netaji Subhas Road, Kolkata 700001
9th	2015-2016	Monday, 27th June 2016	11 AM	-do-
10th	2016-2017	Saturday, 23rd December 2017	11 AM	Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770031, Dist. Sundergarh, Odisha

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

FY	Items
2014-2015	i) Under Section 188 of the Act for entering into contracts/arrangements for sales, purchases etc with related parties.
2015-2016	Nil

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

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

Postal Ballot

The Company did not conduct any business through Postal Ballot during FY 2017-2018.

5. Means of Communication

Equity Shares of the Company got listed on BSE and NSE on and from 14th November 2017. Equity Shares of the Transferor Company were listed both on BSE and NSE and suspended for trading with effect from 14th September 2017. Following core of good governance requiring timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance, the Company on and after 5th August 2017 :

- Announced Quarterly Results and Audited Annual Results within time permissible under SEBI LODR Regulations and Stock Exchanges were intimated immediately after the same were taken on record by the Board. Further coverage was given for the benefit of Shareholders and Investors by publication of Financial Results in English, Bengali and Odia newspapers as was applicable (normally Business Standard – English, Utkal Mail – Odia and Dainik Statesman – Bengali) widely circulating in the State of West Bengal/ Odisha. The Company did not send half yearly report to the Individual Shareholders.
- Made available Audited/Unaudited Financial Results and other pertinent information of the Company on its website i.e. www.ifglref.com, website of NSE i.e. www.nseindia.com and website of BSE i.e. www.bseindia.com.
- Uploaded information relating to Shareholding Pattern, its Annual Report and those of Subsidiaries, Corporate Announcements/ Press Releases, Investors Presentation, Transcript of Quarterly Earnings Call with Investors on its website www.ifglref.com.

6. General Shareholder Information

Date of AGM	Saturday, 25th August 2018
Time	11 AM
Venue	Company's Registered Office
Financial Calendar 2018-2019 (tentative and subject to change)	<ul style="list-style-type: none"> Financial Year – April to March First Quarter Results – by second week of August 2018 Second Quarter Results – by second week of November 2018 Third Quarter Results – by second week of February 2019 Audited Results for the year ending 31st March 2019 – by last week of May 2019
Book Closure Period	Monday, 20th August 2018 to Saturday, 25th August 2018

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

Dividend Payment Date	Today, Saturday, 19th May 2018, the Board of Directors of the Company has recommended payment of Dividend at the rate of 20% i.e. ₹ 2/- per Equity Share for financial year 2017-2018 subject to approval of the Shareholders at ensuing AGM. Payment of said Dividend will be made on or after Thursday, 30th August 2018.
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Listing on Stock Exchanges

Equity Shares of the Company are listed both on BSE and NSE under Stock Code Nos. 540774 and IFGLEXPOR respectively. Payment of Listing Fee for FY 2018-2019 has been effected to said Stock Exchanges. ISIN allotted to the Company under the Depository System is INE133Y01011. Annual Custody Fee for FY 2018-2019 has also been paid to the Depository CDSL and said custody will be paid to Depository NSDL as and when they issue an invoice thereagainst.

Address for correspondence

Registered Office & Kalunga Works	Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770031, Dist. Sundergarh, Odisha. Tel : +91 661 2660195, Fax : +91 661 2660173, E-mail : ifgl.works@ifgl.in
Head and Corporate Office	McLeod House, 3, Netaji Subhas Road, Kolkata 700001 Tel : +91 33 40106100, Fax : +91 33 22430886, +91 33 22480482 E-mail : ifgl.ho@ifgl.in and investorcomplaints@ifgl.in

Corporate Identification Number (CIN)

Presently CIN of the Company is L51909OR2007PLC027954. Prior thereto and also shifting of Registered Office of the Company from the State of West Bengal to Odisha, CIN was U51909WB2007PLC118407 and U51909OR2007PLC027954.

Market Price Data

Equity Shares of the Company have regularly been traded on BSE and NSE since 14th November 2017. Following is the month-wise high/low prices of the Company's Equity Shares on BSE and NSE since that date.

Months	BSE Limited		National Stock Exchange of India Limited	
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
November 2017	337.00	294.00	337.95	290.05
December 2017	354.00	303.25	348.90	304.00
January 2018	374.00	280.00	374.40	280.05
February 2018	304.90	265.00	304.70	263.00
March 2018	294.00	241.00	299.30	231.30

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

7. Disclosures :

- A Statement in summary form of transactions with related parties in the ordinary course of business was placed periodically before the Board of Directors/Audit Committee. All transactions with the related parties have been on an arms length basis. A Policy on transactions with related parties was formulated on 5th August 2017, which has been hosted on Company's website www.ifglref.com.
- The Company have had no materially significant related party transactions, which may have potential conflict with interest of the Company.
- For disclosures of related party relationship and transactions as per Ind AS 24, "Related Party Disclosure", Note 35 to the Annual Audited Accounts of the Company for the FY ended 31st March 2018 may be referred to.
- Resume and other information of the Directors proposed to be appointed/re-appointed at the ensuing AGM of the Company are given in the Notice relating thereto to the Shareholders as required under Regulation 36(3) of SEBI LODR, 2015.
- Nomination and Remuneration Committee of the Company has devised a Policy on Board Diversity, a copy whereof is hosted on Company's website www.ifglref.com.

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

- A Management Discussion and Analysis Report has been included as a part of the Directors' Report to the Shareholders for FY ended 31st March 2018.
- In accordance with requirement of Corporate Governance, the Board of Directors of the Company formulated a Code of Conduct for Board of Directors including Independent Directors and Senior Management Personnel and the compliance thereof has been affirmed by all concerned. The Code provide for duties of Independent Directors as laid down in the Act. Required declaration to this effect signed by the Managing Director of the Company is appended as a separate Annexure to this Report. This Code of Conduct, adopted by the Company, has also been hosted on Company's website www.ifglref.com.
- No penalties/strictures were imposed on the Company by any regulatory authority on any matter related to capital markets during last three years.
- The Company was a Non Material Indian Subsidiary of Transferor Company. Said relationship ceased, following aforesaid Amalgamation coming into effect.
- Following aforesaid Amalgamation coming into effect, Subsidiaries of the Transferor Company have become Subsidiaries of the Company. Prior to that the Company did not have any Subsidiary. Minutes of Subsidiary Companies are being placed before the Board of Directors of the Company and attention drawn to significant transactions and arrangement entered into by Subsidiary Companies. The Company has no Subsidiary in India.
- The Company has laid down procedures to inform the Board Members about the risk assessment and minimisation. Said procedures were periodically reviewed to ensure that Executive Management control risks through means of a properly defined framework. These procedures have also been adopted by the Company.
- The Company has formulated the Code of Conduct for prevention of Insider Trading in securities of the Company by its Directors and Employees in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information following said SEBI Insider Trading Regulations. These Codes of Conduct adopted by the Company have been hosted on Company's website www.ifglref.com. For the purposes of these Codes, Company Secretary, Mr R Agarwal has been appointed as Compliance Officer and Director and Chief Executive Officer, Mr K Sarda appointed as 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 have been hosted on website www.ifglref.com. Transcripts of Quarterly Conference Calls on Financial Performance have also been hosted on said website.
- The Board of Directors of the Company has put in place a Policy on Prevention of Sexual Harassment following provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. Copy of said Policy has been hosted on Company's website www.ifglref.com. During FY 2017-2018, no complaint regarding Sexual Harassment has been received.
- The Board of Directors of the Company have received a Certificate from the Director and Chief Executive Officer and Chief Financial Officer of the Company in compliance of Regulation 17(8) of SEBI LODR, 2015.
- The Company has a Vigil Mechanism (Whistle Blower) Policy for Directors and Employees, both permanent and temporary, to report concerns about unethical conduct and improper practices or alleged fraud or violation of Code of Conduct or Ethics Policy, to the Managing Director or Compliance Officer or the Audit Committee soon after becoming aware of the same. Said Policy inter-alia provide for adequate safeguards against victimisation of persons availing mechanism of the same and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Company has adopted said Policy and hosted a copy thereof on Company's website www.ifglref.com and no complaint thereunder was received during FY ended on 31st March 2018.
- Pursuant to Regulation 40 of SEBI LODR, 2015, Certificate, for half year ended on 31st March 2018 has been issued by a Company Secretary-in-Practice for due compliance of Share Transfer formalities by the Company and filed with Stock Exchanges within prescribed time.
- A Chartered Accountant in full time practice carried out Reconciliation of Share Capital Audit to reconcile total admitted capital with NSDL and CDSL and the total issued and listed capital of the Company. The Audit confirmed that the total issued/paid up capital has been in agreement with the aggregate of total number of Shares in physical form and the total number of Shares in dematerialised form (held with NSDL and CDSL).
- The Company has complied all mandatory requirements of Corporate Governance. Compliance of non mandatory requirements are dealt with at the end of the Report. Compliance Reports in format prescribed has been sent to Stock Exchanges within prescribed time.

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

- Independent Directors have confirmed that they meet criteria of 'Independence' as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR, 2015.
- Independent Directors except Mr K S B Sanyal were appointed on 5th August 2017 only. Mr Sanyal was appointed on 30th March 2012. None of the Independent Directors is serving as Independent Directors in more than seven listed Companies. Formal letters of appointment have been issued to the Independent Directors and hosted on Company's website www.ifglref.com.
- A meeting of the Independent Directors of the Company has been held on 10th February 2018, whereat all of them were present. Independent Directors following Company's Policy familiarised themselves with their roles, rights and responsibilities nature of industry in which the Company operated, business models of the Company etc. Details of familiarisation programmes forming part of Company's Policy therefor have been hosted on Company's website www.ifglref.com.
- In a meeting recently held, Independent Directors of the Company inter-alia reviewed performance of Non Independent Directors and the Board as a whole and the Chairperson of the Company taking into account views of Executive Directors and Non-Executive Directors. Quality, Quantity and Timeliness of flow of information between the Company Management and the Board necessary for the Board to effectively and reasonably perform their duties was also assessed. These were found to be satisfactory.
- Website www.ifglref.com 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 by Compliance Officer of the Company and authorised representative of Share Transfer Agent for half year ended on 31st March 2018 has been submitted to Stock Exchanges within time prescribed.
- Regulation 21 of SEBI LODR, 2015 regarding constitution of Risk Management Committee is not applicable to the Company.
- Major currency for exports of the Company has been Euro. 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 Plot Nos 638-644, Kandla Special Economic Zone, P.O. Gandhidham 370 230, Dist. Kutch, Gujarat and Sectors 'A' and 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh, Odisha.

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

Maheshwari Datamatics Private Limited (MDPL)

Corporate Office :

23, R N Mukherjee Road, 5th Floor, Kolkata - 700 001

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

E-mail : mdpldc@yahoo.com

Registered Office :

6, Mangoe Lane (Surendra Mohan Ghosh Sarani)

2nd Floor, Kolkata 700 001

MDPL have become RTA of the Company on and from 21st August 2017.

Compliance Officer

Mr Rajesh Agarwal, Company Secretary

Head & Corporate Office :

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.

Share Transfer System

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

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

Distribution of Equity Shareholding

Following is the distribution of Company's Equity Shares as on 31st March 2018.

Category	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Promoter's Holding*	7	0.05	26,104,774	72.43
- Indian Promoters	6	0.04	20,514,618	56.92
- Foreign Promoter	1	0.01	5,590,156	15.51
Financial Institutions/Banks/Mutual Funds/UTI	13	0.09	2,154,273	5.98
Foreign Institutional Investors/Foreign Portfolio Investors	1	0.01	14,670	0.04
NBFCs registered with RBI	2	0.01	1,763	0.01
NRIs/Clearing Member	224	1.57	235,652	0.65
Private Body Corporate	152	1.07	2,396,731	6.65
Investor Education and Protection Fund Authority	1	0.01	357,646	0.99
Individuals	13,840	97.19	4,773,803	13.25
Total	14,240	100.00	36,039,312	100.00

* Not pledged or otherwise encumbered in any manner.

Number of Shares	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Upto 500	13,163	92.44	1,703,004	4.73
501 to 1000	471	3.31	394,189	1.09
1001 to 2000	235	1.65	361,541	1.00
2001 to 3000	103	0.72	266,159	0.74
3001 to 4000	50	0.35	181,964	0.50
4001 to 5000	39	0.27	182,009	0.51
5001 to 10000	83	0.58	589,697	1.64
10001 and above	96	0.68	32,360,749	89.79
Total	14,240	100.00	36,039,312	100.00

Dematerialisation of Shares and Liquidity

Equity Shares of the Company having ISIN : INE133Y01011 are available for dematerialisation with the Depositories, NSDL and CDSL and following is the distribution in physical and electronic mode as on 31st March 2018.

	Number of Shares	% of Total Equity Shares
In DEMAT with		
- NSDL	32,815,974	91.06
- CDSL	2,161,720	6.00
In Physical	1,061,618	2.94

8. Unclaimed Dividend/Shares

The Company has not declared Dividend except for financial year 2016-2017 on 23rd December 2017, unclaimed/unpaid amount whereof will fall due for transfer to Investor Education and Protection Fund (IEPF) on 21st February 2025.

The Company has on 20th September 2017 transferred unclaimed/unpaid dividend declared for payment by the Transferor Company for FY 2009-2010 to IEPF following provisions of Section 124(5) of the Act read with Rule 5 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules). Details of such unclaimed/unpaid dividend transferred have been hosted on the Company's website www.ifglref.com and claims in respect thereof may be lodged online in www.iepf.gov.in following requisite procedures. Going forward, unclaimed/unpaid of following dividends declared by the Transferor Company will fall

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

due for transfer to IEPF. Table below give information relating to outstanding dividends declared by the Transferor Company and dates when due for transfer to IEPF.

FY	Date of Declaration of Dividend	Proposed Date for transfer to IEPF*
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.

Following provisions of Section 124(6) of the Act read with Rule 6 of IEPF Rules, the Company has on 1st December 2017 and 5th December 2017 transferred 357,646 Equity Shares of ₹ 10/- each fully paid of the Company of 3018 holders thereof to Demat Account of IEPF Authority. Equity Shares transferred also included those lying unclaimed in Suspense Account opened following Regulation 39(4) read with Schedule VI of SEBI LODR, 2015 which has since been closed. Relevant particulars of Equity Shares transferred have been hosted on Company's website www.ifglref.com. Procedure for re-claiming said Equity Shares from the IEPF Authority has also been hosted on Company's website.

9. Status of Adoption of the Non Mandatory Requirements :

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

Executive Chairman and Managing Director of the Company effective 5th August 2017 are Mr S K Bajoria and Mr P Bajoria respectively.

Audit Qualification

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

Other Items

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

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

10. Auditors' Certificate on Corporate Governance

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

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

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

DECLARATION

As required under Regulation 34(3) read with Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that affirmation for compliance of Code of Conduct has been received from all the Board Members and Senior Management Personnel i.e. Employees in the grades of General Manager and above of the Company for financial year ended 31st March 2018.

Kolkata
19th May 2018

P Bajoria
(DIN : 00084031)
Managing Director

Independent Auditors' Certificate on Corporate Governance

TO THE MEMBERS OF IFGL REFRACTORIES LIMITED (FORMERLY KNOWN AS IFGL EXPORTS LIMITED)

1. This Certificate is issued in accordance with the terms of our engagement letter dated 15th January 2018.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the statutory auditors of IFGL Refractories Limited (Formerly known as IFGL Exports Limited) ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2018, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management.
This responsibility includes the design, implementation and maintenance of Internal Control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining 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.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Service Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended 31st March 2018.
9. 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.

Kolkata
19th May 2018

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 302009E)
Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Annexure 'B' to Directors' Report - MGT 9

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31st March 2018

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

I. Registration & Other Details

1. CIN	L51909OR2007PLC027954
2. Registration Date	07.09.2007
3. Name of the Company	IFGL Refractories Limited (Formerly known as IFGL Exports 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 770031, Dist. Sundergarh, Odisha Tel : +91 661 2660195, Fax : +91 661 2660173 E-mail : ifgl.works@ifgl.in
6. Whether Listed Company	Equity Shares of the Company got listed both on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and trading therein commenced on and from 14th November 2017. Equity Shares of erstwhile IFGL Refractories Limited (CIN : L27202OR1989PLC002971), which amalgamated with the Company on and from 1st April 2016 pursuant to a Scheme of Amalgamation sanctioned by the Hon'ble National Company Law Tribunal, Kolkata Bench by passing an Order on 3rd August 2017 were also listed on BSE and NSE and said Equity Shares were suspended for trading w.e.f. 14th September 2017.
7. Name, Address & Contact Details of the Registrar & Transfer Agent, if any	Maheshwari Datamatics Private Limited (MDPL) Corporate Office : 23, R N Mukherjee Road, 5th Floor, Kolkata - 700001 Tel : +91 33 22482248, Fax : +91 33 22484787 E-mail : mdpldc@yahoo.com Registered Office : 6, Mangoe Lane 2nd Floor, Kolkata 700001

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	89.90
2.	Trading	—	8.73

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
1.	Bajoria Financial Services Private Limited, India*	U67120WB2006PTC111974	Holding Company	51.21	2(46)
2.	IFGL Worldwide Holdings Limited, Isle of Man	NA	Subsidiary Company	100	2(87)
3.	IFGL Monocon Holdings Limited, UK	NA	Step down Subsidiary	100	2(87)
4.	Monocon International Refractories Limited, UK	NA	Step down Subsidiary	100	2(87)
5.	Monocon Overseas Limited, UK	NA	Step down Subsidiary	100	2(87)

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
6.	Mono Ceramics Inc., USA	NA	Step down Subsidiary	100	2(87)
7.	Monotec Refratarios Ltda, Brazil	NA	Step down Subsidiary	95	2(87)
8.	Tianjin Monocon Refractories Company Limited, PRC	NA	Step down Subsidiary	100	2(87)
9.	Tianjin Monocon Aluminious Refractories Company Limited, PRC	NA	Step down Subsidiary	100	2(87)
10.	Goricon Metallurgical Services Limited, UK	NA	Step down Subsidiary	100	2(87)
11.	IFGL GmbH, Germany	NA	Step down Subsidiary	100	2(87)
12.	Hofmann Ceramic GmbH, Germany	NA	Step down Subsidiary	100	2(87)
13.	Hofmann Ceramic CZ s.r.o., Czech Republic	NA	Step down Subsidiary	98.78	2(87)
14.	Hofmann Ceramic Limited, UK	NA	Step down Subsidiary	100	2(87)
15.	IFGL Inc., USA	NA	Step down Subsidiary	100	2(87)
16.	EI Ceramics LLC, USA	NA	Step down Subsidiary	100	2(87)

*Following passing of an Order on 13th March 2018 by Hon'ble National Company Law Tribunal, Kolkata Bench by virtue whereof Non-banking Financial Institution activities of Bajoria Holdings Private Limited (CIN : U67120WB1983PTC036590) got demerged and merged with that of this Company effective 15th March 2018.

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

Following Amalgamation of Transferor Company with the Company, the Company issued and allotted on 18th September 2017 its Equity Shares to holders of Equity Shares of Transferor Company.

(a) (i) Category wise Shareholding (Prior to issue and allotment of Equity Shares of the Company on 18th September 2017)

Category of Shareholders	No. of Shares held at the beginning of the Year (1st April 2017)				No. of Shares held prior to issue and allotment of Shares on 18th September 2017				% Change during the Period
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian	–	2,332,530	2,332,530	79.99	845,370	1,487,160	2,332,530	79.99	0.00
2. Foreign	–	583,200	583,200	20.00	–	583,200	583,200	20.00	0.00
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	–	2,915,730	2,915,730	99.99	845,370	2,070,360	2,915,730	99.99	0.00
B. Public Shareholding									
1. Institutions	–	–	–	–	–	–	–	–	–
2. Non Institutions	–	270	270	0.01	–	270	270	0.01	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	270	270	0.01	–	270	270	0.01	0.00
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	2,916,000	2,916,000	100.00	845,370	2,070,630	2,916,000	100.00	0.00

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

(b) (i) Category wise Shareholding (Post Issue and allotment of Equity Shares of the Company pursuant to amalgamation of erstwhile IFGL Refractories Limited)

Category of Shareholders	No. of Shares held post issue and allotment of Shares on 18th September 2017				No. of Shares held at end of the Year (31st March 2018)				% Change during the Period
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	2,059,995	–	2,059,995	5.71	2,059,995	–	2,059,995	5.71	0.00
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corporate	18,454,623	–	18,454,623	51.21	18,454,623	–	18,454,623	51.21	0.00
e) Banks/FI's	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub Total (A)(1)	20,514,618	–	20,514,618	56.92	20,514,618	–	20,514,618	56.92	0.00
2. Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	5,006,956	583,200	5,590,156	15.51	5,590,156	–	5,590,156	15.51	0.00
d) Banks/FI's	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
Sub Total (A)(2)	5,006,956	583,200	5,590,156	15.51	5,590,156	–	5,590,156	15.51	0.00
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	25,521,574	583,200	26,104,774	72.43	26,104,774	–	26,104,774	72.43	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,747,757	10,280	1,758,037	4.88	2,148,817	2,030	2,150,847	5.97	1.09
b) Banks/FI's	2,968	2,605	5,573	0.02	821	2,605	3,426	0.01	(0.01)
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	1,300	1,300	0.00	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (Specify)									
- Foreign Portfolio Investors	21,112	–	21,112	0.06	14,670	–	14,670	0.05	(0.01)
Sub Total (B)(1)	1,771,837	14,185	1,786,022	4.96	2,164,308	4,635	2,168,943	6.03	1.07
2. Non Institutions									
a) Bodies Corporate									
i) Indian	2,501,139	25,580	2,526,719	7.01	2,381,901	14,830	2,396,731	6.65	(0.36)
ii) Overseas	–	–	–	–	–	–	–	–	–

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

Category of Shareholders	No. of Shares held post issue and allotment of Shares on 18th September 2017				No. of Shares held at end of the Year (31st March 2018)				% Change during the Period
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual Shareholders holding Nominal Share Capital upto ₹ 1 lac	2,551,825	1,442,366	3,994,191	12.37	2,423,270	1,025,618	3,448,888	9.57	(2.80)
ii) Individual Shareholders holding Nominal Share Capital in excess of ₹ 1 lac	1,376,686	24,000	1,400,686	2.60	1,311,915	13,000	1,324,915	3.68	1.08
c) Others (Specify)	–	–	–	–	–	–	–	–	–
i) Non Resident Indians	167,799	3,635	171,434	0.47	149,310	3,535	152,845	0.42	(0.06)
ii) Overseas Corporate Bodies	–	–	–	–	–	–	–	–	–
iii) Foreign Nationals	–	–	–	–	–	–	–	–	–
iv) Clearing Members	55,230	–	55,230	0.15	82,807	–	82,807	0.23	0.08
v) Trusts	–	–	–	–	–	–	–	–	–
vi) Foreign Bodies – D R	–	–	–	–	–	–	–	–	–
vii) Foreign Portfolio Investors	–	–	–	–	–	–	–	–	–
viii) NBFCs registered with RBI	256	–	256	0.00	1,763	–	1,763	0.00	0.00
ix) Employee Trusts	–	–	–	–	–	–	–	–	–
x) Domestic Corporate Unclaimed Shares Account	–	–	–	–	–	–	–	–	–
xi) Investor Education and Protection Fund Authority	–	–	–	–	357,646	–	357,646	0.99	0.99
Sub Total (B)(2)	6,652,935	1,495,581	8,148,516	22.61	6,708,612	1,056,983	7,765,595	21.54	(1.07)
Total Public Shareholding (B)=(B)(1)+(B)(2)	8,424,772	1,509,766	9,934,538	27.57	8,872,920	1,061,618	9,934,538	27.57	0.00
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	33,946,346	2,092,966	36,039,312	100.00	34,977,694	1,061,618	36,039,312	100.00	0.00

(a) (ii) Shareholding of Promoters of the Company (Prior to issue and allotment of Equity Shares of the Company pursuant to Amalgamation of erstwhile IFGL Refractories Limited)

Sl. No.	Shareholder's Name	Shareholding at beginning of the Year (1st April 2017)			Shareholding prior to issue and allotment of Shares on 18th September 2017			% Change in Shareholding during the Period
		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.	S K Bajoria	710,910	24.38	–	710,910	24.38	–	0.00
2.	Smita Bajoria	270	0.01	–	270	0.01	–	0.00
3.	Mihir Bajoria	270	0.01	–	270	0.01	–	0.00
4.	S K Bajoria & Others (HUF)	270	0.01	–	270	0.01	–	0.00
	(A)	711,720	24.41	–	711,720	24.41	–	0.00

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

Sl. No.	Shareholder's Name	Shareholding at beginning of the Year (1st April 2017)			Shareholding prior to issue and allotment of Shares on 18th September 2017			% Change in Shareholding during the Period
		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	
	<i>Bodies Corporate</i>							
5.	Bajoria Holdings Private Limited	133,380	4.57	–	133,380	4.57	–	0.00
6.	Bajoria Enterprises Limited	270	0.01	–	270	0.01	–	0.00
7.	<i>Erstwhile IFGL Refractories Limited</i>	1,487,160	51.00	*51.00	1,487,160	51.00	–	0.00
	(B)	1,620,810	55.58	*51.00	1,620,810	55.58	–	0.00
	Foreign Promoter							
	<i>Bodies Corporate</i>							
8.	Krosaki Harima Corporation, Japan (C)	583,200	20.00	–	583,200	20.00	–	0.00
	Total (A+B+C)	2,915,730	99.99	*51.00	2,915,730	99.99	–	0.00

*Pledge released on 14th September 2017

(b) (ii) Shareholding of Promoters of the Company (Post issue and allotment of Equity Shares of the Company pursuant to amalgamation of erstwhile IFGL Refractories Limited)

Sl. No.	Shareholder's Name	Shareholdings post issue and allotment of Shares on 18th September 2017			Shareholding at end of the Year (31st March 2018)			% Change in Shareholding during the Period
		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.	S K Bajoria	1,481,642	4.11	–	1,481,642	4.11	–	0.00
2.	Smita Bajoria	44,613	0.12	–	44,613	0.12	–	0.00
3.	Mihir Bajoria	218,745	0.61	–	218,745	0.61	–	0.00
4.	S K Bajoria & Others (HUF)	314,995	0.87	–	314,995	0.87	–	0.00
	(A)	2,059,995	5.71	–	2,059,995	5.71	–	0.00
	<i>Bodies Corporate</i>							
5.	Bajoria Holdings Private Limited*	18,454,353	51.21	–	18,454,353	51.21	–	0.00
6.	Bajoria Enterprises Limited	270	0.00	–	270	0.00	–	0.00
	(B)	18,454,623	51.21	–	18,454,623	51.21	–	0.00
	Foreign Promoter							
	<i>Bodies Corporate</i>							
7.	Krosaki Harima Corporation, Japan (C)	5,590,156	15.51	–	5,590,156	15.51	–	0.00
	Total (A+B+C)	26,104,774	72.43	–	26,104,774	72.43	–	0.00

*Following passing of an Order on 13th March 2018 by Hon'ble National Company Law Tribunal, Kolkata Bench by virtue whereof Non-banking Financial Institution activities of Bajoria Holdings Private Limited (CIN : U67120WB1983PTC036590) got demerged and merged with that of Bajoria Financial Services Private Limited (CIN : U67120WB2006PTC111974) effective 15th March 2018.

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

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

Sl. No.		Shareholding at beginning of the Year (1st April 2017)		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	2,915,730	99.99		
b)	Changes during the year (Shares allotted after Amalgamation)	23,189,044			
c)	At the end of the year			26,104,774	72.43

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

Prior to issue and allotment of Equity Shares on 18th September 2017, Promoters and Directors only were Shareholders of the Company. Post issue and allotment of Equity Shares of the Company on 18th September 2017 details of Top 10 Shareholders are as follows :

Sl. No.	For each of the Top 10 Shareholders	Shareholding as on 18th September 2017		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1.	L&T Mutual Fund Trustee Limited - L&T Emerging Businesses Fund				
a)	As on 18th September 2017	550,277	1.53		
b)	Changes during the year				
	Bought during the year	424,310	1.17	974,587	2.70
	Sold during the year	—	—		
c)	At the end of the year			974,587	2.70
2.	Dhanlakshmi Vyapaar Private Limited				
a)	As on 18th September 2017	952,142	2.64		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			952,142	2.64
3.	Santosh Tour and Travels Private Limited				
a)	As on 18th September 2017	702,038	1.95		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			702,038	1.95
4.	DSP Blackrock Micro Cap Fund				
a)	As on 18th September 2017	541,935	1.50		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			541,935	1.50
5.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Balanced				
a)	As on 18th September 2017	346,959	0.96		
b)	Changes during the year				
	Bought during the year	43,242	0.12		
	Sold during the year	(340)	(0.00)	389,861	1.08
c)	At the end of the year			389,861	1.08

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding as on 18th September 2017		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
6.	Investor Education And Protection Fund Authority Ministry of Corporate Affairs*				
a)	As on 18th September 2017	–	–		
b)	Changes during the year				
	Bought during the year	357,646	0.99	357,646	0.99
	Sold during the year	–	–		
c)	At the end of the year			357,646	0.99
7.	HDFC Small Cap Fund				
a)	As on 18th September 2017	190,700	0.53		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			190,700	0.53
8.	S Shyam*				
a)	As on 18th September 2017	–	–		
b)	Changes during the year				
	Bought during the year	155,433	0.43	155,433	0.43
	Sold during the year	–	–		
c)	At the end of the year			155,433	0.43
9.	Dotch Sales Private Limited				
a)	As on 18th September 2017	90,000	0.25		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			90,000	0.25
10.	Ithoughtwealth Analytics LLP*				
a)	As on 18th September 2017	–	–		
b)	Changes during the year				
	Bought during the year	85,303	0.24	85,303	0.24
	Sold during the year	–	–		
c)	At the end of the year			85,303	0.24
11.	Manan Finserve Private Limited#				
a)	As on 18th September 2017	83,100	0.23		
b)	Changes during the year				
	Bought during the year	–	–		
	Sold during the year	(83,100)	(0.23)		
c)	At the end of the year			–	–
12.	Akshay Bajoria#				
a)	As on 18th September 2017	83,000	0.23		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			83,000	0.23

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding as on 18th September 2017		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
13.	VLS Finance Limited #				
a)	As on 18th September 2017	77,541	0.22		
b)	Changes during the year	NO CHANGES DURING THE YEAR			
c)	At the end of the year			77,541	0.22

* As on 31st March 2018

As on 18th September 2017

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

(a) (v) Shareholding of Directors and Key Managerial Personnel of the Company
(Prior to issue and allotment of Equity Shares of the Company on 18th September 2017)

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the Year (1st April 2017)		Cumulative Shareholding as on 18th September 2017	
		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	710,910	24.38		
b)	Changes during the year	NO CHANGES DURING THE PERIOD			
c)	At the end of the period			710,910	24.38
2.	P Bajoria, Managing Director				
a)	At the beginning of the year	270	0.01		
b)	Changes during the year	NO CHANGES DURING THE PERIOD			
c)	At the end of the period			270	0.01

(b) (v) Shareholding of Directors and Key Managerial Personnel of the Company
(Post issue and allotment of Equity Shares of the Company on 18th September 2017)

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding as on 18th September 2017		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 period	710,910	24.38		
b)	Issued and allotted on 18th September 2017	770,732			
c)	At the end of the year			1,481,642	4.11
2.	P Bajoria, Managing Director				
a)	At the beginning of the period	270	0.01		
b)	Issued and allotted on 18th September 2017	61,000			
c)	At the end of the year			61,270	0.17
3.	D G Rajan, Independent Director				
a)	At the beginning of the period	–	–		
b)	Issued and allotted on 18th September 2017	390			
c)	At the end of the year			390	0.00

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

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding as on 18th September 2017		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
4.	R Agarwal, Company Secretary				
a)	At the beginning of the period	–	–		
b)	Issued and allotted on 18th September 2017	2,319			
c)	At the end of the year			2,319	0.00
5.	K Sarda, Director and Chief Executive Officer				
a)	At the beginning of the period	–	–		
b)	Issued and allotted on 18th September 2017	2,000			
c)	At the end of the year			2,000	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	7,111.25	–	–	7,111.25
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	4.28	–	–	4.28
Total (i+ii+iii)	7,115.53	–	–	7,115.53
Change in Indebtedness during the Financial Year				
- Addition	1,897.15	–	–	1,897.15
- Reduction	4.28	–	–	4.28
Net Change	1,892.87	–	–	1,892.87
Indebtedness at the end of the Financial Year				
i) Principal Amount	8,999.40	–	–	8,999.40
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	9.00	–	–	9.00
Total (i+ii+iii)	9,008.40	–	–	9,008.40

VI. Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		S K Bajoria Chairman	P Bajoria Managing Director	K Sarda Director & CEO	
1.	Gross Salary				
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	132.00	201.60	78.36	411.96
b)	Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	27.87*	44.39*	5.20**	77.46
c)	Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	–	–	–	–

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

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		S K Bajoria Chairman	P Bajoria Managing Director	K Sarda Director & CEO	
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission				
	- as % of Profit	33.93	15.52	—	49.45
	- Others, Specify	—	—	—	—
5.	Others, please specify				
	- Contribution to Provident Fund	—	20.16	3.57	23.73
	- Gratuity	—	9.71	0.07	9.78
	Total	193.80	291.38	87.20	572.38
	Celling as per the Act	Limit specified at Section II of Part II of Schedule V of the Act			

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

** Including monetary value of Perquisites not taxable but excluding ₹ 0.40 on account of Motor Car.

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of the Director						Total Amount
		D K Banerji	S Khasnobis	Prof S Munshi	D G Rajan	Prof B Ray	K S B Sanjal	
1.	Independent Directors							
	Fee for attending Board/Committee Meetings	1.50	0.45	1.00	1.55	1.15	2.25	7.90
	Commission	—	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—	—
	Total (1)	1.50	0.45	1.00	1.55	1.15	2.25	7.90
2.	Other Non-Executive Directors	K Oshikawa	H Okumura*	Y Kawatsu				
	Fee for attending Board/Committee Meetings	0.20	0.30	0.20				0.70
	Commission	—	—	—				—
	Others, please specify	—	—	—				—
	Total (2)	0.20	0.30	0.20	—	—	—	0.70
	Total (1+2)	1.70	0.75	1.20	1.55	1.15	2.25	8.60
	Total Managerial Remuneration							8.60
	Overall Ceiling as per the Act	Sitting Fee paid is within limit prescribed at Section 197 of the Act						

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

(₹ in lacs)

*resigned w.e.f 6th May 2017

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

Sl. No.	Particulars of Remuneration	Key Managerial Remuneration			Total Amount
		R Agarwal, Company Secretary	K Poddar, Chief Financial Officer*	S Yadav Chief Financial Officer**	
1.	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	77.41	12.96	15.53	105.90
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	8.02	0.60	1.41	10.03
	c) Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission				
	- as % of Profit	—	—	—	—
	- Others, specify	—	—	—	—
5.	Others, please specify				
	- Contribution to Provident Fund	2.27	0.10	0.07	2.44
	- Gratuity	0.79	—	—	0.79
	Total	88.49	13.66	17.01	119.16

*Was Chief Financial Officer of erstwhile IFGL Refractories Limited till 4th August 2017. Ceased to be in employment of the Company on and from 12th September 2017

** Was employed in the Company on and from 14th December 2017. Appointed as Chief Financial Officer w.e.f 10th February 2018

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 2018

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.

Energy conservation and utilization of alternate energy is one of the priorities of your Company. From time to time and as and when necessary, on continual basis, systems, equipments and appliances existing have been replaced with those having higher energy efficiency. At several places, solar energy fittings have been installed. Energy utilization was closely monitored and wastage avoided including by adopting wherever possible improved processes involving lesser consumption of energy. For the purpose, investment in equipments etc have also been made.

B. Technology Absorption

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

Manufacturing facilities at Kalunga Industrial Estate, Odisha (India) of your Company and its Step down Subsidiaries at Cincinnati, USA and Germany also have in-house facility for R&D. These facilities continually work on product quality and performance, improvements, development of raw materials including quality up-gradation and substitutes, enhancement of production capacity, scalability and other important areas like customers satisfaction, cost competitiveness, cost control etc. Issues faced on matters relating to production, quality control, application etc are referred to these R&D facilities and they work on them and provide solutions thereon. These solutions and inputs received from other stakeholders including technology providers bring about desired advantages to keep pace with ever changing dynamic market of the products segment the Company is operating in.

During last 3 FYs including FY 2017-2018, the Company have not imported any technology.

R&D activities are an integral part of the manufacturing activities carried out by your 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)

		31st March 2018	31st March 2017
1.	Foreign Exchange Outgo		
	i) CIF Value of Imports of Raw Materials, Stores and Spares, Trading Items and Capital Goods	1,634.12	716.58
	ii) Others	148.58	135.71
2.	Foreign Exchange Earnings		
	FOB Value of Exports	2,527.09	2,426.50

Annexure 'D' to Directors' Report

Statement (Form AOC 1) Containing Salient Features of Financial Statements of Subsidiaries as at 31st March 2018

[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 Worldwide Holdings Limited, Isle of Man, (GBP)	5,796.28	5,583.32	5,974.03	-	-	-	403.47	-	403.47	-	100
Step Down Subsidiaries											
El Ceramics LLC, USA (USD)	912.27	3,305.28	6,624.05	2,406.50	-	10,870.86	1,450.45	22.10	1,428.35	-	100
Goricon Metallurgical Services Limited, UK (GBP)	54.77	472.15	543.78	16.86	-	37.93	16.56	3.09	13.47	-	100
Hofmann Ceramic CZ s.r.o. Czech Republic (Euro)*	55.32	(436.58)	244.50	625.75	-	930.90	72.18	15.10	57.08	-	98.78
Hofmann Ceramic GmbH, Germany (Euro)	40.04	4,035.25	6,742.79	2,787.21	-	7,567.28	(206.35)	12.03	(218.39)	-	100
Hofmann Ceramic Limited, UK (GBP)	0.09	0.00	0.09	-	-	-	-	-	-	-	100
IFGL GmbH, Germany (Euro)	4,998.78	11.02	22.47	7.41	-	-	(6.06)	0.68	(6.74)	-	100
IFGL Inc., USA (USD)	2,608.00	3,576.65	23.00	1,049.72	-	-	-	-	-	-	100
IFGL Monocon Holdings Limited, UK (GBP)	4,564.00	-	-	22.82	-	-	-	-	-	-	100
Mono Ceramics Inc., USA (GBP)	2,378.81	3,590.02	4,784.61	1,279.51	-	5,842.24	95.25	10.80	84.45	-	100
Monocon International Refractories Limited, UK (GBP)	0.09	11,454.92	11,946.03	9,285.11	-	15,365.93	1,058.04	205.24	852.80	-	100
Monocon Overseas Limited, UK (GBP)	0.91	7,326.39	4.14	663.19	-	-	(0.11)	-	(0.11)	-	100
Monotec Refratarios Ltda, Brazil (GBP)*	251.00	(251.00)	-	-	-	-	-	-	-	-	95
Tianjin Monocon Aluminous Refractories Company Limited, PRC (GBP)*	473.68	673.98	1,328.04	180.38	-	2,509.85	172.04	43.77	128.27	239.47 @	100
Tianjin Monocon Refractories Company Limited, PRC (GBP)*	127.79	468.94	1,287.16	690.43	-	3,692.35	215.03	56.66	158.37	205.55 @	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 ₹ 80.07 equivalent to 1 Euro, ₹ 91.28 equivalent to 1 GBP and ₹ 65.20 equivalent to 1 USD. Profit and Loss figure have however been converted into Indian Rupees by using Average Exchange Rate of ₹ 75.49 equivalent to 1 Euro, ₹ 85.94 equivalent to 1 GBP and ₹ 64.55 equivalent to 1 USD.
- Investment exclude investments made in Subsidiary Companies.
- The Company neither had nor have Associate/Joint Ventures.
- Reporting period of Subsidiaries is mentioned at Note 2.2 of Consolidated Financial Statements.

Kolkata

19th May 2018

Rajesh Agarwal
Company SecretarySikander Yadav
Chief Financial OfficerKamal Sarda
Director and
Chief Executive OfficerP Bajoria
Managing DirectorS K Bajoria
Chairman

Annexure 'E' to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for Financial Year 2017-2018

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.		This Annual Report provide for CSR activities pursued by the Company including erstwhile IFGL Refractories Limited, amalgamated with the Company following passing of Order on 3rd August 2017 by the Hon'ble National Company Law Tribunal Kolkata Bench. CSR activities permissible were pursued through IFGL Refractories Welfare Trust, registered with and also having recognition for deduction under Section 80G of the Income Tax Act, 1961. CSR Policy adopted by the Company is hosted on its website www.ifglref.com . Details of CSR Committee including constitution, role and responsibility thereof, are given in Corporate Governance Report at Para 3 thereof.				
3.	Average Net Profit of the Company for last three Financial Years		₹ 609.78 lacs				
4.	Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above)		₹ 12.20 lacs				
5.	Details of CSR spent during the Financial Year :						
	a) Total amount to be spent for the Financial Year		₹ 12.20 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	₹ 5.79 lacs	*	Through Implementing Agency
	b) Kalunga Shilpanchala Bidyalaya			Open	₹ 2.62 lacs	*	
2.	a) Free Allopathy Clinic	Promotion of health care including preventive health care	Dist. Sundergarh, Odisha	Open	₹ 2.54 lacs	*	
	b) Free Homeopathic Clinic			Open	₹ 1.09 lacs	*	
	c) Free bed at Rajasthan Seva Sadan			Open	₹ 1.20 lacs	*	

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

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs 1. Local area or other 2. Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub heads : 1. Direct expenditure on projects or programs 2. Over heads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1	2	3	4	5	6	7	8
3.	a) IDC Sulabh Souchalaya at Kalunga Industrial Estate	Promotion of sanitation	Dist. Sundergarh, Odisha	Open	₹ 1.44 lacs	*	Through Implementing Agency
	b) Souchalaya at Kilinga Oram Basti			Open	₹ 0.92 lacs	*	
	c) Souchalaya at Kilinga Village			Open	₹ 0.80 lacs	*	
	d) IDC Souchalaya at Kharatola Jhartarang			Open	₹ 4.76 lacs	*	
4.	Contribution to Enrico Piperno Tennis Trust	Promotion of Sport	Kolkata, India	Open	₹ 3.60 lacs	*	
5.	Others	Charitable Contributions	PAN India	Open	₹ 11.79 lacs	*	

*Expenses incurred during FY 2017-2018 for on-going handholding.

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

Kolkata
19th May 2018**S K Bajoria**
(DIN : 00084004)
Member, CSR Committee**Prof Bharati Ray**
(DIN : 06965340)
Chairperson, CSR Committee

Annexure 'F' to Directors' Report

FORM NO. MR 3

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March 2018

[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 (Formerly known as IFGL Exports Limited)

Regd Office : Sector - 'B', Kalunga Industrial Estate,

P.O. Kalunga, Rourkela, Sundargarh

Odisha - 770031

(CIN : L51909OR2007PLC027954)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IFGL REFRACTORIES LIMITED (Formerly known as IFGL EXPORTS LIMITED). Secretarial Audit has been 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.

Merger of erstwhile IFGL Refractories Limited (Transferor Company - CIN : L27202OR1989PLC002971) with the Company sanctioned by Kolkata Bench of Hon'ble National Company Law Tribunal by passing an Order on 3rd August 2017 became effective from 5th August 2017. While conducting secretarial audit, we have also considered effects thereof including :

- a) change of name and registered office of the Company with effect from 25th October 2017 and 24th November 2017 respectively.
- b) issuance of Company's 34,610,472 Equity Shares of ₹ 10/- each fully paid up on 18th September 2017 to eligible Shareholders of the Transferor Company as on record date i.e. 15th September 2017.
- c) cancellation of 1,487,160 Company's Equity Shares of ₹ 10/- each fully paid held by Transferor Company.
- d) listing of 36,039,312 Equity Shares of the Company of ₹ 10/- each fully paid up on BSE Limited and National Stock Exchange of India Limited on and from 14th November 2017 and
- e) all Overseas Subsidiaries of Transferor Company became Subsidiaries of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (including Transferor Company's) and read with the Statutory Auditors' Report on Financial Statements and Compliance of the conditions of Corporate Governance and also information provided by the Company, its officers; agents and 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 2018 generally complied with the applicable statutory provisions listed hereunder to the extent applicable and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by IFGL REFRACTORIES LIMITED for the financial year ended on 31st March 2018 according to the applicable provisions of :

1. The Companies Act, 2013 (the Act) and the Rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB) to the extent applicable to the Company.
5. Following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company during the year :

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

- 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.
- 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 - NIL.
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - NIL.
- 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.
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - NIL.
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - NIL.
6. The following other laws specifically applicable to the Company :
 - a) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
 - b) The Contract Labour (Regulation and Abolition) Act, 1970
 - c) Explosives Act, 1884
 - d) The Environment (Protection) Act, 1986
 - e) The Water (Prevention and Control of Pollution) Act, 1974
7. We have also examined compliance with applicable clauses of the following :
Secretarial Standards issued by The Institute of Company Secretaries of India.
8. We further report that during the year under review :
 - i) Unpaid/Unclaimed Dividend pertaining to financial year ended on 31st March 2010, aggregating to ₹ 629,120 was transferred to Investor Education and Protection Fund (IEPF) on 20th September 2017. Following provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 357,646 unclaimed Equity Shares of the Company were transferred to IEPF and IEPF-4 thereagainst filed on 8th December 2017.
 - ii) ₹ 12.20 lacs was required to be spent on CSR activities and whole of said amount was given to the implementing agency, IFGL Refractories Welfare Trust.
 - iii) There were following changes with respect to Subsidiaries :
 - a) Hofmann Ceramic LLC and Hofmann Pyemetric LLC merged with Mono Ceramics Inc w.e.f. 20th October 2017 and 3rd January 2018 respectively.
 - b) On and from 1st April 2017, name of Hofmann GmbH & Co. OHG was changed to Hofmann GmbH and Hofmann Ceramic GmbH merged therewith and renamed as Hofmann Ceramic GmbH.
 - iv) Annual General Meeting of the Company was held on 23rd December 2017 with approval of the Registrar of Companies, Kolkata.
 - v) Following sanction to Scheme of Arrangement, which became effective from 15th March 2018, for demerger of Non-banking Financial Institution business of Bajoria Holdings Private Limited (BHPL) and merger thereof with that of Bajoria Financial Services Private Limited (BFSPL) on and from 1st April 2017 by Kolkata Bench of Hon'ble National Company Law Tribunal by passing an Order on 13th March 2018, Company's Holding Company is BFSPL.
 - vi) On and from 10th February 2018, Chief Financial Officer of the Company is Mr Sikander Yadav. Company's Chief Executive Officer, Mr Kamal Sarda was holding said office from 5th August 2017.
9. We further report that as far as we have been able to ascertain –
 - a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - b. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast 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.

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

- c. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
 - d. There are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
 - e. As informed to us, during the audit period the company has had no other events except those already informed to the Stock Exchanges as required under the Listing Regulations.
 - f. The events reported by us in our last report have not been repeated here.
10. 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

CP No : 2053

Kolkata

19th May 2018

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

ANNEXURE A

TO THE MEMBERS

IFGL Refractories Limited (Formerly known as IFGL Exports Limited)

Regd Office : Sector - 'B', Kalunga Industrial Estate,

P.O. Kalunga, Rourkela, Sundargarh

Odisha - 770031

(CIN : L51909OR2007PLC027954)

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

(S. M. Gupta)

Partner

S. M. Gupta & Co.

Company Secretaries

Firm Registration No. : P1993WB046600

FCS No : 896

CP No : 2053

Kolkata

19th May 2018

Independent Auditors' Report

TO THE MEMBERS OF**IFGL REFRACTORIES LIMITED (Formerly known as IFGL EXPORTS LIMITED)****Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying Standalone Ind AS Financial Statements of IFGL Refractories Limited (Formerly known as IFGL Exports Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and changes in Equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting 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 issued under Section 143(11) of the Act.

We conducted our audit of the Standalone Ind AS 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 Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its Profit, Total Comprehensive Income, its Cash Flows and the changes in Equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 38 to the Standalone Ind AS Financial Statements, relating to amalgamation of the erstwhile IFGL Refractories Limited with the Company with effect from April 1, 2016 following Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT) vide its Order dated August 3, 2017 pursuant to Sections 230 and 232 of the Companies Act, 2013, which has been accounted under the 'Purchase Method' as per Accounting Standard 14 - Accounting for Amalgamations (AS-14). Accordingly, the Company has recognised goodwill on amalgamation aggregating to ₹ 26,699 lacs which is being amortised over a period of 10 years. This accounting treatment is different from that prescribed under Indian Accounting Standard (Ind AS) 103 - 'Business

Independent Auditors' Report *(Contd.)*

Combinations' for business combination of entities under common control.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit 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.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the Directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements - Refer Note 32 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 (Auditor's 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.

Kolkata
May 19, 2018

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

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section 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 (Formerly known as IFGL Exports Limited) ('the Company') as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable Financial Information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting of the Company 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 auditor's 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 Company has, in all material respects, an

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

adequate Internal Financial Controls system over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at March 31, 2018, 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)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata
May 19, 2018

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 Property, Plant and Equipment were physically verified during the year by the management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) With respect to immovable properties of acquired Land and Building, that are freehold, 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/ orders approving schemes of arrangements provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the Balance Sheet date.
- ii) As explained to us, the Inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such 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 has 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 been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and 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, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
 - c) Details of dues of Income Tax, Sales Tax and Service Tax, which have not been deposited as on March 31, 2018 on account of disputes are given below :

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

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	Assistant Commissioner of Sales Tax	2003-2004	0.25	0.25
	Sales Tax	Additional Commissioner of Sales Tax	July 1, 2006 to March 31, 2011	24.04	8.49
	Sales Tax	Additional Commissioner of Sales Tax	2014-2015	0.85	0.85
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			72.27	51.22
Service Tax					
Service Tax Rules, 1994	Service Tax	Joint Commissioner of Central Excise, Customs & Service Tax	2006-2007	1.54	1.54
	Total			1.54	1.54
Income Tax					
The Income Tax Act, 1961	Income Tax Dues	Commissioner of Income Tax (Appeals)	AY 2012-2013, AY 2013-2014, AY 2014-2015	212.32	212.32
	Total			212.32	212.32

There are no disputed dues with respect to Custom Duty, Excise Duty, Value Added Tax and Cess.

- 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 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.
- 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 Sections 188 and 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 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. Also refer Note 38 to the Financial Statements.
- 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 him 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)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata
May 19, 2018

Standalone Balance Sheet as at 31st March 2018

(₹ in lacs)

	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
A. ASSETS				
1. Non-Current Assets :				
a) Property, Plant and Equipment	4	6,205.46	6,362.10	3,106.46
b) Capital Work-in-Progress		272.52	85.42	37.25
c) Goodwill	5	21,359.56	24,029.51	–
d) Other Intangible Assets	6	87.30	54.56	3.19
e) Financial Assets :				
i) Investments	7	5,677.44	5,677.44	–
ii) Other Financial Assets	8	210.83	107.81	22.16
f) Deferred Tax Assets (Net)	9	447.65	833.33	175.63
g) Tax Assets (Net)	10	1,183.54	1,197.53	15.69
h) Other Non-Current Assets	11	1,071.35	803.90	47.79
Total Non-Current Assets		36,515.65	39,151.60	3,408.17
2. Current Assets :				
a) Inventories	12	5,049.17	4,429.08	454.32
b) Financial Assets :				
i) Investments	7	1,270.38	1,189.78	–
ii) Trade Receivables	13	20,695.95	15,490.03	1,892.97
iii) Cash and Cash Equivalents	14(a)	127.55	114.91	22.21
iv) Bank Balances other than (iii) above	14(b)	581.89	165.32	–
v) Others	8	93.83	58.47	0.16
c) Other Current Assets	11	1,048.19	409.72	59.18
Total Current Assets		28,866.96	21,857.31	2,428.84
Total Assets (1+2)		65,382.61	61,008.91	5,837.01
B. EQUITY AND LIABILITIES				
1. Equity :				
a) Equity Share Capital	15	3,603.93	3,603.93	216.00
b) Other Equity	16	45,308.87	43,886.27	2,396.49
Total Equity		48,912.80	47,490.20	2,612.49
LIABILITIES				
2. Non-Current Liabilities :				
a) Financial Liabilities :				
i) Borrowings	17	187.50	440.49	471.95
b) Provisions	18	23.56	26.17	2.09
Total Non-Current Liabilities		211.06	466.66	474.04
3. Current Liabilities :				
a) Financial Liabilities :				
i) Borrowings	19	8,558.99	6,130.42	1,242.51
ii) Trade Payables	20	6,915.87	5,827.93	841.14
iii) Other Financial Liabilities	21	627.67	871.64	652.67
b) Other Current Liabilities	22	122.13	188.93	14.16
c) Provisions	18	34.09	33.13	–
Total Current Liabilities		16,258.75	13,052.05	2,750.48
Total Equity and Liabilities (1+2+3)		65,382.61	61,008.91	5,837.01

See accompanying Notes forming part of the Standalone Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kamal Sarda
Director and Chief Executive Officer

On behalf of the Board of Directors

S K Bajoria
Chairman

P Bajoria
Managing Director

Kolkata
19th May 2018

Rajesh Agarwal
Company Secretary

Sikander Yadav
Chief Financial Officer

Standalone Statement of Profit and Loss for the year ended 31st March 2018

(₹ in lacs)

	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
I. REVENUE FROM OPERATIONS	23	44,725.67	38,941.82
II. Other Income	24	194.83	285.04
III. Total Income (I + II)		44,920.50	39,226.86
IV. EXPENSES :			
a) Cost of Materials Consumed	25	20,542.44	17,446.46
b) Purchases of Stock-in-Trade	26	2,171.98	1,729.15
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	262.92	(746.54)
d) Excise Duty on Sale of Goods		397.32	1,755.74
e) Employee Benefit Expenses	28	3,935.87	3,805.12
f) Finance Costs	29	357.27	393.54
g) Depreciation and Amortisation Expense	6A	3,797.21	3,701.24
h) Other Expenses	30	10,062.18	9,885.72
Total Expenses		41,527.19	37,970.43
V. PROFIT BEFORE TAX (III - IV)		3,393.31	1,256.43
VI. Tax Expense :			
1) Current Tax	40	763.56	242.23
2) Deferred Tax	9	385.68	(802.14)
3) Excess Provision of Tax relating to earlier years written back		(13.89)	—
Total Tax Expense		1,135.35	(559.91)
VII. PROFIT FOR THE YEAR (V - VI)		2,257.96	1,816.34
VIII. Other Comprehensive Income :			
i) Items that will not be recycled to Profit or Loss Remeasurements of the Defined Benefit Plans		49.19	1.64
ii) Income Tax relating to above item		(17.02)	(0.57)
Other Comprehensive Income for the year, Net of Tax		32.17	1.07
IX. Total Comprehensive Income for the year (VII + VIII)		2,290.13	1,817.41
X. Earnings per Equity Share :			
1) Basic (in ₹)	31	6.27	5.04
2) Diluted (in ₹)	31	6.27	5.04

See accompanying Notes forming part of the Standalone Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants**Abhijit Bandyopadhyay**
PartnerKolkata
19th May 2018

On behalf of the Board of Directors

Kamal Sarda
Director and Chief Executive Officer**S K Bajoria**
Chairman**P Bajoria**
Managing Director**Rajesh Agarwal**
Company Secretary**Sikander Yadav**
Chief Financial Officer

Standalone Cash Flow Statement for the year ended 31st March 2018

(₹ in lacs)

	For the year ended 31st March 2018	For the year ended 31st March 2017
CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit before Tax for the year	3,393.31	1,256.43
Adjustments for :		
Finance Costs recognised in Profit or Loss	357.27	393.54
Interest Income recognised in Profit or Loss	(99.70)	(119.37)
Liabilities no longer required Written Back	1.81	(38.03)
Loss/(Gain) on disposal of Property, Plant and Equipment	3.40	(22.71)
(Gain) on sale of Current Investment	–	(7.26)
Net Gain arising on Financial Assets mandatorily measured at Fair Value through Profit or Loss	(80.60)	(120.38)
Impairment Loss recognised on Trade Receivables and Advances	207.37	760.96
Amortisation of Prepaid Rent	9.65	9.65
Depreciation and Amortisation of Non-Current Assets	3,797.21	3,701.24
Unrealised Foreign Exchange Loss	94.33	343.79
	7,684.05	6,157.86
Movements in Working Capital :		
Increase in Trade and Other Receivables	(6,491.09)	(5,015.43)
Increase in Inventories	(620.09)	(1,542.90)
Decrease in Trade, Other Payables and Provisions	1,122.75	854.31
Cash generated from Operations	1,695.62	453.84
Income Taxes Paid	(735.68)	(1,128.61)
Net Cash generated by/(used in) Operating Activities	959.94	(674.77)
CASH FLOWS FROM INVESTING ACTIVITIES :		
Payments to acquire Financial Assets	–	(500.00)
Proceeds on sale of Financial Assets	–	222.41
Funds placed in Bank Deposits	(508.50)	(169.57)
Interest Received	90.19	119.37
Payments for Property, Plant and Equipment, Other Intangible Assets and Capital Work-in-Progress	(1,589.62)	(975.38)
Proceeds from disposal of Property, Plant and Equipment	118.66	118.71
Net Cash (used in) Investing Activities	(1,889.27)	(1,184.46)

Standalone Cash Flow Statement for the year ended 31st March 2018 (Contd.)

(₹ in lacs)

	For the year ended 31st March 2018	For the year ended 31st March 2017
CASH FLOWS FROM FINANCING ACTIVITIES :		
Dividend on Equity Share and Dividend Distribution Taxes thereon	(867.53)	–
Proceeds from Long-Term Borrowings	–	1,058.06
Repayment of Long-Term Borrowings	(252.99)	(386.35)
Proceeds from Short-Term Borrowings	3,775.53	–
Repayment of Short-Term Borrowings	(1,346.96)	–
Interest Paid	(366.08)	(393.54)
Net Cash generated by Financing Activities	941.97	278.17
Net Increase in Cash and Cash Equivalents	12.64	(1,581.06)
Cash and Cash Equivalents at the beginning of the year	114.91	22.21
Add : Pursuant to Scheme of Amalgamation (Refer Note 38)	–	1,673.76
Cash and Cash Equivalents at the end of the year (Refer Note 14)	127.55	114.91

Notes :

- The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in Ind AS - 7 “Statements of Cash Flow”.
- Figures for the previous year have been re-arranged and re-grouped wherever necessary to conform with the current year’s classification.

See accompanying Notes forming part of the Standalone Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata
19th May 2018

On behalf of the Board of Directors

Kamal Sarda
Director and Chief Executive Officer

S K Bajoria
Chairman

P Bajoria
Managing Director

Rajesh Agarwal
Company Secretary

Sikander Yadav
Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March 2018

(₹ in lacs)

	Number of Shares	Share Capital
a. Equity Share Capital		
Issued and Paid up Capital as at 1st April 2016	2,160,000	216.00
Bonus Shares issued during the year	756,000	75.60
Share Capital Suspense Account (Shares issued on 18th September 2017 pursuant to the Scheme of Amalgamation)	33,123,312	3,312.33
Balance as at 31st March 2017	36,039,312	3,603.93
Changes in Equity Share Capital during the year	–	–
Balance as at 31st March 2018	36,039,312	3,603.93

	Reserves and Surplus		Other	Total
	Securities Premium	Retained Earnings	Comprehensive Income	
b. Other Equity				
Balance as at 1st April 2016	1,944.00	452.49	–	2,396.49
Add : Pursuant to Scheme of Amalgamation (Refer Note 38)	39,747.97	–	–	39,747.97
Add : Profits for the year	–	1,816.34	–	1,816.34
Add : Other Comprehensive Income (Net of Tax)	–	–	1.07	1.07
Less : Utilised for issue of Bonus Shares	(75.60)	–	–	(75.60)
Balance as at 31st March 2017	41,616.37	2,268.83	1.07	43,886.27
Add : Profits for the year	–	2,257.96	–	2,257.96
Less : Utilised for Dividend Payment	–	(720.79)	–	(720.79)
Less : Utilised for Dividend Tax Payment	–	(146.74)	–	(146.74)
Add : Other Comprehensive Income (Net of Tax)	–	–	32.17	32.17
Balance as at 31st March 2018	41,616.37	3,659.26	33.24	45,308.87

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata
19th May 2018

On behalf of the Board of Directors

Kamal Sarda
Director and Chief Executive Officer

S K Bajoria
Chairman

P Bajoria
Managing Director

Rajesh Agarwal
Company Secretary

Sikander Yadav
Chief Financial Officer

Notes to the Standalone Financial Statements

(₹ in lacs)

1. GENERAL INFORMATION

IFGL Refractories Limited (formerly known as IFGL Exports Limited) (the "Company") is a Public Limited Company and was incorporated under the Companies Act, 1956. With effect from 1st April 2016, erstwhile IFGL Refractories Limited has merged with the Company pursuant to a Scheme of Amalgamation approved by the National Company Law Tribunal, Kolkata (as detailed at Note 38). The Company is primarily engaged in the manufacturing, trading and selling of Refractory items used in Steel plants. The Company also provides services in relation to refractory goods. Manufacturing facilities of the Company are located in Kandla Special Economic Zone (SEZ), Gujarat and Kalunga Industrial Estate near Rourkela, Odisha. The Company has operating Subsidiaries in Asia (China), in Europe (Germany and United Kingdom) and in North America (USA). The Company caters to both domestic and international markets. The shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

2. SIGNIFICANT ACCOUNTING POLICIES :

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

2.1 Statement of Compliance

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The Financial Statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. Upto the year ended 31st March 2017, the Company prepared its Financial Statements in accordance with the requirements of the previous Generally Accepted Accounting Principles (Previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS Financial Statements. The date of transition to Ind AS is 1st April 2016. Details of the first time exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 36.

2.2 Basis of Preparation

The Financial Statements are prepared in accordance with the Historical Cost Convention, except for certain items (e.g. Financial Instruments) that are measured at fair values, as explained in the Accounting Policies.

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

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the Fair Value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair Value for measurement and/or disclosure purposes in these Financial Statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17 – Leases and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

2.3 Operating Cycle

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

2.4 Property, Plant and Equipment – Tangible Assets

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

All other repairs and maintenance are charged to the Statement of Profit or Loss when incurred. An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

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

(₹ in lacs)

For the unit in SEZ, Kandla, the Company has adopted the provisions of Para 46/46A of previous GAAP Accounting Standard 11. The effects of changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable Property, Plant and Equipment are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such Property, Plant and Equipment.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying values of all of its Property, Plant and Equipment and Capital Work-in-Progress recognised as at 1st April 2016 measured as per the previous GAAP (Indian GAAP) and use that carrying value as the deemed cost of the Property, Plant and Equipment.

2.5 Intangible Assets

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

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

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

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying values of all of its Intangible Assets recognised as at 1st April 2016 measured as per the previous GAAP (Indian GAAP) and use that carrying value as the deemed cost of the Intangible Assets.

2.6 Depreciation and Amortisation

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

The useful lives considered is as prescribed in Schedule II to the Companies Act, 2013. The asset's residual values and useful lives are reviewed and adjusted if necessary, at the end of each reporting period.

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

Computer Software is classified as Intangible Asset and amortised on a Straight Line basis over a period of 2 to 5 years.

2.7 Impairment of Assets

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

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

2.8 Inventories

Inventories are stated at lower of Cost and Net Realisable Value. Cost of Raw Materials and Traded Goods comprise of cost of purchases, other directly attributable expenditures, non-refundable taxes and duties, net of rebates and discounts. Cost

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

of Work-in-Progress and Finished Goods comprise of cost of direct materials, direct labour and an appropriate proportion of variable and fixed overheads. The cost is calculated on Weighted Average Method. Cost also comprises any other expenditure incurred in the normal course of business in bringing such Inventories to its present location and condition. Net Realisable Value is the estimated selling price less estimated costs for completion and sale. Obsolete, slow moving and defective Inventories are identified periodically and where necessary, a provision is made for such Inventories.

2.9 Foreign Currency Transactions

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

2.10 Investment in Subsidiaries

Investment in Subsidiaries are carried at cost less accumulated impairment, if any.

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

2.11.1 Financial Assets

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

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

Financial Assets are classified as those measured at :

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

Impairment : The Company assesses at each reporting date whether a Financial Asset (or a group of Financial Assets) such as Investments, Trade Receivables and Security Deposits held at amortised cost and Financial Assets that are measured at Fair Value through Other Comprehensive Income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the Financial Asset has deteriorated significantly since initial recognition. For Trade Receivables, the Company provides for lifetime expected credit losses recognised from initial recognition of the receivables. For other Financial Assets, the impairment methodology is applied depending on whether there has been a significant increase in credit risk from initial recognition or not. In case of significant increase in credit risk, lifetime expected credit loss is provided, otherwise 12 months expected credit loss is provided.

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

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

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

- Amortised Cost, the gain or loss is recognised in the Statement of Profit and Loss,

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

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

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

2.11.2 Financial Liabilities

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

Offsetting Financial Instruments

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

2.11.3 Equity Instruments

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

2.11.4 Derivatives

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains/losses is recognised in the Statement of Profit and Loss immediately.

2.12 Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods includes excise and other duties which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as sales tax and value added tax. Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable. Revenue from services is recognised in the periods in which the services are rendered in accordance with the terms of the contract and when collectibility of resultant receivable is reasonably certain.

Interest Income is accounted for on accrual basis in time proportion inclusive of related tax deducted at source.

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

2.13 Government Grant

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

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

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

2.14 Employee Benefits :

Short Term Obligations

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

Post Employment Obligations

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

- i) Contributions towards Provident Fund are recognised as expense. Provident Fund contributions in respect of employees upto August 2017 of erstwhile IFGL Refractories Limited are made to a Trustee managed exempted Fund and interest paid to members thereof is not lower than that declared annually by the Central Government. Shortfall, if any, is made good by

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

the Company. Membership to said Fund has been closed on and from 1st September 2017, subject to necessary approvals and/or permissions. Provident Fund in respect of remaining employees are made to Statutory Provident Fund established by the Central Government. The Company's contribution is recognised as an expense in the Statement of Profit and Loss for the period in which the employees render related service.

- ii) Contribution under statutory Employees' Pension Scheme is made as per statutory requirements and charged as expenses for the year.
- iii) Certain employees who joined before 31st March 2004 in erstwhile IFGL Refractories Limited are members of a Trustee managed Superannuation Fund. Said Fund provides for Superannuation Benefit on retirement/death/incapacitation/termination and was amended from the Defined Benefit to Defined Contribution Plan effective 1st April 2004. Defined Benefits were frozen on 31st March 2004. Necessary formalities and approvals have been complied with and obtained. Contribution to Superannuation Fund (Defined Contribution Plan) for certain employees is charged as expenses for the year.
- iv) The Company also contributes to the Central Government administered Employees' State Insurance Scheme for its eligible employees which is a Defined Contribution Plan.
- v) The Company provides Gratuity benefit to its employees. Employees of erstwhile IFGL Refractories Limited are provided Gratuity Benefits through a Trustee managed Fund, membership whereof has been closed on and from 1st September 2017 and awaiting merger with that of similar Fund of the Company, subject to necessary approvals and permissions. Gratuity entitlement of the employees is as per provisions of the Payment of Gratuity Act, 1972. However, in case of employees joining before 1st April 2003 of erstwhile IFGL Refractories Limited, they are entitled to Gratuity as per scheme framed by that Company or as per the Payment of Gratuity Act, 1972, whichever is higher. Liability towards Gratuity, Superannuation (Defined Benefit Plan) covering eligible employees, is provided and funded on the basis of year end Actuarial Valuation. The liability or asset recognised in the Balance Sheet in respect of Gratuity Plans is the present value of Defined Benefit Obligations at the end of the reporting period less the fair value of Plan Assets. The Defined Benefit Obligation is calculated annually by actuary using the Projected Unit Credit Method. The present value of the Defined Benefit Obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the Defined Benefit Obligation and the Fair Value of Plan Assets. This cost is included in the employee benefit expense in the Profit or Loss.

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

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

2.15 Leases

Leases are recognised as a Finance Lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

Rentals payable under Operating Leases are charged to the Statement of Profit and Loss on a Straight Line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.16 Taxes on Income

Taxes on Income comprises of Current Taxes and Deferred Taxes. Current Tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted at the end of the reporting period, together with any adjustment to tax payable in respect of previous years. The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Income Tax, in so far as it relates to items disclosed under Other Comprehensive Income or Equity, are disclosed separately under Other Comprehensive Income or Equity, as applicable.

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

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

(₹ in lacs)

Tax Credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA/115JB of the Income Tax Act, 1961 based on convincing evidence that the Company will recover the same against normal Income Tax within the statutory time frame which is reviewed at each Balance Sheet date.

2.17 Provisions

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

2.18 Operating Segments

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

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Segment Revenue arising from third party customers is reported on the same basis as revenue in the Financial Statements. Inter Segment Revenue is reported on the basis of transactions which are primarily market led. Segment Results represent profits before finance charges, unallocated common expenses and taxes. "Unallocated Common Expenses" include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

3. USE OF ESTIMATES AND JUDGEMENTS :

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

Judgements in applying Accounting Policies

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

Key sources of estimation uncertainty

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

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

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

3.2 Fair Value measurements and valuation processes

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

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

3.3 Actuarial Valuation

The determination of Company's Liability towards Defined Benefit Obligation to employees is made through independent Actuarial Valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

Income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the Financial Statements.

3.4 Claims, Provisions and Contingent Liabilities

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

3.5 Provision against obsolete and slow moving Inventories

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

3.6 Impairment of Financial Assets

The Company assesses impairment based on Expected Credit Losses (ECL) model on Trade Receivables.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of Trade Receivables.

The provision matrix is based on its historically observed default rates over the expected life of the Trade Receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
4. PROPERTY, PLANT AND EQUIPMENT (PPE) :			
Net Carrying amounts of :			
Land (Freehold)	33.86	33.86	–
Buildings	1,756.17	1,778.97	1,007.86
Plant and Equipment	4,115.83	4,244.42	2,004.02
Furniture and Fixtures	50.01	51.14	39.16
Leasehold Improvements	2.26	11.29	–
Vehicles	136.06	137.14	3.21
Office Equipment	74.53	80.77	50.22
Computers	36.74	24.51	1.99
Total	6,205.46	6,362.10	3,106.46

	As at 1st April 2016	Pursuant to Scheme of Amalgamation (Refer Note 38)	Additions	Withdrawals and Adjustments	Effect of Foreign Currency Exchange Differences [Gain/(Loss)]	As at 31st March 2017	Additions	Withdrawals and Adjustments	Effect of Foreign Currency Exchange Differences [Gain/(Loss)]	As at 31st March 2018
Gross Carrying Amount - Cost/Deemed Cost										
Land (Freehold)	–	33.86	–	–	–	33.86	–	–	–	33.86
Buildings	1,007.86	1,396.65	99.44	–	–	2,503.95	68.90	–	–	2,572.85
Plant and Equipment	2,004.02	8,879.65	709.29	135.53	(0.77)	11,456.66	883.20	136.78	–	12,203.08
Furniture and Fixtures	39.16	116.67	2.82	6.71	–	151.94	7.91	–	–	159.85
Leasehold Improvements	–	48.91	–	–	–	48.91	–	–	–	48.91
Vehicles	3.21	284.50	47.23	65.05	–	269.89	35.59	15.10	–	290.38
Office Equipment	50.22	115.79	20.22	4.69	–	181.54	15.12	–	–	196.66
Computers	1.99	123.49	12.79	–	–	138.27	34.00	–	–	172.27
Total	3,106.46	10,999.52	891.79	211.98	(0.77)	14,785.02	1,044.72	151.88	–	15,677.86

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 1st April 2016	Pursuant to Scheme of Amalgamation (Refer Note 38)	Charge for the year	Elimination on Disposals of Assets	As at 31st March 2017	Charge for the year	Elimination on Disposals of Assets	As at 31st March 2018
Depreciation/Amortisation								
Land (Freehold)	–	–	–	–	–	–	–	–
Buildings	–	636.60	88.38	–	724.98	91.70	–	816.68
Plant and Equipment	–	6,433.23	826.54	47.53	7,212.24	889.57	14.56	8,087.25
Furniture and Fixtures	–	96.38	11.13	6.71	100.80	9.04	–	109.84
Leasehold Improvements	–	28.59	9.03	–	37.62	9.03	–	46.65
Vehicles	–	164.65	25.15	57.05	132.75	36.83	15.26	154.32
Office Equipment	–	81.46	24.00	4.69	100.77	21.36	–	122.13
Computers	–	94.13	19.63	–	113.76	21.77	–	135.53
Total	–	7,535.04	1,003.86	115.98	8,422.92	1,079.30	29.82	9,472.40

4.1 The details of Property, Plant and Equipment pledged against borrowings are presented in Note 17 and Note 19.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
5. GOODWILL			
Net Carrying amounts of :			
Goodwill (arising on Amalgamation)	–	–	–
Goodwill (arising on Merger)*	21,359.56	24,029.51	–
Total	21,359.56	24,029.51	–

	As at 1st April 2016	Pursuant to Scheme of Amalgamation (Refer Note 38)	Additions	As at 31st March 2017	Additions	As at 31st March 2018
Gross Carrying Amount						
Goodwill (arising on Amalgamation)	–	503.06	–	503.06	–	503.06
Goodwill (arising on Merger)*	–	–	26,699.46	26,699.46	–	26,699.46
Total	–	503.06	26,699.46	27,202.52	–	27,202.52

	As at 1st April 2016	Pursuant to Scheme of Amalgamation (Refer Note 38)	Additions	As at 31st March 2017	Additions	As at 31st March 2018
Accumulated Amortisation						
Goodwill (arising on Amalgamation)	–	503.06	–	503.06	–	503.06
Goodwill (arising on Merger)*	–	–	2,669.95	2,669.95	2,669.95	5,339.90
Total	–	503.06	2,669.95	3,173.01	2,669.95	5,842.96

*Goodwill is being amortised over a period of 10 years in accordance with a Tribunal approved Scheme of Merger (Refer Note 38).

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
6. OTHER INTANGIBLE ASSETS :			
Net Carrying amounts of :			
Computer Software	87.30	54.56	3.19
Intellectual Property Rights (Technical Know-how) (Refer No. 6.1)	–	–	–
Total	87.30	54.56	3.19

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 1st April 2016	Pursuant to Scheme of Amalgamation (Refer Note 38)	Additions	As at 31st March 2017	Additions	As at 31st March 2018
Gross Carrying Amount						
Computer Software	3.19	84.75	47.64	135.58	80.70	216.28
Intellectual Property Rights (Technical Know-how) (Refer Note 6.1 below)	–	232.29	–	232.29	–	232.29
Total	3.19	317.04	47.64	367.87	80.70	448.57

	As at 1st April 2016	Pursuant to Scheme of Amalgamation (Refer Note 38)	Charge for the year	As at 31st March 2017	Charge for the year	As at 31st March 2018
Accumulated Amortisation						
Computer Software	–	53.59	27.43	81.02	47.96	128.98
Intellectual Property Rights (Technical Know-how) (Refer Note 6.1 below)	–	232.29	–	232.29	–	232.29
Total	–	285.88	27.43	313.31	47.96	361.27

6.1 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 2018	For the year ended 31st March 2017
6A. Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	1,079.30	1,003.86
Amortisation of Intangible Assets	2,717.91	2,697.38
Total	3,797.21	3,701.24

	As at 31st March 2018			As at 31st March 2017			As at 1st April 2016		
	QTY	Current	Non-Current	QTY	Current	Non-Current	QTY	Current	Non-Current
7. INVESTMENT									
A. Investments carried at Cost									
Unquoted Investments (all fully paid)									
Investments in Equity Instruments									
Subsidiary Company									
IFGL Worldwide Holdings Limited (Fully paid Equity Shares of GBP 1 each)	6,350,000	–	5,625.39	6,350,000	–	5,625.39	–	–	–
INVESTMENTS CARRIED AT COST [A]		–	5,625.39		–	5,625.39		–	–
B. Investments carried at Amortised Cost									
Quoted									
Investments in Non Convertible Debentures or Bonds									
Power Finance Corporation Limited (8.09% Tax Free Bonds of Face Value ₹ 104,100 each)	50	–	52.05	50	–	52.05	–	–	–
TOTAL INVESTMENTS CARRIED AT AMORTISED COST [B]		–	52.05		–	52.05		–	–

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2018			As at 31st March 2017			As at 1st April 2016		
	QTY	Current	Non-Current	QTY	Current	Non-Current	QTY	Current	Non-Current
C. Investments carried at Fair Value Through Profit and Loss (FVTPL)									
Quoted Investments									
Investments in Mutual Funds									
– Reliance Medium Term Fund - Direct Growth Plan - Growth Option (Quoted)	321,175	119.48	–	321,175	111.41	–	–	–	–
– IDFC Corporate Bond Fund Direct Plan - Growth (Quoted)	9,614,624	1,150.90	–	9,614,624	1,078.37	–	–	–	–
INVESTMENTS CARRIED AT FVTPL [C]		1,270.38	–		1,189.78	–		–	–
TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C)		1,270.38	5,677.44		1,189.78	5,677.44		–	–
Other Disclosures									
Aggregate amount of Quoted Investments		1,270.38	52.05		1,189.78	52.05		–	–
Aggregate amount of Unquoted Investments		–	5,625.39		–	5,625.39		–	–
Aggregate Market Value of Quoted Investments		1,270.38	52.98		1,189.78	53.79		–	–

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
8. OTHER FINANCIAL ASSETS						
Unsecured						
a) Bank Deposits with more than 12 months maturity	–	96.18	–	4.25	–	–
b) Interest accrued on Investments	10.91	–	1.40	–	0.02	–
c) Foreign Currency Forward Contracts not designated as a Hedging Instruments	–	–	30.60	–	–	–
d) Security Deposits	–	114.65	–	103.56	0.14	22.16
e) Claims Receivable	82.92	–	26.47	–	–	–
Total	93.83	210.83	58.47	107.81	0.16	22.16

9. DEFERRED TAX ASSETS (NET)

A. Components of Deferred Tax Assets and (Liabilities) as at 31st March 2018 is as below :

	As at 1st April 2017	(Recognised)/Reversed in Statement of Profit and Loss	As at 31st March 2018
Deferred Tax Assets			
Unabsorbed Depreciation carried forward	1,780.09	(221.18)	1,558.91
Accrued Expenses deductible when paid and Allowance for Doubtful Debts	265.87	144.44	410.31
Expenses related to Amalgamation	–	10.87	10.87
MAT Credit Entitlement	418.43	780.58	1,199.01
	2,464.39	714.71	3,179.10
Deferred Tax Liabilities			
Property, Plant and Equipment and other Intangible Assets	1,589.40	1,083.09	2,672.49
Others	41.66	17.30	58.96
	1,631.06	1,100.39	2,731.45
Net Deferred Tax Assets/(Liabilities)	833.33	(385.68)	447.65

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

B. Components of Deferred Tax Assets and (Liabilities) as at 31st March 2017 is as below :

	As at 1st April 2016	Pursuant to Scheme of Amalgamation (Refer Note 38)	(Recognised)/ Reversed in Statement of Profit and Loss	As at 31st March 2017
Deferred Tax Assets				
Unabsorbed Depreciation carried forward	–	–	1,780.09	1,780.09
Accrued Expenses deductible when paid and Allowance for Doubtful Debts	–	88.11	177.76	265.87
MAT Credit Entitlement	175.63	–	242.80	418.43
	175.63	88.11	2,200.65	2,464.39
Deferred Tax Liabilities				
Property, Plant and Equipment and other Intangible Assets	–	232.55	1,356.85	1,589.40
Others	–	–	41.66	41.66
	–	232.55	1,398.51	1,631.06
Net Deferred Tax Assets/(Liabilities)	175.63	(144.44)	802.14	833.33

MAT paid in excess of regular Income Tax for a year can be carried forward for a period of 15 years and can be offset against future Tax Liabilities.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
10. INCOME TAX ASSETS (NET)			
Advance Income Tax (Net of Provisions - 31st March 2018 : ₹ 3,709.77, 31st March 2017 : ₹ 5,204.29 and 31st March 2016 : ₹ 175.63)	1,183.54	1,197.53	15.69
Total	1,183.54	1,197.53	15.69

Income Tax Expense/(Benefits)

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

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
11. OTHER NON-CURRENT AND CURRENT ASSETS						
a) Capital Advances	–	312.36	–	35.26	–	47.48
b) Advances to Suppliers	121.15	–	34.97	–	38.82	–
c) Balances with Government Authorities (other than Income Taxes)	795.83	16.34	213.64	16.34	14.91	0.31
d) Prepayments	95.23	–	57.96	–	5.39	–
e) Advance to Employees for Expenses	26.33	–	64.81	–	0.06	–
f) Advance to Related Parties	–	–	28.69	–	–	–
g) Prepaid Lease Payments	9.64	742.65	9.65	752.30	–	–
Total	1,048.19	1,071.35	409.72	803.90	59.18	47.79

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
12. INVENTORIES :			
a) Raw Materials and Components	2,944.10	2,164.79	312.94
b) Work-in-Progress (Refer Note 12.1 below)	1,180.71	1,027.92	79.10
c) Finished Goods (Refer Note 12.2 below)	354.59	752.13	9.42
d) Stock-in-Trade of Goods (Refer Note 12.3 below)	154.91	173.08	–
e) Stores and Spares	414.86	311.16	52.86
Total Inventories	5,049.17	4,429.08	454.32
Included above, Goods-in-Transit :			
i) Raw Materials	677.08	372.65	158.61
ii) Finished Goods	27.75	177.73	–
Total	704.83	550.38	158.61

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
12.1 Details of Work-in-Progress			
Shaped Refractories	792.46	743.51	79.10
Unshaped Refractories	388.25	284.41	–
Total	1,180.71	1,027.92	79.10

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
12.2 Details of Finished Goods			
Shaped Refractories	354.59	684.14	9.42
Unshaped Refractories	–	67.99	–
Total	354.59	752.13	9.42

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
12.3 Stock-in-Trade of Goods			
Operating System for Refractories	–	0.55	–
Others	154.91	172.53	–
Total	154.91	173.08	–

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
13. TRADE RECEIVABLES			
a) Unsecured, Considered Good	20,695.95	15,490.03	1,892.97
b) Doubtful	1,073.24	909.77	–
Less : Allowance for Credit Losses	(1,073.24)	(909.77)	–
Total	20,695.95	15,490.03	1,892.97

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

	As at 31st March 2018		
	Gross Credit Risk	Impairment Provision	Net Credit Risk
Amounts not yet due	15,267.39	221.77	15,045.62
Between five months to ten months overdue	3,949.74	247.47	3,702.27
More than ten months overdue	2,552.06	604.00	1,948.06
Total	21,769.19	1,073.24	20,695.95

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2017		
	Gross Credit Risk	Impairment Provision	Net Credit Risk
Amounts not yet due	15,020.01	98.68	14,921.33
Between five months to ten months overdue	728.94	266.57	462.37
More than ten months overdue	650.85	544.52	106.33
Total	16,399.80	909.77	15,490.03

	As at 1st April 2016		
	Gross Credit Risk	Impairment Provision	Net Credit Risk
Amounts not yet due	1,648.63	–	1,648.63
Between five months to ten months overdue	232.32	–	232.32
More than ten months overdue	12.02	–	12.02
Total	1,892.97	–	1,892.97

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
14. CASH AND BANK BALANCES			
a) Cash and Cash Equivalents			
Unrestricted Balances with Banks			
- In Current Accounts	20.66	53.21	3.86
- Remittance in Transit	57.26	–	17.78
Cheques, Drafts on Hand	32.65	49.13	–
Cash on Hand	16.98	12.57	0.57
	127.55	114.91	22.21
b) Bank Balances other than (a) above			
- Deposits with original maturity beyond 3 months but not exceeding 12 months	500.01	87.25	–
- Unclaimed Dividend Accounts	81.88	78.07	–
Total	581.89	165.32	–

	Number of Shares	Share Capital
15. EQUITY SHARE CAPITAL :		
Authorised Share Capital :		
Equity Shares of ₹ 10/- each as on 1st April 2016	2,500,000	250.00
Add : Increase during the year	500,000	50.00
Add : Increase pursuant to Scheme of Amalgamation	40,000,000	4,000.00
Balance as at 31st March 2017	43,000,000	4,300.00
Changes during the year	–	–
Balance as at 31st March 2018	43,000,000	4,300.00
5% Redeemable Preference Shares of ₹ 100/- each as on 1st April 2016	–	–
Add : Increase pursuant to Scheme of Amalgamation	2,000,000	2,000.00
Balance as at 31st March 2017	2,000,000	2,000.00
Changes during the year	–	–
Balance as at 31st March 2018	2,000,000	2,000.00
Issued and Paid up Capital at 1st April 2016	2,160,000	216.00
Add : Bonus Shares issued during the year	756,000	75.60
Add : Share Capital Suspense Account (Share issued on 18th September 2017 pursuant to the Scheme of Amalgamation) (Refer Note 15.1)	33,123,312	3,312.33
Balance as at 31st March 2017	36,039,312	3,603.93
Changes in Equity Share Capital during the year	–	–
Balance as at 31st March 2018	36,039,312	3,603.93

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

(₹ in lacs)

15.1 Share issued pursuant to the Scheme of Amalgamation

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

15.2 Terms/Rights attached to Equity Shares

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

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

Name of the Shareholder	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Bajoria Financial Services Private Limited (with effect from 15th March 2018)#	18,454,353	51.21	—	—	—	—
Bajoria Holdings Private Limited (BHPL) - Holding Company till 14th March 2018# (As at 14th March 2018 : No. of shares - 18,454,353 and % holding - 51.21%)	—	—	133,380	4.57	98,800	4.57
Erstwhile IFGL Refractories Limited (shares held by erstwhile IFGL Refractories Limited, which has amalgamated with the Company, has got cancelled, pursuant to the Scheme of Amalgamation)	—	—	1,487,160	51.00	1,101,600	51.00
Bajoria Enterprises Limited (BEL) - Fellow Subsidiary	270	0.00	270	0.01	200	0.01

#Pursuant to Order dated 13th March 2018 of the Hon'ble National Company Law Tribunal, Kolkata Bench, which became effective on 15th March 2018 consequent to filing of the Order with Ministry of Corporate Affairs (Registrar of Companies), the shares of the Company held by Bajoria Holdings Private Limited (BHPL) has got transferred to and/or vested in Bajoria Financial Services Private Limited (BFSPL).

15.4 Details of Shareholders holding more than 5% of aggregate shares in the Company

Name of the Shareholder	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Bajoria Financial Services Private Limited (with effect from 15th March 2018)	18,454,353	51.21	—	—	—	—
Shishir Kumar Bajoria - Indian Promoter of the Company	1,796,637	4.99	710,910	24.38	526,600	24.38
Erstwhile IFGL Refractories Limited (shares held by erstwhile IFGL Refractories Limited, which has amalgamated with the Company, has got cancelled pursuant to the Scheme of Amalgamation)	—	—	1,487,160	51.00	1,101,600	51.00
Krosaki Harima Corporation, Japan - Foreign Promoter of the Company	5,590,156	15.51	583,200	20.00	432,000	20.00

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	Reserves and Surplus			Total
	Securities Premium	Retained Earnings	Other Comprehensive Income	
16. OTHER EQUITY				
Balance as at 1st April 2016	1,944.00	452.49	–	2,396.49
Add : Pursuant to Scheme of Amalgamation (Refer Note 38)	39,747.97	–	–	39,747.97
Add : Profits for the year	–	1,816.34	–	1,816.34
Add : Other Comprehensive Income (Net of Tax)	–	–	1.07	1.07
Less : Utilised for issue of Bonus Shares	(75.60)	–	–	(75.60)
Balance as at 31st March 2017	41,616.37	2,268.83	1.07	43,886.27
Add : Profits for the period	–	2,257.96	–	2,257.96
Less : Utilised for Dividend Payment	–	(720.79)	–	(720.79)
Less : Utilised for Dividend Tax Payment	–	(146.74)	–	(146.74)
Add : Other Comprehensive Income (Net of Tax)	–	–	32.17	32.17
Balance as at 31st March 2018	41,616.37	3,659.26	33.24	45,308.87

Notes :

- Securities Premium is used to record the premium on issue of shares. The same is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.
- Retained Earnings represents the Profits that the Company has earned till date, less any Dividends or other distributions to the Shareholders.
- During the year ended 31st March 2018, the Company's Shareholders have declared Dividend of ₹ 2/- per share which resulted in an outflow of ₹ 867.53 including Dividend Distribution Tax of ₹ 146.74 and accordingly has been accounted in the year of declaration by the Shareholders.

The Board of Directors of the Company have proposed a Dividend of ₹ 2/- per share for financial year ended 31st March 2018 which would result in an outflow of ₹ 868.95 including Dividend Distribution Tax of ₹ 148.16. Pending approval of the Shareholders, the same has not been recognised in these Financial Statements.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
17. NON CURRENT BORROWINGS :			
Measured at Amortised Cost			
Secured Borrowings :			
a) From Export Import Bank of India (EXIM Bank)			
i) Rupee Loan	–	–	347.65
ii) Foreign Currency Loan	–	–	124.30
b) Term Loan from DBS Bank Limited	187.50	437.50	–
c) Vehicle Loan	–	2.99	–
Total	187.50	440.49	471.95

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

- Term Loans from Exim Bank** were secured by a first charge over entire moveable and immoveable Property, Plant and Equipment of the SEZ unit located in Kandla, both present and future and second charge on the entire Current Assets including Receivables, both present and future of the said unit.
- Both Rupee Loan and Foreign Currency Loan** were repayable in quarterly equal installments of ₹ 115.88 and USD 0.62 lacs (including current maturities) at interest rate of 9.70% per annum for rupee loan and Libor + 4.50% per annum for Foreign Currency Loan.
- Term Loans from DBS Bank Limited** are repayable in quarterly equal instalments of ₹ 62.50 each at an interest rate of 9.40% p.a. These are secured by a first charge over entire moveable and immoveable Property, Plant and Equipment, both present and future and second charge on the entire Current Assets including Receivables, both present and future of SEZ unit of the Company located in Kandla.
- Vehicle Loan from ICICI Bank Limited** are secured by hypothecation of respective Vehicles. They are repayable over 1 year and interest rate of 9.94% - 9.95%.

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

17.2 Scheduled maturity of Non-Current Secured Borrowings are summarised as under :

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Borrowings Repayable			
In the First Year (Refer Note 21)	252.91	540.34	629.25
Current Maturities of Long-Term Debt	252.91	540.34	629.25
In the Second Year	187.50	252.99	471.95
In the Third to Fifth Year	–	187.50	–
Non-Current Borrowings	187.50	440.49	471.95

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
18. PROVISIONS						
a) Provision for Employee Benefits						
- Compensated Absences	1.78	23.56	0.82	26.17	–	2.09
b) Other Provisions						
- Sales Tax	18.49	–	18.49	–	–	–
- Entry Tax	13.82	–	13.82	–	–	–
Total	34.09	23.56	33.13	26.17	–	2.09

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
19. CURRENT BORROWINGS :			
Secured Borrowings			
Working Capital Loans repayable on Demand			
- From State Bank of India	4,260.87	3,198.41	–
- From ICICI Bank Limited	473.87	961.13	762.40
- From Yes Bank Limited	1,329.56	–	–
- From DBS Bank Limited (Working Capital Facility 1)	2,494.69	1,111.18	–
- From DBS Bank Limited (Working Capital Facility 2)	–	859.70	480.11
Total	8,558.99	6,130.42	1,242.51

19.1 The Loans from State Bank of India and DBS Bank Limited (Working Capital Facility 1) are 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 Property, Plant and Equipment of the Company, situated at Sectors 'A' and 'B' of Kalunga Industrial Estate, near Rourkela, on pari passu basis.

19.2 The Loans from ICICI Bank Limited and DBS Bank Limited (Working Capital Facility 2) are secured by first pari passu charge on Current Assets and Receivables and second and subservient charge on moveable properties of SEZ unit located at Kandla of the Company.

19.3 The Loan from Yes Bank Limited is secured by first pari passu charge on Current Assets and second pari passu charge over entire movable Fixed Assets of Company.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
20. TRADE PAYABLES :			
Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 20.1)	380.86	203.72	2.02
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	6,535.01	5,624.21	839.12
Total	6,915.87	5,827.93	841.14

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
20.1 Dues to the Micro Enterprises and Small Enterprises			
1. The principal amount remaining unpaid to supplier as at the end of accounting year	380.86	203.72	2.02
2. The interest due thereon remaining unpaid to supplier as at the end of accounting year	1.37	9.96	–
3. The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year 2017-2018	–	–	–
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.	1.37	9.96	–
5. The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	–	–	–

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
21. OTHER FINANCIAL LIABILITIES :			
Other Financial Liabilities measured at Amortised Cost			
a) Current Maturities of Long-Term Debt	252.91	540.34	629.25
b) Unpaid Dividends (Refer Note 21.1 below)	81.68	78.07	–
c) Short-Term Deposits	11.21	12.68	–
d) Payables for Employee Benefits	219.80	211.18	4.61
e) Creditors for Capital Supplies/Services	52.95	29.37	18.81
f) Foreign Currency Forward Contracts not designated as a Hedging Instruments	9.12	–	–
Total	627.67	871.64	652.67

21.1 Represents Dividends unclaimed and payable to the Shareholders of the Company. There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
22. OTHER LIABILITIES			
a) Advances received from Customers	17.28	6.17	–
b) Statutory Dues	104.85	182.76	14.16
Total	122.13	188.93	14.16

	For the year ended 31st March 2018	For the year ended 31st March 2017
23. REVENUE FROM OPERATIONS :		
Revenue from Sale of Products :		
Finished Goods (Refer Note 23.1)	40,210.25	35,913.77
Traded Goods (Refer Note 23.2)	3,904.94	2,406.70
Revenue from Sale of Products (A)	44,115.19	38,320.47
Service Income (B) - (Refer Note 23.3)	599.46	603.07
Other Operating Revenue (Scrap Sales) (C)	11.02	18.28
Total Revenue from Operations (A+B+C)	44,725.67	38,941.82

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2018	For the year ended 31st March 2017
23.1 Details of Sales of Finished Goods		
Shaped Refractories	34,864.80	31,563.52
Unshaped Refractories	5,345.45	4,350.25
Total	40,210.25	35,913.77

	For the year ended 31st March 2018	For the year ended 31st March 2017
23.2 Details of Sales of Traded Goods		
Shaped Refractories	747.03	870.11
Unshaped Refractories	1,689.86	1,398.79
Other	1,468.05	137.80
Total	3,904.94	2,406.70

	For the year ended 31st March 2018	For the year ended 31st March 2017
23.3 Details of Service Income		
Application Services	599.46	603.07
Total	599.46	603.07

	For the year ended 31st March 2018	For the year ended 31st March 2017
24 OTHER INCOME :		
Interest Income (Refer Note 24.1 below)	99.70	119.37
Liabilities no longer required written back	1.81	38.03
Other Non Operating Income (Refer Note 24.2 below)	93.32	127.64
Total	194.83	285.04

	For the year ended 31st March 2018	For the year ended 31st March 2017
24.1 Details of Interest Income		
Interest Income earned on Financial Assets that are not designated at Fair Value through Profit or Loss :		
- on Bank Deposits at Amortised Cost	54.23	82.88
- on Delayed Payment by Customers at Amortised Cost	30.99	34.07
- on Other Deposits at Amortised Cost	14.48	2.42
Total	99.70	119.37

No interest was capitalised during the year.

	For the year ended 31st March 2018	For the year ended 31st March 2017
24.2 Other Non Operating Income		
Profit on sale of Current Investments	–	6.31
Gain on Fair Valuation of Investments through Profit and Loss :		
- on Current Investments	80.60	89.78
- on Forward Contracts	–	30.60
Sundry Receipts	12.72	0.95
Total	93.32	127.64

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2018	For the year ended 31st March 2017
25. COST OF MATERIALS AND COMPONENTS CONSUMED		
Raw Materials (including Packing Materials)	20,542.44	17,446.46
Total	20,542.44	17,446.46

	For the year ended 31st March 2018	For the year ended 31st March 2017
26. PURCHASES OF TRADED GOODS		
Shaped Refractories	182.92	42.15
Unshaped Refractories	1,989.06	1,687.00
Total	2,171.98	1,729.15

	For the year ended 31st March 2018		For the year ended 31st March 2017	
27. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
Opening Stock				
Finished Goods and Stock of Traded Goods	925.21		9.42	
Add : Pursuant to Amalgamation	—		523.35	
Work-in-Progress	1,027.92		79.10	
Add : Pursuant to Amalgamation	—	1,953.13	594.72	1,206.59
Less : Closing Stock				
Finished Goods and Stock of Traded Goods	509.50		925.21	
Work-in-Progress	1,180.71	1,690.21	1,027.92	1,953.13
Total		262.92		(746.54)

	For the year ended 31st March 2018	For the year ended 31st March 2017
28 EMPLOYEE BENEFIT EXPENSES :		
Salaries, Wages and Bonus	3,457.12	3,287.56
Contribution to Provident and other Funds	299.15	391.56
Staff Welfare Expenses	179.60	126.00
Total	3,935.87	3,805.12

28.1 The Company has recognised in the Statement of Profit and Loss for the year ended 31st March 2018 an amount of ₹ 256.25 (31st March 2017 : ₹ 326.08) as expenses under Defined Contribution Plans.

28.2 Provident Fund (Funded)

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

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

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

	For the year ended 31st March 2018	For the year ended 31st March 2017
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	7.60%	6.90%
Expected Guaranteed Interest Rate	8.55%	8.60%

28.3 Gratuity (Funded)

The Company provides Gratuity benefit to its employees. Employees of erstwhile IFGL Refractories Limited are provided Gratuity benefits through a Trustee managed Fund, membership whereof has been closed on and from 1st September 2017 and awaiting merger with that of similar Fund of the Company, subject to necessary approvals and permissions. Gratuity entitlement of the employees is as per provisions of the Payment of Gratuity Act, 1972. However, in case of employees joining before 1st April 2003 of erstwhile IFGL Refractories Limited, they are entitled to Gratuity as per scheme framed by that Company or as per the Payment of Gratuity Act, 1972, whichever is higher. Liabilities with regard to the Gratuity Plan are determined by Actuarial Valuation as set out in Note 2.14 (v) above, based on which the Company makes contribution to the fund using Projected Unit Credit Method. Most recently, Actuarial Valuation of the Funds was carried out as at 31st March 2018.

28.4 Superannuation (Funded)

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

28.5 Compensated Absence (Unfunded)

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

28.6 Following are the further particulars with respect to Defined Benefit Plans of the Company for the year ended 31st March 2018 :

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)	
	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2018	For the year ended 31st March 2017
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 (including Liabilities taken over pursuant to Amalgamation)	851.29	945.83	114.90	285.94	26.99	24.96
Service Cost	64.46	60.31	–	–	6.46	6.28
Interest Cost	57.57	62.77	7.79	15.78	1.83	1.78
Actuarial (Gains)/Losses	(35.15)	43.67	(0.34)	(24.79)	(9.00)	(5.22)
(Benefits Paid)	(33.78)	(261.29)	(4.11)	(162.03)	(0.94)	(0.81)
Present Value of Obligation as at the end of the year	904.39	851.29	118.24	114.90	25.34	26.99
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 (including Assets taken over pursuant to Amalgamation)	845.27	918.57	490.28	590.89	–	–
Interest Income	57.92	63.90	33.69	39.26	–	–
Remeasurement Gains/(Losses)	5.04	40.14	(4.50)	22.16	–	–
Contribution by the Company	21.95	83.95	–	–	–	–
(Benefits Paid)	(33.78)	(261.29)	(4.11)	(162.03)	–	–
Fair Value of Plan Assets at the end of the year	896.40	845.27	515.36	490.28	–	–

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)	
	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2018	For the year ended 31st March 2017
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	896.40	845.27	515.36	490.28	–	–
Present Value of Obligation at the end of the year	904.39	851.29	118.24	114.90	25.34	26.99
Assets/(Liabilities) recognised in the Balance Sheet	(7.99)	(6.02)	# 397.12	# 375.38	(25.34)	(26.99)
# Actual amount of asset in the Balance Sheet Nil (31.03.2017 : Nil)						
d) Expense recognised in the Statement of Profit and Loss :						
Employee Benefit Expenses :						
Service Cost	64.46	60.31	–	–	6.46	6.28
Net Interest Expenses	(0.35)	(1.13)	(25.90)	(23.48)	1.83	1.78
Other Comprehensive Income :						
Actuarial (Gain)/Loss	(40.19)	3.53	4.16	(46.95)	(9.00)	(5.22)
Total Expense as per the Actuarial Valuation	23.92	62.71	(21.74)	(70.43)	(0.71)	2.84
Actual Expenses Recognised	23.92**	62.76**	–	–	(0.71)*	2.84*

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

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

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)	
	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2018	For the year ended 31st March 2017
e) Category of Plan Assets :	%	%	%	%	%	%
GOI Securities	0.44	0.92	2.13	2.83	NA	NA
Bonds	0.19	0.19	0.13	0.71	NA	NA
State Government/State Government Guaranteed Securities	–	–	–	–	NA	NA
Units of Insurers	98.51	96.58	93.89	92.29	NA	NA
Others (including Bank Balances)	0.86	2.31	3.85	4.17	NA	NA
	100.00	100.00	100.00	100.00	NA	NA
f) Principal Actuarial Assumptions :						
Discount Rate (per annum) (%)	7.60	6.90	7.60	6.90	7.60	6.90
Rate of Increase in Salaries (%)	6.00	6.00	NA	NA	6.00	6.00
Remaining Working Life (in years)	22.31	22.05	9.08	9.74	23.21	22.92
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	NA	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	62.96	103.99	29.19	61.42	NA	NA

g) Other Disclosures :

The basis used to determine overall Expected Return on Assets and the major categories of Plan Assets are as follows :

The major portion of the Assets is invested in Units of Insurers and Government Bonds. Based on the asset allocation and prevailing yield rates on these asset classes, the Long-Term estimate of the Expected Rate of Return on the Fund have been arrived at. Assumed Rate of Return on Assets is expected to vary from year to year reflecting the returns on matching Government Bonds.

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

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

Sensitivity Analysis

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

	31st March 2018		31st March 2017		1st April 2016	
	Impact on Defined Benefit Obligation (Gratuity)					
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%) % change compared to base due to sensitivity	(43.21)	48.23	(47.33)	52.93	(1.34)	1.61
Salary Growth Rate (-/+ 1%) % change compared to base due to sensitivity	48.28	(44.16)	52.22	(48.03)	1.62	(1.37)

	31st March 2018		31st March 2017		1st April 2016	
	Impact on Defined Benefit Obligation (Superannuation)					
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%) % change compared to base due to sensitivity	(2.84)	2.95	(3.67)	3.86	NA	NA
Salary Growth Rate (-/+ 1%) % change compared to base due to sensitivity	NA	NA	NA	NA	NA	NA

	31st March 2018		31st March 2017		1st April 2016	
	Impact on Defined Benefit Obligation Compensated Absence)					
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%) % change compared to base due to sensitivity	(1.74)	1.96	(2.03)	2.30	(0.14)	0.16
Salary Growth Rate (-/+ 1%) % change compared to base due to sensitivity	1.96	(1.78)	2.30	(2.07)	0.15	(0.15)

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

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

Risk Exposure :

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

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

Defined Benefit Liability and Employer Contributions

Expected contributions to post employment benefit plans for the year ending 31st March 2019 : Nil

The Weighted Average duration of the Defined Benefit Obligation (Gratuity) is 10 years (31st March 2017 - 6 years, 1st April 2016 - 13 years). The expected maturity analysis of undiscounted Gratuity is as follows :

	31st March 2018	31st March 2017	1st April 2016
Year 1	38.53	33.75	0.24
Year 2	421.17	46.62	0.67
Year 3	97.51	53.77	0.96
Year 4	51.13	445.17	1.48
Year 5	117.86	50.81	2.03
Year 6 to 10	549.84	490.37	25.20

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

The Weighted Average duration of the Defined Benefit Obligation (Superannuation) is 3 years (31st March 2017 - 4 years, 1st April 2016 - NA). The expected maturity analysis of payment for Superannuation is as follows :

	31st March 2018	31st March 2017	1st April 2016
Year 1	6.46	6.12	NA
Year 2	81.62	7.71	NA
Year 3	9.31	7.67	NA
Year 4	5.98	78.33	NA
Year 5	24.75	5.68	NA
Year 6 to 10	4.43	23.40	NA

The Weighted Average duration of the Defined Benefit Obligation (Compensated Absences) is 10 years (31st March 2017 - 6 years, 1st April 2016 - 10 years). The expected maturity analysis of payment for Compensated Absences is as follows :

	31st March 2018	31st March 2017	1st April 2016
Year 1	1.85	1.27	0.23
Year 2	1.16	2.38	0.40
Year 3	1.94	2.18	0.50
Year 4	1.90	2.94	0.62
Year 5	0.87	3.20	0.74
Year 6 to 10	20.87	26.49	6.14

	For the year ended 31st March 2018	For the year ended 31st March 2017
29. FINANCE COSTS		
Interest	357.27	380.84
Other Borrowing Cost	—	12.70
Total	357.27	393.54

	For the year ended 31st March 2018	For the year ended 31st March 2017
30. OTHER EXPENSES :		
Consumption of Stores and Spare Parts	879.72	823.74
Power and Fuel	1,644.39	1,314.76
Rent	120.63	126.68
Rates and Taxes	22.56	18.56
Repairs :		
- Machinery	137.72	151.39
- Buildings	14.86	9.28
- Others	186.56	183.14
Insurance	70.34	71.21
Payment to Auditors (Refer Note 30.1)	60.00	32.82
Directors' Fees	8.60	6.65
Bank Charges	104.77	55.47
Computerisation Expenses	21.40	19.74
Allowance for Doubtful Trade Receivables/Advances	181.03	680.91
Sundry Debit Balances/Advances Written Off	26.34	80.05
Travelling and Conveyance	626.81	625.60
Site Contractor Expenses	1,114.32	1,134.04
Printing and Stationery	17.72	21.81
Processing Charges	464.18	376.46
Corporate Social Responsibility Expenditure (Refer Note 30.2)	12.20	72.00
Professional Charges	505.91	438.83
Postage, Telephone, Telex etc.	70.06	54.14
Service Charges	178.06	121.13

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2018	For the year ended 31st March 2017
Commission and Brokerage	1,115.93	648.80
Packing Expenses	1,110.21	923.47
Delivery and Forwarding Expenses	2,243.25	1,622.24
Net Loss/(Gain) on Sale of Property, Plant and Equipment	3.40	(22.71)
Loss on Fair Valuation through Profit and Loss of Forward Contracts	39.72	–
Net (Gain)/Loss on Foreign Exchange Rate Fluctuation and Translation	(1,120.68)	63.93
Security Charges	52.24	44.92
Miscellaneous Expenses	149.93	186.66
Total	10,062.18	9,885.72

	For the year ended 31st March 2018	For the year ended 31st March 2017
30.1 Amounts Paid/Payable to Auditors		
As Auditors		
For Statutory Audit (including Limited Reviews)	27.50	27.00
For Certification work required to be done by Statutory Auditor	6.10	0.60
For Tax Audit	4.50	4.00
For other work by Statutory Auditor	20.00	0.23
Reimbursement of Expenses	1.90	0.99
Total	60.00	32.82

The above amounts exclude Service Tax/GST and Education Cess thereon.

30.2 As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend atleast 2% of its Average Net Profit for the immediately preceeding 3 financial years on Corporate Social Responsibility (CSR) activities. The areas for CSR activities are promotion of education, promotion of health care including preventive health care, promotion of sanitation, promotion of sports and other charitable contributions. A CSR committee has been formed by the Company as per the Act. The funds were paid to IFGL Refractories Welfare Trust, which is a Trust registered u/s 12A of the Income Tax Act, 1961.

- Gross amount required to be spent by the Company during the year is ₹ 12.20 (31.03.2017 : ₹ 7).
- Amount spent during the year on

	In Cash	Yet to be paid in Cash	Total
i) Construction/Acquisition of any Asset	–	–	–
ii) On purposes other than i) above	12.20	–	12.20
Total	12.20	–	12.20

	For the year ended 31st March 2018	For the year ended 31st March 2017
31. EARNINGS PER SHARE (EPS) – THE NUMERATORS AND DENOMINATORS USED TO CALCULATE BASIC AND DILUTED EPS		
Profit after Tax attributable to the Equity Shareholders (A)	2,257.96	1,816.34
Weighted Average number of Equity Shares (in numbers) (B)	36,039,312	36,039,312
Nominal Value of Equity Shares (in ₹)	10.00	10.00
Basic EPS (A/B)	6.27	5.04
Diluted EPS (A/B)	6.27	5.04

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
32. CONTINGENT LIABILITIES			
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 (31st March 2017 : ₹ 21.05)]	62.93	62.93	–
ii) Income Tax matters under dispute relating to issues of applicability and determination	212.32	10.04	–
iii) Service Tax matters under dispute relating to issues of applicability and classification	1.54	3.20	–

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.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
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	183.57	101.32	171.63
Total	183.57	101.32	171.63

34. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES :

34.1 Capital Management

The Company aims at maintaining a strong capital base maximizing Shareholders' wealth safeguarding business continuity and augments its internal generations with a judicious use of borrowing facilities to fund spikes in working capital that arise from time to time as well as requirements to finance business growth.

34.2 Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's Financial Instruments :

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial Assets						
a) Measured at Amortised Cost						
i) Cash and Cash Equivalents	127.55	127.55	114.91	114.91	22.21	22.21
ii) Other Bank Balances	581.89	581.89	165.32	165.32	–	–
iii) Investment	52.05	53.81	52.05	53.79	–	–
iv) Trade Receivables	20,695.95	20,695.95	15,490.03	15,490.03	1,892.97	1,892.97
v) Other Financial Assets	304.66	304.66	166.28	166.28	22.32	22.32
Sub-total	21,762.10	21,763.86	15,988.59	15,990.33	1,937.50	1,937.50
b) Measured at Fair Value through Profit or Loss						
i) Investment In Mutual Funds	1,270.38	1,270.38	1,189.78	1,189.78	–	–
Sub-total	1,270.38	1,270.38	1,189.78	1,189.78	–	–
c) Measured at Cost						
i) Investment in Subsidiaries	5,625.39	5,625.39	5,625.39	5,625.39	–	–
Sub-total	5,625.39	5,625.39	5,625.39	5,625.39	–	–
Total Financial Assets	28,657.87	28,659.63	22,803.76	22,805.50	1,937.50	1,937.50

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
B. Financial Liabilities						
a) Measured at Amortised Cost						
i) Borrowings	8,999.40	8,999.40	7,111.25	7,111.25	2,343.71	2,343.71
ii) Trade Payables	6,915.87	6,915.87	5,827.93	5,827.93	841.14	841.14
iii) Other Financial Liabilities	374.76	374.76	331.30	331.30	23.42	23.42
Sub-total	16,290.03	16,290.03	13,270.48	13,270.48	3,208.27	3,208.27
Total Financial Liabilities	16,290.03	16,290.03	13,270.48	13,270.48	3,208.27	3,208.27

The Management assessed that Cash and Cash Equivalents, Trade Receivables, Trade Payables, other Financial Assets and other Financial Liabilities approximate their carrying amounts largely due to the Short-Term maturities of these instruments.

The fair value of Loans from Banks, Trade Payables and other Financial Liabilities, as well as other Non-current Financial Liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The fair values of the Company's interest bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2018 was assessed to be insignificant. The discount for lack of marketability represents the amounts that the Company has determined that market participants would take into account when pricing the investments

34.3 Financial Risk Management Objectives

The Company's activities expose it to a variety of Financial Risks including Market Risk, Credit Risk and Liquidity Risk. The Company continues to focus on a system based approach to Business Risk management. The Company's Financial Risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong Internal Control Systems, the Current Risk management system rests on policies and procedures issued by appropriate authorities; process of regular reviews/audits to set appropriate risk limits and controls, monitoring of such risks and compliance confirmation for the same.

a) Market Risk

The Company's Financial Instruments are exposed to market changes. The Company is exposed to the following significant Market Risk :

- Foreign Currency Risk
- Interest Rate Risk
- Other Price Risk

Market Risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to Market Risks or the manner in which these risks are being managed and measured.

Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below :

Quoted Prices in an active market (Level 1) : This level of hierarchy includes Financial Assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of Investment in quoted Equity Shares and Mutual Fund Investments.

Valuation Techniques with observable inputs (Level 2) : This level of hierarchy includes Financial Assets and Liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level of hierarchy does not include any instrument.

Valuation Techniques with significant unobservable inputs (Level 3) : This level of hierarchy includes Financial Assets and Liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

As at 31st March 2018				
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in Mutual Funds	1,270.38	–	–	1,270.38
	1,270.38	–	–	1,270.38
Financial Liabilities				
Derivative Instruments not designated as Hedging Instruments	9.12	–	–	9.12
	9.12	–	–	9.12

As at 31st March 2017				
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in Mutual Funds	1,189.78	–	–	1,189.78
Derivative Instruments not designated as Hedging Instruments	30.60	–	–	30.60
	1,220.38	–	–	1,220.38

As at 1st April 2016				
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in Mutual Funds	–	–	–	–
	–	–	–	–

i. Foreign Currency Risk

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Company's functional currency (Indian Rupees). A significant portion of these transactions are in US Dollar, Euro etc. The carrying amount of foreign currency denominated financial assets and liabilities including derivative contracts are as follows :

As at 31st March 2018	USD	Euro	GBP	Total
Financial Assets	2,630.01	8,745.86	326.50	11,702.38
Financial Liabilities	2,751.25	4,209.57	18.19	6,979.00
As at 31st March 2017				
Financial Assets	2,747.89	9,293.31	175.38	12,216.59
Financial Liabilities	3,243.75	521.15	2,083.69	5,848.60
As at 1st April 2016				
Financial Assets	268.85	1,711.10	36.62	2,016.57
Financial Liabilities	757.46	775.72	45.63	1,578.81

Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

The Company enters into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Forward Contracts to sell € 3 (31st March 2017 : € 2.50; 1st April 2016 : € 2)	235.92	192.58	148.32

Hedging against the underlying INR borrowings by which :

- Company will receive principal in INR and pay in foreign currency
- Company will receive fixed interest in INR and pay fixed/floating interest in foreign currency

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

Un-hedged Foreign Currency balances :		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
i) Financial Liabilities	USD	2,751.25	3,243.75	757.46
	EUR	4,209.57	521.15	775.72
	GBP	18.19	2,083.69	45.63
ii) Financial Assets	USD	2,630.01	2,747.89	268.85
	EUR	8,509.95	9,100.73	1,562.78
	GBP	326.50	175.38	36.62

Foreign Currency Sensitivity

Foreign Currency Sensitivities for unhedged exposure (impact on increase in 5%)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
USD	(6.06)	(24.79)	(24.43)
EUR	226.81	438.61	46.77
GBP	15.42	(95.42)	(0.45)

Note : If the rate is decreased by 5% profit will increase/(decrease) by an equal amount.

Figures in brackets indicate decrease in profit

ii. Interest Rate Risk

Interest Rate Risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The objectives of the Company's Interest Rate Risk management processes are to lessen the impact of adverse interest rate movements on its earnings and cash flows and to minimise counter party risks.

The Company is exposed to interest rate volatilities primarily with respect to its term borrowings from Banks as well as Financial Institutions, export packing credit facilities, cash credit facilities. Such volatilities primarily arise due to changes in money supply within the economy and/or liquidity in banking system due to asset/liability mismatch, poor quality assets etc. of banks. The Company manages such risk by operating with banks having superior credit rating in the market as well as Financial Institutions.

Interest Rate Sensitivities for outstanding exposure (impact on increase in 50 bps)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
INR	13.46	11.39	5.58
USD	10.55	11.57	2.09
EUR	20.98	12.59	3.88
GBP	—	—	0.18

Note : If the rate is decreased by 50 bps profit will increase by an equal amount.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period. Further, the calculations for the unhedged floating rate borrowing have been done on the notional value of the foreign currency (excluding the revaluation).

iii. Price Risk

The Company invests its surplus funds primarily in debt mutual funds measured at Fair Value through Profit or Loss. Aggregate value of such Investments as at 31st March 2018 is ₹ 1,270.38 (31st March 2017 : ₹ 1,189.78; 31st March 2016 : ₹ Nil). Investments in the Mutual Fund schemes are measured at fair value. Accordingly, these do not pose any significant Price Risk.

b) Liquidity Risk

Liquidity Risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables, close monitoring of its credit cycle and ensuring optimal movements of its inventories. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
A. Financial Assets						
i) Cash and Cash Equivalents	127.55	–	114.91	–	22.21	–
ii) Other Bank Balances	581.89	–	165.32	–	–	–
iii) Investment in Subsidiaries	–	5,625.39	–	5,625.39	–	–
iv) Trade Receivables	20,695.95	–	15,490.03	–	1,892.97	–
v) Other Financial Assets	93.83	210.83	27.87	107.81	0.16	22.16
vi) Investment In Mutual Funds	1,270.38	–	1,189.78	–	–	–
vii) Investment in Bond	–	52.05	–	52.05	–	–
viii) Derivative Instruments not designated as Hedging Instruments	–	–	30.60	–	–	–
Total	22,769.60	5,888.27	17,018.51	5,785.25	1,915.34	22.16
B. Financial Liabilities						
i) Borrowings	8,811.90	187.50	6,670.76	440.49	1,871.76	471.95
ii) Trade Payables	6,915.87	–	5,827.93	–	841.14	–
iii) Other Financial Liabilities	374.76	–	331.30	–	23.42	–
Total	16,102.53	187.50	12,829.99	440.49	2,736.32	471.95

The Company manages this risk by utilising unused credit lines and portfolio diversion. The Company has investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes.

Credit Risk

Credit Risk is the risk that counter party will not meet its obligations leading to a financial loss. The Company has its policies to limit its exposure to Credit Risk arising from outstanding receivables. Management regularly assess the credit quality of its customer's basis which, the terms of payment are decided. Credit limits are set for each customer which are reviewed on periodic intervals.

The movement of the expected loss provision made by the Company are as under :

	As at 31st March 2018	As at 31st March 2017
Opening Balance	909.77	–
Add : Pursuant to Scheme of Amalgamation (Refer Note 38)	–	228.86
Add : Provisions made	181.03	680.91
Less : Utilisation made for impairment/derecognition	(17.56)	–
Closing Balance	1,073.24	909.77

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

(₹ in lacs)

35. RELATED PARTY DISCLOSURE :

Related Party Disclosures in keeping with Indian Accounting Standard (Ind AS 24)

a) List of Related Parties

Where Control exists	
Holding Company	Bajoria Holdings Private Limited (till 14th March 2018)#
	Erstwhile IFGL Refractories Limited (ceased to be Holding Company post Amalgamation)
	Bajoria Financial Services Private Limited (with effect from 15th March 2018)#
Subsidiary Companies (including Step down Subsidiaries) with effect from 1st April 2016 - earlier they were Fellow Subsidiaries	IFGL Worldwide Holdings Limited
	IFGL Monocon Holdings Limited
	Monocon International Refractories Limited
	Monocon Overseas Limited
	Mono Ceramics Inc.
	Monotec Refractorios Ltda
	Tianjin Monocon Refractories Company Limited
	Tianjin Monocon Aluminous Refractories Company Limited
	Goricon Metallurgical Services Limited
	IFGL GmbH
	Hofmann Ceramic GmbH (Formerly Known as Hofmann GmbH & Co. OHG, erstwhile Hofmann Ceramic GmbH merged into the said Company with effect from 1st April 2017)
	Hofmann Ceramic CZ s.r.o.
	Hofmann Ceramic Limited
	Hofmann Ceramic LLC (merged with Mono Ceramics Inc. with effect from 20th October 2017)
	Hofmann Pyemetric LLC (merged with Mono Ceramics Inc. with effect from 3rd January 2018)
	IFGL Inc.
	EI Ceramics LLC
Fellow Subsidiaries	Heritage Health Insurance TPA Private Limited
	Bajoria Financial Services Private Limited (till 14th March 2018)#
	Ganges Art Gallery Private Limited
	Bajoria Enterprises Limited
	Heritage Health Knowledge Services Private Limited
Others :	
Key Management Personnel	S K Bajoria (Chairman with effect from 5th August 2017. Was Chairman of erstwhile IFGL Refractories Limited till 4th August 2017)
	P Bajoria (Managing Director with effect from 5th August 2017. Was Managing Director of erstwhile IFGL Refractories Limited till 4th August 2017)
	Rajesh Agarwal (Company Secretary with effect from 5th August 2017. Was Company Secretary of erstwhile IFGL Refractories Limited till 4th August 2017)
	Kamal Sarda (Director and Chief Executive Officer. Also held office of Chief Financial Officer from 5th August 2017 to 10th February 2018)
	Kanhaiya Poddar (Chief Financial Officer till 4th August 2017)
	Sikander Yadav (Chief Financial Officer with effect from 10th February 2018)
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 Service Providers LLP

#Pursuant to Order dated 13th March 2018 of the Hon'ble National Company Law Tribunal, Kolkata Bench which became effective on 15th March 2018 consequent to filing of the Order with Ministry Corporate Affairs (Registrar of Companies), the Shares of the Company held by Bajoria Holdings Private Limited (BHPL) has got transferred to and/or vested in Bajoria Financial Services Private Limited (BFSPL).

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2016
Particulars of Transactions during the year and year end balances			
IA) With Holding Company : Bajoria Holdings Private Limited (till 14th March 2018)			
Rent for Office Premises	33.67	36.73	—
Expenses Reimbursement/Incurred	—	1.13	1.15
	33.67	37.86	1.15
IB) With Holding Company : Bajoria Financial Services Private Limited (with effect from 15th March 2018)			
Rent for Office Premises	3.06	—	—
	3.06	—	—
Year End Balances (Trade Payable)			
II) With Subsidiaries including Step down Subsidiaries (Fellow Subsidiaries till 31st March 2016)			
Purchase of Raw Material			
Monocon International Refractories Limited	32.28	46.25	—
Tianjin Monocon Refractories Company Limited	346.87	302.73	—
EI Ceramics LLC	25.76	19.44	—
Hofmann Ceramic GmbH	4.94	2.40	—
	409.85	370.82	—
Purchase of Capital Goods			
Monocon International Refractories Limited	—	26.90	—
	—	26.90	—
Sale of Finished Goods			
Monocon International Refractories Limited	690.31	916.74	285.43
Mono Ceramics Inc.	156.29	150.26	—
Tianjin Monocon Aluminous Refractories Company Limited	5.75	2.38	—
Tianjin Monocon Refractories Company Limited	9.65	—	—
EI Ceramics LLC	0.35	—	—
Hofmann Ceramic GmbH	15.23	30.01	—
	877.58	1,099.39	285.43
Commission Paid			
Mono Ceramics Inc.	25.71	—	—
	25.71	—	—
Expenses Reimbursement/Incurred			
Monocon International Refractories Limited	—	0.74	—
	—	0.74	—
Expenses Recovered/Received			
Monocon International Refractories Limited	123.61	98.82	—
Hofmann Ceramic GmbH	27.64	11.25	—
	151.25	110.07	—
Year End Balances			
Trade Payables			
Monocon International Refractories Limited	97.23	86.02	—
Hofmann Ceramic GmbH	3.39	—	—
Tianjin Monocon Refractories Company Limited	49.05	65.11	—
	149.67	151.13	—

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2016
Particulars of Transactions during the year and year end balances			
Commission Payable			
Mono Ceramics Inc.	25.71	–	–
	25.71	–	–
Trade Receivables			
Monocon International Refractories Limited	401.60	166.58	26.57
Tianjin Monocon Refractories Company Limited	4.84	4.67	–
Tianjin Monocon Aluminous Refractories Company Limited	5.75	–	–
Hofmann Ceramic GmbH	6.53	16.19	–
Mono Ceramics Inc.	72.29	42.05	–
	491.01	229.49	26.57
Loans and Advances			
Hofmann Ceramic GmbH	–	4.50	–
Monocon International Refractories Limited	–	24.19	–
	–	28.69	–
Non-Current Investment			
IFGL Worldwide Holdings Limited	5,625.39	5,625.39	–
	5,625.39	5,625.39	–
III) With Fellow Subsidiaries			
Expenses Reimbursement/Incurred			
Ganges Art Gallery Private Limited	0.90	0.62	–
Bajoria Enterprises Limited	12.00	12.00	–
	12.90	12.62	–
IV) With Key Management Personnel			
Key Management Personnel Remuneration			
S K Bajoria (Chairman)	159.87	208.07	–
P Bajoria (Managing Director)	275.86	263.39	–
Kamal Sarda (Director and Chief Executive Officer)	87.20	65.38	55.16
Rajesh Agarwal (Company Secretary)	88.49	79.49	–
Kanhaiya Poddar (Chief Financial Officer till 4th August 2017)	13.66	32.06	–
Sikander Yadav (Chief Financial Officer with effect from 10th February 2018)	17.01	–	–
	642.09	648.39	55.16
Director's Commission			
S K Bajoria (Chairman)	33.93	28.00	–
P Bajoria (Managing Director)	15.52	22.00	–
	49.45	50.00	–
Year End Balances			
Director's Remuneration Payable			
P Bajoria (Managing Director)	32.65	–	–
	32.65	–	–
Director's Commission			
S K Bajoria (Chairman)	33.93	28.00	–
P Bajoria (Managing Director)	15.52	22.00	–
	49.45	50.00	–

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2016
Particulars of Transactions during the year and year end balances			
V) With Relative of Key Management Personnel			
Remuneration			
Akshay Bajoria	26.80	23.07	—
	26.80	23.07	—

36. FIRST TIME ADOPTION

Ind AS 101 (First time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first time adopters. The Company has prepared the opening Balance Sheet as per Ind AS as of 1st April 2016 (the transition date) by :

- recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS and
- applying Ind AS in measurement of recognised assets and liabilities.

Ind AS 101 allows first time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in its Financial Statements :

- Property, Plant and Equipment including Capital Work-in-Progress and Intangible Assets were carried in the Statement of Financial Position prepared under Previous GAAP as at 31st March 2016. The Company has elected to regard such carrying amount as deemed cost at the date of transition i.e. 1st April 2016.
- Ind AS 103 Business Combinations has not been applied in respect of mergers which are considered businesses for Ind AS that occurred before 1st April 2016. Use of this exemption means that the previous GAAP carrying amounts of assets and liabilities, which are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with Ind AS. Assets and Liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS Statement of Financial Position. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

Estimates

An entity's estimate in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Classification and measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of Financial Assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS. Further the standard permits measurement of Financial Assets accounted at amortised cost based on facts and circumstances existing on the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of Financial Assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS. Measurement of the Financial Assets accounted at amortised cost has been done retrospectively except where the same is impracticable. Ind AS requires an entity to reconcile Equity, Total Comprehensive Income and Cash Flows for prior periods. The following tables represent such reconciliations from previous GAAP to Ind AS.

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

(₹ in lacs)

i) Reconciliation of the Financial Results to those reported under previous GAAP are summarised as follows :

	For the year ended 31st March 2017
Profit after Tax as reported under previous GAAP	1,738.68
Add/(Less) : Ind AS adjustments	
Impact of measuring Investments at Fair Value through Profit or Loss (FVTPL)	89.79
Impact of measuring Derivative Financial Instruments at Fair Value	30.60
Reclassification of Actuarial Gains/Losses, arising in respect of Employee Benefit Schemes to Other Comprehensive Income (OCI)	(1.07)
Tax Adjustments	(41.66)
Profit after Tax as reported under Ind AS	1,816.34
Other Comprehensive Income (Net of Tax)	1.07
Total Comprehensive Income as reported under Ind AS	1,817.41

ii) Reconciliation of Equity as at 1st April 2016 (date of transition to Ind AS) and as at 31st March 2017 as previously reported under previous GAAP to IND AS :

	Notes	As at 31st March 2017	As at 1st April 2016
Equity as reported under previous GAAP		47,411.47	2,612.49
Add/(Less) : Ind AS adjustments			
Impact of measuring Investments at Fair Value through Profit or Loss (FVTPL)	(iii)	89.79	–
Impact of measuring Derivative Financial Instruments at Fair Value	(iv)	30.60	–
Reclassification of Actuarial Gains/Losses, arising in respect of Employee Benefit Schemes to Other Comprehensive Income (OCI)	(v)	(1.07)	0.54
Tax Adjustments		(41.66)	–
Other Comprehensive Income (Net of Tax)		1.07	(0.54)
Equity as reported under Ind AS		47,490.20	2,612.49

Under previous GAAP, investment in Subsidiaries were stated at cost and provisions were made to recognise the decline other than temporary. Under Ind AS, the Company has elected to regard such carrying amount as at 31st March 2016 as deemed cost at the date of transition.

- iii) Under previous GAAP, Current Investments were stated at lower of cost and fair value. Under Ind AS, these Financial Assets have been classified as FVTPL on the date of transition and fair value changes after the date of transition has been recognised in Profit or Loss.
- iv) Under previous GAAP, the net mark to market losses on Derivative Financial Instruments, as at the Balance Sheet date, were recognised in Profit or Loss and the net gains, if any, were ignored. Under Ind AS, such Derivative Financial Instruments are to be recognised at fair value and the movement is recognised in Profit or Loss.
- v) Under Ind AS, remeasurement gains and losses (i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit obligations) are recognised in the Other Comprehensive Income instead of Profit or Loss.
- vi) The transition from Indian GAAP to Ind AS has not had a material impact on the Statement of Cash Flows.

37. INFORMATION GIVEN IN ACCORDANCE WITH THE REQUIREMENTS OF IND AS 108 ON SEGMENT REPORTING :

In terms of Ind AS 108 'Segment Reporting' prescribed under Section 133 of the Companies Act 2013, segment information is presented in the Consolidated Financial Statements of the Company. Given below is the information relating to Geographical Market of the Company :

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2018	As at 31st March 2017
Revenue from Operations		
India	18,483.12	17,459.04
Outside India		
Direct Exports	26,242.55	19,476.74
Indirect Exports	—	2,006.04
Total	44,725.67	38,941.82
Carrying amount of Assets		
India	52,955.39	51,461.56
Outside India		
Direct Exports	12,427.22	9,223.23
Indirect Exports	—	324.12
Total	65,382.61	61,008.91
Purchase of Tangible and Intangible Assets	1,125.42	939.43

38. AMALGAMATION WITH ERSTWHILE IFGL REFRACTORIES LIMITED (THE ERSTWHILE HOLDING COMPANY)

Hon'ble National Company Law Tribunal, Kolkata Bench (Tribunal) by passing an Order on 3rd August 2017 under Sections 230 and 232 of the Companies Act, 2013 has sanctioned a Scheme of Amalgamation (Scheme) for merger of erstwhile IFGL Refractories Limited (IFGL) with the Company on and from 1st April 2016, being the Appointed Date. Scheme has become effective from 5th August 2017 following filing of Order of Hon'ble Tribunal with the Ministry of Corporate Affairs (Registrar of Companies) by the Company and IFGL on that date. The Scheme has accordingly been given effect to in these Financial Statements.

In accordance with the provisions of aforesaid Scheme :

- The Share swap ratio was 1:1 i.e. for 1 Equity Share held in erstwhile IFGL Refractories Limited on the record date, the Company has issued and allotted 1 Equity Share of the face value of ₹ 10/- each fully paid up.
- The Amalgamation has been accounted under the 'Purchase Method' as prescribed by Accounting Standard 14 - Accounting for Amalgamations under the previous GAAP. The accounting treatment has been given as under :
 - The assets and liabilities of the erstwhile IFGL Refractories Limited as at 1st April 2016 have been incorporated at the fair values in the Financial Statements of the Company.
 - All inter corporate balances and obligations (including investments held by the erstwhile IFGL Refractories Limited in the Company, advances, outstanding balances or other obligations) between the Company and the erstwhile IFGL Refractories Limited stands cancelled.
- The excess of the value of Equity Shares issued by the Company over the book value of assets and liabilities taken over by the Company and cancellation of Equity Shares held by the erstwhile IFGL Refractories Limited in the Company, amounting to ₹ 26,699.46 has been recorded as goodwill arising on amalgamation.
- Pursuant to approved share swap ratio, the Company has issued and allotted on 18th September 2017, 34,610,472 Equity Shares of ₹ 10/- each (with a premium of ₹ 120 per share) to the Shareholders of erstwhile IFGL Refractories Limited. Equity Shares of the Company has been listed on both BSE Limited and National Stock Exchange of India Limited.
- In accordance with the Scheme, the goodwill recorded on amalgamation has been amortised and the Company has estimated its useful life of 10 years. Accordingly, amortisation for the year amounting to ₹ 2,669.95 has been recognised in the Statement of Profit and Loss.

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

(₹ in lacs)

The value of Goodwill has been determined as below :

Assets	
Non-Current Assets	10,070.74
Current Assets	14,983.60
Total Assets (A)	25,054.34
Liabilities	
Non-Current Liabilities	177.83
Current Liabilities	8,515.66
Total Liabilities (B)	8,693.49
Net Assets Taken Over (C) = (A - B)	16,360.85
Cancellation of Equity Shares held by the erstwhile IFGL Refractories Limited in the Company (D)	148.71
Purchase Consideration (E)	43,209.02
Goodwil arising on Amalgamation (G) = (E - C - D)	26,699.46

- f. Trading in Equity Shares of the Company both on BSE Limited and National Stock Exchange of India Limited has commenced with effect from 14th November 2017.
- g. Name of the Company changed to IFGL Refractories Limited with effect from 25th October 2017.
- h. Registered Office of the Company shifted to the state of Odisha on and from 24th November 2017.

39. 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 2018	As at 31st March 2017
Within 1 Year	36.73	31.41
More than 1 Year upto 5 Years	146.92	125.64
Total	183.65	157.05

Lease rentals recognised in Note 30 under the heading "Rent" of the Statement of Profit and Loss amounting to ₹ 36.73 (31st March 2017 : ₹ 31.41)

40. INCOME TAX EXPENSE

This note provides an analysis of the Company's Income Tax Expense, shows amounts that are recognised directly in Equity and how the Tax Expenses is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to tax positions.

	For the year ended 31st March 2018	For the year ended 31st March 2017
a) Income Tax Expense		
Current Tax on Profits for the year	763.56	242.23
Excess provision of Tax relating to earlier years written back	(13.89)	–
Total Current Tax Expense	749.67	242.23
b) Deferred Tax		
(Increase) in Deferred Tax Assets	(714.71)	(2,200.65)
Increase in Deferred Tax Liabilities	1,100.39	1,398.51
Total Deferred Tax Expense	385.68	(802.14)
Income Tax Expense (a + b)	1,135.35	(559.91)
Current Tax Expense recognised in Profit or Loss		
Current Tax on Profits for the year	763.56	242.23
Excess provision of Tax relating to earlier years written back	(13.89)	–
Total Current Tax Expense (A)	749.67	242.23

Notes to the Standalone Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2018	For the year ended 31st March 2017
Deferred Tax Expense recognised in Profit or Loss		
Deferred Taxes	385.68	(802.14)
Total Deferred Tax Expense recognised in Profit or Loss (B)	385.68	(802.14)
Deferred Tax Expense recognised in Other Comprehensive Income		
Deferred Taxes	17.02	0.57
Total Deferred Tax Expense recognised in Other Comprehensive Income (C)	17.02	0.57
Total Deferred Tax for the year (B + C)	402.70	(801.57)
Total Income Tax Expense recognised in Profit or Loss (A + B)	1,135.35	(559.91)
Total Income Tax Expense (A + B + C)	1,152.37	(559.34)

Reconciliation of Tax Expense and the accounting profit multiplied by India's Tax Rate :

	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit before Tax	3,393.31	1,256.43
Tax at the Indian Tax Rate of 34.608% (31st March 2017 : 34.608%)	1,174.36	434.82
Effect of items not deductible/exempt from tax/items on which different tax rates are applicable	(260.47)	744.27
Effect of permanent difference on account of Ind AS adjustments	17.30	41.66
Benefit of Unabsorbed Depreciation	221.18	(1,780.09)
Income Tax Expense	1,152.37	(559.34)

41. PREVIOUS YEAR FIGURES

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

Signature to Note '1' to '41'

On behalf of the Board of Directors

Kamal Sarda
Director and Chief Executive Officer

S K Bajoria
Chairman

P Bajoria
Managing Director

Kolkata
19th May 2018

Rajesh Agarwal
Company Secretary

Sikander Yadav
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

**TO THE MEMBERS OF
IFGL REFRACTORIES LIMITED (Formerly known as IFGL EXPORTS LIMITED)**

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of IFGL Refractories Limited (Formerly known as IFGL Exports Limited)(hereinafter referred to as "the Parent") and its Subsidiaries (the Parent and its Subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of changes in Equity, for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these Consolidated Ind AS 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 including Other Comprehensive Income, Consolidated Cash Flows and Consolidated Statement of changes in Equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

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 Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

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

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 Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers Internal Financial Control relevant to the Parent's preparation of the Consolidated Ind AS 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 Parent's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS 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 the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate Financial Statements of the Subsidiaries referred to in the Other Matters paragraph below, the aforesaid Consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group as at March 31, 2018, their Consolidated Profit, Consolidated Total Comprehensive Income, their Consolidated Cash Flows and Consolidated Statement of changes in Equity for the year ended on that date.

Emphasis of Matters

We draw attention to Note 40 to the Consolidated Ind AS Financial Statements, relating to amalgamation of the erstwhile IFGL Refractories Limited with the Parent Company following Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT) vide its Order dated August 3, 2017 pursuant to Sections 230 and 232 of the Companies Act, 2013, which has been accounted under the 'Purchase Method' as per Accounting Standard 14 - Accounting for Amalgamations (AS-14). Accordingly, the Parent Company has recognised goodwill on amalgamation aggregating to ₹ 26,699 lacs which is being amortised over a period of

Independent Auditors' Report *(Contd.)*

10 years. This accounting treatment is different from that prescribed under Indian Accounting Standard (Ind AS 103) - 'Business Control' for business combination of entities under common control.

Our opinion is not modified in respect of this matter.

Other Matter

We did not audit the Financial Statements of 15 Subsidiaries whose Financial Information reflect Total Assets of ₹42,049.55 lacs as at March 31, 2018, Total Revenues of ₹40,504.01 lacs and Net Cash Inflows amounting to ₹2,062.46 lacs for the year ended on that date, as considered in the Consolidated Ind AS 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 Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries, is based solely on the reports of the other auditors.

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

Reporting on comparatives in case of first Ind AS Financial Statements

The comparative Financial Statements for the year ended March 31, 2017 in respect of 18 Subsidiaries prepared in accordance with the Ind AS and included in these Consolidated Ind AS Financial Statements have been audited by other auditors, whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these Subsidiaries made in these Consolidated Ind AS Financial Statements, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Ind AS Financial Statements is not modified in respect of the above matter on the Comparative Financial Information.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate Financial Statements of Subsidiaries referred in the Other Matter paragraph above 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 Ind AS Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the Directors of the Parentas on March 31, 2018 taken on record by the Board of Directors of the Parent, none of the Directors of the Group Companies incorporated in India is disqualified as on March 31, 2018 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 separate Report in "Annexure A", which is based on the Auditor's Report of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's Internal Financial Controls over Financial Reporting, for the reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the Consolidated Financial Position of the Group - Refer Note 32 to the Consolidated Ind AS Financial Statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

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

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata
May 19, 2018

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section 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 Ind AS Financial Statements of the Company as of and for the year ended March 31, 2018, we have audited the Internal Financial Controls over Financial Reporting of IFGL Refractories Limited (Formerly known as IFGL Exports Limited) (hereinafter referred to as "the Parent") as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent 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 ("the 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 Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent'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 auditor's 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 Parent'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 Parent, has, 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 March 31, 2018, 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)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata
May 19, 2018

Consolidated Balance Sheet as at 31st March 2018

(₹ in lacs)

	Note No.	As at 31st March 2018	As at 31st March 2017
A ASSETS			
1. Non-Current Assets :			
a) Property, Plant and Equipment	4	12,202.63	11,945.67
b) Capital Work-in-Progress		819.71	158.68
c) Goodwill	5	12,229.30	10,890.89
d) Other Intangible Assets	6	21,701.42	24,296.12
e) Financial Assets			
i) Investments	7	52.05	52.05
ii) Other Financial Assets	8	210.70	107.81
f) Tax Assets (Net)	10	1,014.51	902.05
g) Other Non-Current Assets	11	1,071.35	803.90
Total Non-Current Assets		49,301.67	49,157.17
2. Current Assets			
a) Inventories	12	10,833.51	9,362.57
b) Financial Assets :			
i) Investments	7	1,270.38	1,189.78
ii) Trade Receivables	13	28,444.00	22,833.82
iii) Cash and Cash Equivalents	14 (a)	7,372.60	5,438.62
iv) Bank Balances other than (iii) above	14 (b)	737.65	165.32
v) Others	8	178.57	193.79
c) Other Current Assets	11	1,714.27	1,103.83
Total Current Assets		50,550.98	40,287.73
Total Assets (1+2)		99,852.65	89,444.90
B. EQUITY AND LIABILITIES			
1. Equity			
a) Equity Share Capital	15	3,603.93	3,603.93
b) Other Equity	16	71,595.58	64,970.59
Attributable to Owners of the Parent		75,199.51	68,574.52
Non-Controlling Interest		–	3.05
Total Equity		75,199.51	68,577.57
LIABILITIES			
2. Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	17	2,052.25	1,436.31
b) Provisions	18	23.56	26.17
c) Deferred Tax Liability (Net)	9	316.21	211.64
Total Non-Current Liabilities		2,392.02	1,674.12
3. Current Liabilities			
a) Financial Liabilities			
i) Borrowings	19	8,558.99	6,130.42
ii) Trade Payables	20	12,540.65	11,681.24
iii) Other Financial Liabilities	21	1,009.27	1,162.21
b) Other Current Liabilities	22	118.12	186.21
c) Provisions	18	34.09	33.13
Total Current Liabilities		22,261.12	19,193.21
Total Equity and Liabilities (1+2+3)		99,852.65	89,444.90

See accompanying Notes forming part of the Consolidated Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Kamal Sarda

Director and Chief Executive Officer

On behalf of the Board of Directors

S K Bajoria

Chairman

P Bajoria

Managing Director

Kolkata

19th May 2018

Rajesh Agarwal
Company Secretary

Sikander Yadav
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31st March 2018

(₹ in lacs)

	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
I. REVENUE FROM OPERATIONS	23	83,931.07	78,313.09
II. Other Income	24	437.72	389.92
III. Total Income (I + II)		84,368.79	78,703.01
IV. EXPENSES :			
a) Cost of Materials Consumed	25	35,009.67	30,981.58
b) Purchases of Stock-in-Trade	26	6,531.72	6,717.27
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	597.73	(1,497.25)
d) Excise Duty on Sale of Goods		397.32	1,755.74
e) Employee Benefit Expenses	28	12,669.05	12,091.30
f) Finance Costs	29	396.79	452.73
g) Depreciation and Amortisation Expense	6.2	4,379.56	4,405.35
h) Other Expenses	30	18,132.31	18,372.01
i) Adjustment for items Capitalised		—	(26.90)
Total Expenses		78,114.15	73,251.83
V. PROFIT BEFORE TAX (III - IV)		6,254.64	5,451.18
VI. Tax Expense :			
1) Current Tax	41	1,451.81	1,294.42
2) Deferred Tax	9	104.57	(839.17)
3) Excess Provision of Tax relating to earlier years written back		(13.89)	—
Total Tax Expense		1,542.49	455.25
VII. PROFIT FOR THE YEAR (V - VI)		4,712.15	4,995.93
VIII. Other Comprehensive Income :			
i) Items that will not be recycled to Profit or Loss Remeasurements of the Defined Benefit Assets/(Liabilities)		10.51	(447.27)
ii) Income Tax relating to above item		(17.02)	(0.57)
Other Comprehensive Income for the year, Net of Tax		(6.51)	(447.84)
IX. Total Comprehensive Income for the year (VII + VIII)		4,705.64	4,548.09
Profit for the year			
Attributable to :			
- Owners of the Parent		4,712.15	4,996.83
- Non-controlling Interests		—	(0.90)
Total Comprehensive Income for the year			
Attributable to :			
- Owners of the Parent		4,705.64	4,548.91
- Non-controlling Interests		—	(0.82)
X. Earnings Per Equity Share :			
Basic (in ₹)	31	13.08	13.86
Diluted (in ₹)	31	13.08	13.86

See accompanying Notes forming part of the Consolidated Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Kamal Sarda
Director and Chief Executive Officer

On behalf of the Board of Directors

S K Bajoria
Chairman**P Bajoria**
Managing DirectorKolkata
19th May 2018**Rajesh Agarwal**
Company Secretary**Sikander Yadav**
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31st March 2018

(₹ in lacs)

	For the year ended 31st March 2018	For the year ended 31st March 2017
CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit before Tax for the year	6,254.64	5,451.18
Adjustments for :		
Finance Costs recognised in Profit or Loss	396.79	452.73
Interest Income recognised in Profit or Loss	(98.11)	(126.96)
Liabilities no longer required Written Back	(171.31)	(44.22)
Loss/(Gain) on disposal of Property, Plant and Equipment	3.43	(22.71)
Loss/(Gain) on sale of Current Investment	–	(6.31)
Net (Gain)/Loss arising on Financial Assets mandatorily measured at Fair Value through Profit or Loss	(80.60)	(120.38)
Sundry Debit Balances/Advances Written Off	20.81	80.05
Impairment Loss recognised on Trade Receivables	291.34	963.93
Depreciation and Amortisation of Non-Current Assets	4,379.56	4,405.35
Amortisation of Prepaid Rent	9.65	9.65
Tax on Dividend	48.61	35.02
Unrealised Foreign Exchange (Gain)/Loss	(54.61)	205.37
Effect of change in Foreign Exchange Translation	1,966.95	(85.71)
	12,967.15	11,196.99
Movements in Working Capital :		
Increase in Trade and Other Receivables	(6,620.45)	(6,599.61)
(Increase) in Inventories	(1,470.94)	(1,642.24)
Decrease in Trade and Other Payables	784.24	1,797.35
Cash generated from Operations	5,660.00	4,752.49
Income Taxes Paid	(1,550.37)	(1,968.93)
Net Cash generated by Operating Activities	4,109.63	2,783.56
CASH FLOWS FROM INVESTING ACTIVITIES :		
Payments to acquire Investments	–	(500.00)
Proceeds on sale of Investments	–	222.41
Proceeds from Long-Term Deposits with Bank	–	64.21
Proceeds from Deposits with maturity more than 3 months and Unclaimed Dividends	–	1,304.15
Funds (placed in) Long-Term Deposits with Bank	(572.33)	–
Interest Received	98.11	183.36
Payments for Property, Plant and Equipment	(4,485.94)	(1,334.17)
Proceeds from disposal of Property, Plant and Equipment	187.96	36.91
Net Cash (used in) Investing Activities	(4,772.20)	(23.13)
CASH FLOWS FROM FINANCING ACTIVITIES :		
Dividend on Equity Share and Dividend Distribution Tax thereon	(916.14)	(54.52)
Proceeds from Long-Term Borrowings	733.05	–
Repayment of Long-Term Borrowings	(62.50)	(947.32)
Proceeds from Short-Term Borrowings	2,428.57	1,040.76
Finance Cost	(396.79)	(452.73)
Net generated by/(used in) Financing Activities	1,786.19	(413.81)
Exchange Differences on Translation of Foreign Currency	810.36	(915.56)
Net Increase in Cash and Cash Equivalents	1,933.98	1,431.06

Consolidated Cash Flow Statement for the year ended 31st March 2018 (Contd.)

(₹ in lacs)

	For the year ended 31st March 2018	For the year ended 31st March 2017
Cash and Cash Equivalents at the beginning of the year	5,438.62	4,007.56
Cash and Cash Equivalents at the end of the year	7,372.60	5,438.62

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".
See accompanying Notes forming part of the Consolidated Financial Statements.

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Kolkata

19th May 2018

On behalf of the Board of Directors

Kamal Sarda
Director and Chief Executive Officer

S K Bajoria
Chairman
Rajesh Agarwal
Company Secretary

P Bajoria
Managing Director
Sikander Yadav
Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March 2018

	Number of Shares		Share Capital	
a. Equity Share Capital				
Issued and Paid up Capital at 1st April 2016		2,160,000		216.00
Bonus Shares issued during the year		756,000		75.60
Share Capital Suspense Account (Shares issued on 18th September 2017 pursuant to the Scheme of Amalgamation)		33,123,312		3,312.33
Balance as at 31st March 2017		36,039,312		3,603.93
Changes in Equity Share Capital during the year		–		–
Balance as at 31st March 2018		36,039,312		3,603.93
	Reserves and Surplus		Foreign Exchange Translation Reserve	
	Securities Premium	Retained Earnings	Other Comprehensive Income	Equity attributable to the Owners of Parent
b. Other Equity				
Balance as at 1st April 2016	–	452.49	–	452.49
Add : Pursuant to Scheme of Amalgamation (Refer Note 40)	39,747.97	19,064.65	4,566.53	63,379.15
Add : Profits for the year	–	4,995.93	–	4,995.93
Add/(Less) : Other Comprehensive Income (Net of Tax)	–	–	(3,409.14)	(3,856.98)
Balance as at 31st March 2017	39,747.97	24,513.07	1,157.39	64,970.59
Add : Profits for the year	–	4,712.15	–	4,712.15
Less : Utilised for Dividend Payment	–	(720.79)	–	(720.79)
Less : Utilised for Dividend Tax Payment	–	(146.74)	–	(146.74)
Add/(Less) : Other Comprehensive Income (Net of Tax)	–	–	2,825.13	2,818.62
Add/(Less) : Transfers with in Equity	–	3.05	–	3.05
Less : Other Movements	–	(41.30)	–	(41.30)
Balance as at 31st March 2018	39,747.97	28,319.44	3,982.52	71,595.58

In terms of our Report attached.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Kolkata

19th May 2018

On behalf of the Board of Directors

Kamal Sarda
Director and Chief Executive Officer

S K Bajoria
Chairman
Rajesh Agarwal
Company Secretary

P Bajoria
Managing Director
Sikander Yadav
Chief Financial Officer

Notes to the Consolidated Financial Statements

(₹ in lacs)

- The Consolidated Financial Statements (CFS) of the Company [i.e. IFGL Refractories Limited (Formerly known as "IFGL Exports Limited")] and its Subsidiaries (together the 'Group') have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The Consolidated Financial Statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Group adopted Ind AS from 1st April 2017. The Subsidiaries including Step down Subsidiaries as listed in Note 2.2 below have become the Subsidiaries of the Company with effect from 1st April 2016 due to amalgamation of erstwhile IFGL Refractories Limited with the Company as stated in Note 40 of these Consolidated Financial Statements. The Parent Company did not have any Subsidiary till 31st March 2016 and hence preparation of CFS was not applicable to it. Upto the year ended 31st March 2017, the Group prepared its Financial Statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

These are the Group's first Ind AS Financial Statements. The date of transition to Ind AS is 1st April 2016. Details of the exceptions and optional exemptions availed by the Group and principal adjustments along with related reconciliations are detailed out in Note 37.

2. PRINCIPLES OF CONSOLIDATION :

- The CFS comprises of the Financial Statements of the Company and its Subsidiary Companies (Group). It has been prepared on the following basis :

- 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.
- 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 are presented to the extent possible, in the same manner as the Company's Standalone Financial Statements.
- 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 tested for impairment.
- The translation of functional currencies into Indian Rupees (Reporting Currency) is performed for Equity in Foreign Subsidiary (being non-integral operation), Assets and Liabilities using the Closing Exchange Rate at the Balance Sheet date, for Revenues, Costs and Expenses using Average Exchange Rate prevailing during the year. The resultant exchange difference arising out of such translations is recognised as part of other Equity (Foreign Currency Translation Reserve) by the Company until the disposal of Investment.
- Non-controlling Interest in the Consolidated Financial Statements is identified and recognised after taking into consideration :
 - The amount of Equity attributable to Minorities at the date on which investment in Subsidiary is made.
 - The Minorities' Share of movement in Equity since the date Parent – Subsidiary relationship came into existence.
 - Total Comprehensive Income is attributed to Non-controlling Interests even if it results in the Non-controlling Interests having a deficit balance.
- 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 2017. These Subsidiaries have been consolidated using the Financial Statements for the year ended on that date adjusted for movements upto 31st March 2018.

- 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
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) (Hofmann Ceramic LLC and Hofmann Pyometric LLC merged into the said Company with effect from 20th October 2017 and 3rd January 2018 respectively)	United States of America (USA)	100%	31st March
Goricon Metallurgical Services Limited (GMSL)	UK	100%	31st March
IFGL GmbH (IG)	Germany	100%	31st March

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Accounting Year Ended
Hofmann Ceramic GmbH (HCG) (Formerly Known as Hofmann GmbH & Co. OHG., erstwhile Hofmann Ceramic GmbH merged into the said Company with effect from 1st April 2017)	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
IFGL Inc. (IFGL INC)	USA	100%	31st March
EI Ceramics LLC (EICLLC)	USA	100%	31st March

3. Accounting policies for the Subsidiaries are same as followed by the Company as indicated in Note 2 of the Company's Standalone Financial Statements for the year ended 31st March 2018, 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 ₹ 582.15 (31st March 2017 : ₹ 704.11) respectively and ₹ 8,461.62 (31st March 2017 : ₹ 8,146.71)

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 2018	As at 31st March 2017
Depreciation	13.29%	15.98%
Accumulated Depreciation	34.36%	40.58%

- 3.2 For the purpose of Inventory Valuation FIFO Method is used by MCI and MIRL 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 31% (31st March 2017 : 31%). 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 2018	As at 31st March 2017
4. PROPERTY, PLANT AND EQUIPMENT (PPE) :		
Net Carrying amounts of :		
Land (Freehold)	761.13	713.75
Buildings	4,303.18	4,294.01
Plant and Equipments	6,673.96	6,469.48
Furniture and Fixtures	94.43	98.09
Leasehold Improvements	8.97	18.00
Vehicles	183.00	190.79
Office Equipments	113.82	115.99
Computers	64.14	45.56
Total	12,202.63	11,945.67

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2016	Pursuant to Scheme of Amalgamation (Refer Note 40)	Additions	Withdrawals and Adjustments	Effect of Foreign Currency Exchange Differences [Gain/(Loss)]	As at 31st March 2017	Additions	Withdrawals and Adjustments	Effect of Foreign Currency Exchange Differences [Gain/(Loss)]	As at 31st March 2018
Gross Carrying Amount - Cost/Deemed Cost										
Land (Freehold)	–	776.58	–	–	(62.83)	713.75	–	–	47.38	761.13
Buildings	1,007.86	5,871.74	99.76	–	(283.50)	6,695.86	100.50	–	286.88	7,083.24
Plant and Equipments	2,004.02	16,944.78	1,120.93	199.54	(650.44)	19,219.75	1,447.35	739.49	711.44	20,639.05
Furniture and Fixtures	39.16	483.69	3.16	6.71	(42.36)	476.94	10.10	16.29	30.53	501.28
Leasehold Improvements	–	48.91	–	–	–	48.91	–	–	–	48.91
Vehicles	3.21	501.99	68.14	89.13	(11.27)	472.94	38.72	32.45	17.21	496.42
Office Equipments	50.22	322.16	41.93	4.69	(16.08)	393.54	31.14	–	26.51	451.19
Computers	1.99	493.90	17.93	–	(48.86)	464.96	49.55	–	36.14	550.65
Total	3,106.46	25,443.75	1,351.85	300.07	(1,115.34)	28,486.65	1,677.36	788.23	1,156.09	30,531.87

	As at 31st March 2016	Pursuant to Scheme of Amalgamation (Refer Note 40)	Charge for the year	Elimination on Disposals of Assets	Adjust- ments	Effect of Foreign Currency Exchange Differences [Gain/ (Loss)]	As at 31st March 2017	Charge for the year	Elimination on Disposals of Assets	Adjust- ments	Effect of Foreign Currency Exchange Differences [Gain/ (Loss)]	As at 31st March 2018
Depreciation/Amortisation												
Land (Freehold)	–	–	–	–	–	–	–	–	–	–	–	–
Buildings	–	2,330.26	197.97	–	–	(126.38)	2,401.85	196.15	–	–	182.06	2,780.06
Plant and Equipments	–	11,985.87	1,344.61	110.56	(2.17)	(467.48)	12,750.27	1,289.22	555.64	(3.59)	484.83	13,965.09
Furniture and Fixtures	–	398.31	18.50	–	–	(37.96)	378.85	15.26	14.66	–	27.40	406.85
Leasehold Improvements	–	28.59	9.03	6.71	–	–	30.91	9.03	–	–	–	39.94
Vehicles	–	328.16	40.75	79.80	–	(6.96)	282.15	47.94	26.54	–	9.87	313.42
Office Equipments	–	251.43	43.63	4.69	–	(12.82)	277.55	38.66	–	–	21.16	337.37
Computers	–	432.47	32.38	–	–	(45.45)	419.40	33.21	–	–	33.90	486.51
Total	–	15,755.09	1,686.87	201.76	(2.17)	(697.05)	16,540.98	1,629.47	596.84	(3.59)	759.22	18,329.24

4.1 The details of Property, Plant and Equipment pledged against borrowings are presented in Note 17 and Note 19.

	As at 31st March 2018	As at 31st March 2017
5. GOODWILL		
Balance transferred on account of Amalgamation	10,890.89	12,769.58
Add : Movement during the year	1,338.41	(1,878.69)
Closing Balance as at the end of the year	12,229.30	10,890.89

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2018	As at 31st March 2017
6. OTHER INTANGIBLE ASSETS :		
Net Carrying amounts of :		
Goodwill (arising on Amalgamation)	21,359.56	24,029.51
Computer Software	128.83	66.33
Intellectual Property Rights (Technical Know-how) (Refer Note 6.1 below)	213.03	200.28
Total	21,701.42	24,296.12

	As at 31st March 2016	Pursuant to Scheme of Amalgamation (Refer Note 40)	Additions	Exchange Difference on Consolidation	As at 31st March 2017	Additions	Exchange Difference on Consolidation	As at 31st March 2018
Gross Carrying Amount								
Goodwill (arising on Amalgamation)	–	503.06	* 26,699.46	–	27,202.52	–	–	27,202.52
Goodwill (arising on Acquisition)	–	3.17	–	(1.36)	1.81	–	1.35	3.16
Computer Software	6.70	106.00	57.38	(2.62)	167.46	120.49	7.10	295.05
Intellectual Property Rights (Technical Know-how) (Refer Note 6.1 below)	–	481.12	–	(21.26)	459.86	–	35.06	494.92
Total	6.70	1,093.35	26,756.84	(25.24)	27,831.65	120.49	43.51	27,995.65

	As at 31st March 2016	Pursuant to Scheme of Amalgamation (Refer Note 40)	Charge for the year	Exchange Difference on Consolidation	As at 31st March 2017	Charge for the year	Exchange Difference on Consolidation	As at 31st March 2018
Accumulated Amortisation								
Goodwill (arising on Amalgamation)	–	503.06	2,669.95	–	3,173.01	2,669.95	–	5,842.96
Goodwill (arising on Acquisition)	–	3.17	–	(1.36)	1.81	–	1.35	3.16
Computer Software	3.51	66.11	33.02	(1.51)	101.13	61.55	3.54	166.22
Intellectual Property Rights (Technical Know-how) (Refer Note 6.1 below)	–	245.50	15.51	(1.43)	259.58	18.59	3.72	281.89
Total	3.51	817.84	2,718.48	(4.30)	3,535.53	2,750.09	8.61	6,294.23

*Represents Goodwill arising on Amalgamation of erstwhile IFGL Refractories Limited with the Parent Company fully described in Note 40.

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

	For the year ended 31st March 2018	For the year ended 31st March 2017
6.2 Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	1,629.47	1,686.87
Amortisation of Intangible Assets	2,750.09	2,718.48
Total	4,379.56	4,405.35

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2018			As at 31st March 2017		
	QTY	Current	Non-Current	QTY	Current	Non-Current
7. INVESTMENT						
A. Investments carried at Amortised Cost						
Quoted						
Investments in Non Convertible Debentures or bonds						
Power Finance Corporation Limited [8.09% Tax Free Bonds of Face Value ₹ 100,000 each]	50	–	52.05	50	–	52.05
TOTAL INVESTMENTS CARRIED AT AMORTISED COST [A]		–	52.05		–	52.05
B. Investments carried at Fair Value through Profit and Loss (FVTPL)						
Quoted Investments						
Investments in Mutual Funds						
– Reliance Medium Term Fund - Direct Growth Plan - Growth Option (Quoted)	321,175	119.48	–	321,175	111.41	–
– IDFC Corporate Bond Fund Direct Plan - Growth (Quoted)	9,614,624	1,150.90	–	9,614,624	1,078.37	–
INVESTMENTS CARRIED AT FVTPL [B]		1,270.38	–		1,189.78	–
TOTAL INVESTMENTS CARRYING VALUE (A) + (B)		1,270.38	52.05		1,189.78	52.05
Other Disclosures						
Aggregate amount of Quoted Investments		1,270.38	52.05		1,189.78	52.05
Aggregate amount of Unquoted Investments		–	–		–	–
Aggregate Market Value of Quoted Investments		1,270.38	52.98		1,189.78	53.79

	As at 31st March 2018		As at 31st March 2017	
	Current	Non-Current	Current	Non-Current
8. OTHER FINANCIAL ASSETS				
Unsecured				
a) Bank Deposits with more than 12 months maturity	–	96.18	–	4.25
b) Interest accrued on Investment	10.91	–	1.40	–
c) Foreign Currency Forward Contracts not designated as a Hedging Instruments	–	–	30.60	–
d) Security Deposits	84.74	114.52	105.32	103.56
e) Claims Receivable	82.92	–	56.47	–
Total	178.57	210.70	193.79	107.81

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

9. DEFERRED TAX LIABILITIES (NET)

A. Components of Deferred Tax Assets and (Liabilities) as at 31st March 2018 is as below :

	As at 1st April 2017	(Recognised)/ Reversed in Statement of Profit and Loss	As at 31st March 2018
Deferred Tax Assets			
Unabsorbed Depreciation carried forward	1,780.09	(221.18)	1,558.91
Accrued Expenses deductible when paid and Allowance for Doubtful Debts	112.68	297.63	410.31
Expenses related to Amalgamation	–	10.87	10.87
MAT Credit Entitlement	407.96	791.05	1,199.01
Unrealised Profit on Unsold Stock and Capital Goods	50.72	(13.97)	36.75
	2,351.45	864.40	3,215.85
Deferred Tax Liabilities			
Property, Plant and Equipment and other Intangible Assets	2,521.43	914.84	3,436.27
Others	41.66	54.13	95.79
	2,563.09	968.97	3,532.06
Net Deferred Tax Assets/(Liabilities)	(211.64)	(104.57)	(316.21)

B. Components of Deferred Tax Assets and (Liabilities) as at 31st March 2017 is as below :

	As at 1st April 2016	Pursuant to Scheme of Amalgamation (Refer Note 40)	(Recognised)/ Reversed in Statement of Profit and Loss	As at 31st March 2017
Deferred Tax Assets				
Unabsorbed Depreciation carried forward	–	–	1,780.09	1,780.09
Accrued Expenses deductible when paid and Allowance for Doubtful Debts	–	(51.39)	164.07	112.68
MAT Credit Entitlement	165.16	–	242.80	407.96
Unrealised Profit on Unsold Stock and Capital Goods	–	–	50.72	50.72
	165.16	(51.39)	2,237.68	2,351.45
Deferred Tax Liabilities				
Property, Plant and Equipment and other Intangible Assets	–	1,164.58	1,356.85	2,521.43
Others	–	–	41.66	41.66
	–	1,164.58	1,398.51	2,563.09
Net Deferred Tax Assets/(Liabilities)	165.16	(1,215.97)	839.17	(211.64)

MAT paid in excess of regular income tax for a year can be carried forward for a period of 15 years and can be offset against future Tax Liabilities.

	As at 31st March 2018	As at 31st March 2017
10. INCOME TAX ASSETS (NET)		
Advance Income Tax (Net of Provisions - 31st March 2018 : ₹ 4,305.21; 31st March 2017 : ₹ 5,887.63)	1,014.51	902.05
Total	1,014.51	902.05

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2018		As at 31st March 2017	
	Current	Non-Current	Current	Non-Current
11. OTHER NON-CURRENT AND CURRENT ASSETS				
a) Capital Advances	–	312.36	–	35.26
b) Advances to Suppliers	816.38	–	517.22	–
c) Balances with Government Authorities (other than Income Taxes)	777.06	16.34	248.55	16.34
d) Prepayments	95.24	–	263.60	–
e) Advance to Employees for Expenses	15.94	–	64.81	–
f) Prepaid Lease Payments	9.65	742.65	9.65	752.30
Total	1,714.27	1,071.35	1,103.83	803.90

	As at 31st March 2018	As at 31st March 2017
12. INVENTORIES		
a) Raw Materials and Components (includes in transit)	5,044.05	3,501.33
b) Work-in-Progress	1,660.73	1,438.55
c) Finished Goods (includes in transit)	3,558.96	3,938.45
d) Stock-in-Trade of Goods	154.91	173.08
e) Stores and Spares	414.86	311.16
Total	10,833.51	9,362.57

	As at 31st March 2018	As at 31st March 2017
13. TRADE RECEIVABLES		
a) Unsecured, Considered Good	28,444.00	22,833.82
b) Doubtful	1,254.62	1,306.69
Less : Allowance for Credit Losses	(1,254.62)	(1,306.69)
Total	28,444.00	22,833.82

	As at 31st March 2018	As at 31st March 2017
14. CASH AND BANK BALANCES		
a) Cash and Cash Equivalents		
Unrestricted Balances with Banks		
- In Current Accounts	7,239.82	5,357.73
- Remittance in Transit	57.26	–
Cheques, Drafts on Hand	32.65	49.13
Cash in Hand	42.87	31.76
	7,372.60	5,438.62
b) Bank Balances other than (a) above		
- Deposits with original maturity beyond 3 months but not exceeding 12 months	655.77	87.25
- Unclaimed Dividend Accounts	81.88	78.07
Total	737.65	165.32

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	Number of Shares	Share Capital
15. EQUITY SHARE CAPITAL :		
Authorised Share Capital :		
Equity Shares of ₹ 10/- each as on 1st April 2016	2,500,000	250.00
Add : Increase during the year	500,000	50.00
Add : Increase pursuant to Scheme of Amalgamation	40,000,000	4,000.00
Balance as at 31st March 2017	43,000,000	4,300.00
Changes during the year	—	—
Balance as at 31st March 2018	43,000,000	4,300.00
5% Redeemable Preference Shares of ₹ 100/- each as on 1st April 2016	—	—
Add : Increase pursuant to Scheme of Amalgamation	2,000,000	2,000.00
Balance as at 31st March 2017	2,000,000	2,000.00
Changes during the year	—	—
Balance as at 31st March 2018	2,000,000	2,000.00
Issued and Paid up Capital as at 1st April 2016	2,160,000	216.00
Add : Bonus Shares issued during the year	756,000	75.60
Add : Share Capital Suspense Account (Shares issued on 18th September 2017 pursuant to the Scheme of Amalgamation) (Refer Note 15.1 below)	33,123,312	3,312.33
Balance as at 31st March 2017	36,039,312	3,603.93
Changes in Equity Share Capital during the year	—	—
Balance as at 31st March 2018	36,039,312	3,603.93

15.1 Share issued pursuant to the Scheme of Amalgamation

Pursuant to the Scheme of Amalgamation as detailed in Note 40, the Parent Company had issued and allotted 34,610,472 Equity Shares of ₹ 10/- each fully paid and 1,487,160 Equity Shares of the Parent Company of ₹ 10/- each fully paid held by erstwhile IFGL Refractories Limited have got cancelled on 18th September 2017.

15.2 Terms/Rights attached to Equity Shares

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

15.3 Shares held by the Parent and Subsidiaries of the Parent

Name of the Shareholder	As at 31st March 2018		As at 31st March 2017	
	No. of Shares	% Holding	No. of Shares	% Holding
Bajoria Financial Services Private Limited (with effect from 15th March 2018)#	18,454,353	51.21	—	—
Bajoria Holdings Private Limited (BHPL) - Holding Company till 14th March 2018# (As at 14th March 2018 : No. of shares - 18,454,353 and % holding - 51.21%)	—	—	133,380	4.57
Erstwhile IFGL Refractories Limited (shares held by erstwhile IFGL Refractories Limited, which has amalgamated with the Company, has got cancelled pursuant to the Scheme of Amalgamation)	—	—	1,487,160	51.00
Bajoria Enterprises Limited (BEL) - Fellow Subsidiary	270	0.00	270	0.01

#Pursuant to Order dated 13th March 2018 of the Hon'ble National Company Law Tribunal, Kolkata Bench, which became effective on 15th March 2018 consequent to filing of the Order with Ministry of Corporate Affairs (Registrar of Companies), the shares of the Parent Company held by Bajoria Holdings Private Limited (BHPL) has got transferred to and/or vested in Bajoria Financial Services Private Limited (BFSPL).

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

15.4 Details of Shareholders holding more than 5% of aggregate shares in the Parent Company

Name of the Shareholder	As at 31st March 2018		As at 31st March 2017	
	No. of Shares	% Holding	No. of Shares	% Holding
Bajoria Financial Services Private Limited (with effect from 15th March 2018)	18,454,353	51.21	–	–
Shishir Kumar Bajoria - Indian Promoter of the Company	1,796,637	4.99	710,910	24.38
Erstwhile IFGL Refractories Limited (shares held by erstwhile IFGL Refractories Limited, which has amalgamated with the Company, has got cancelled pursuant to the Scheme of Amalgamation)	–	–	1,487,160	51.00
Krosaki Harima Corporation, Japan - Foreign Promoter of the Company	5,590,156	15.51	583,200	20.00

	Reserves and Surplus		Foreign Exchange Translation Reserve	Other Comprehensive Income	Equity attributable to the shareholders of the Group	Non-Controlling Interest	Total
	Securities Premium	Retained Earnings					
16. OTHER EQUITY							
Balance at 1st April 2016	–	452.49	–	–	452.49	–	452.49
Add : Pursuant to Scheme of Amalgamation (Refer Note 40)	39,747.97	19,064.65	4,566.53	–	63,379.15	3.87	63,383.02
Add : Profits for the year	–	4,995.93	–	–	4,995.93	(0.90)	4,995.03
Add/(Less) : Other Comprehensive Income (Net of Tax)	–	–	(3,409.14)	(447.84)	(3,856.98)	0.08	(3,856.90)
Balance as at 31st March 2017	39,747.97	24,513.07	1,157.39	(447.84)	64,970.59	3.05	64,973.64
Add : Profits for the period	–	4,712.15	–	–	4,712.15	–	4,712.15
Less : Utilised for Dividend Payment	–	(720.79)	–	–	(720.79)	–	(720.79)
Less : Utilised for Dividend Tax Payment	–	(146.74)	–	–	(146.74)	–	(146.74)
Add/(Less) : Other Comprehensive Income (Net of Tax)	–	–	2,825.13	(6.51)	2,818.62	–	2,818.62
Add/(Less) : Transfers with in Equity	–	3.05	–	–	3.05	(3.05)	–
Less : Other Movements	–	(41.30)	–	–	(41.30)	–	(41.30)
Balance as at 31st March 2018	39,747.97	28,319.44	3,982.52	(454.35)	71,595.58	–	71,595.58

Notes :

- Securities Premium is used to record the premium on issue of shares. The same is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.
- Retained Earnings represents the Profits that the Group has earned till date, less any Dividends or other distributions to the Shareholders.
- During the year ended 31st March 2018, the Parent Company's Shareholders have declared Dividend of ₹ 2/- per share which resulted in an outflow of ₹ 867.53 including Dividend Distribution Tax of ₹ 146.74 and accordingly has been accounted in the year of declaration by the Shareholders.

The Board of Directors of the Parent Company have proposed a Dividend of ₹ 2/- per share for financial year ended on 31st March 2018 which would result in an outflow of ₹ 868.95 including Dividend Distribution Tax of ₹ 148.16. Pending approval of the Shareholders, the same has not been recognised in these Financial Statements.

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2018	As at 31st March 2017
17. NON-CURRENT BORROWINGS :		
Measured at Amortised Cost		
Secured Borrowings :		
Term Loans		
From Banks		
- DBS Bank Limited [Refer Note 17.1 (i) below]	187.50	437.47
- From Fifth Third Bank [Refer Note 17.1 (ii) below]	300.30	465.76
- From Volksbank Dill eG [Refer Note 17.1 (iii) below]	1,209.90	170.18
- From Commerzbank AG [Refer Note 17.1 (iv) below]	354.55	357.95
Other Loans (Vehicles)		
- From Credium AS [Refer Note 17.1 (v) below]	—	1.96
- From ICICI Bank Limited [Refer Note 17.1 (v) below]	—	2.99
Total	2,052.25	1,436.31

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

- i) **Term Loans from DBS Bank Limited** is secured by a first charge over entire moveable and immoveable Property, Plant and Equipment, both present and future and second charge on the entire Current Assets including Receivables, both present and future of the SEZ unit of the Parent Company located in Kandla.
- ii) **Loan from Fifth Third Bank at El Ceramics LLC** is secured by specific real estates and properties of that Company.
- iii) **Term Loan (Euro Currency) from Volksbank Dill eG of Hofmann Ceramic GmbH** is secured by :
 - a) Mortgage of small investments and investments in Hofmann CZ plant.
 - b) Specific Plant and Machineries of that Company.
- iv) **Loan from Commerzbank AG** is secured by specific Plant and Machinery of Hofmann Ceramic GmbH.
- v) **Vehicle Loans**
Vehicle Loans are secured by hypothecation of respective Vehicles.

	As at 31st March 2018		As at 31st March 2017	
	Current	Non-Current	Current	Non-Current
18. PROVISIONS				
a) Provision for Employee Benefits				
- Compensated Absences	1.78	23.56	0.82	26.17
b) Other Provisions				
- Sales Tax	18.49	—	18.49	—
- Entry Tax	13.82	—	13.82	—
Total	34.09	23.56	33.13	26.17

	As at 31st March 2018	As at 31st March 2017
19. CURRENT BORROWINGS :		
Secured Borrowings		
Working Capital Loans repayable on Demand		
- From State Bank of India (Refer Note 19.1 below)	4,260.87	3,198.41
- From ICICI Bank Limited (Refer Note 19.2)	473.87	961.13
- From Yes Bank Limited (Refer Note 19.3)	1,329.56	—
- From DBS Bank Limited (Refer Note 19.1 and Note 19.2)	2,494.69	1,970.88
Total	8,558.99	6,130.42

19.1 The Loans from State Bank of India and DBS Bank Limited (Working Capital Facility 1) are 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 Property, Plant and Equipment of the Parent Company, situated at Sectors 'A' and 'B' of Kalunga Industrial Estate, near Rourkela, on pari passu basis.

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

19.2 The Loans from ICICI Bank Limited and DBS Bank Limited (Working Capital Facility 2) are secured by first pari passu charge on Current Assets and Receivables and second and subservient charge on moveable properties of SEZ unit located at Kandla of the Parent Company.

19.3 The Loan from Yes Bank Limited is secured by first pari passu charge on Current Assets and second pari passu charge over entire movable Fixed Assets of the Parent Company.

	As at 31st March 2018	As at 31st March 2017
20. TRADE PAYABLES		
Outstanding dues of Micro Enterprises and Small Enterprises	380.86	203.72
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	12,159.79	11,477.52
Total	12,540.65	11,681.24

	As at 31st March 2018	As at 31st March 2017
21. OTHER FINANCIAL LIABILITIES		
Other Financial Liabilities measured at Amortised Cost		
a) Current Maturities of Long-Term Debt (Secured) (Refer Note 17)	634.51	830.91
b) Unpaid Dividends	81.68	78.07
c) Short-Term Deposits	11.21	12.68
d) Payables for Employee Benefits	219.80	211.18
e) Creditors for Capital Supplies/Services	52.95	29.37
f) Foreign Currency Forward Contracts not designated as a Hedging Instruments	9.12	–
Total	1,009.27	1,162.21

	As at 31st March 2018	As at 31st March 2017
22. OTHER LIABILITIES		
a) Advances received from Customers	17.28	6.30
b) Statutory Dues	100.84	179.91
Total	118.12	186.21

	For the year ended 31st March 2018	For the year ended 31st March 2017
23. REVENUE FROM OPERATIONS		
Revenue from Sale of Products :		
Finished Goods	70,992.85	62,406.00
Traded Goods	11,488.23	14,791.90
Revenue from Sale of Products (A)	82,481.08	77,197.90
Service Income (B)	1,422.42	1,086.43
Other Operating Revenue (C)	27.57	28.76
Total Revenue from Operations (A+B+C)	83,931.07	78,313.09

	For the year ended 31st March 2018	For the year ended 31st March 2017
24. OTHER INCOME :		
Interest Income (Refer Note 24.1)	98.11	126.96
Liabilities no longer required written back	171.31	44.22
Other Non Operating Income (Refer Note 24.2)	168.30	218.74
Total	437.72	389.92

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2018	For the year ended 31st March 2017
24.1 Details of Interest Income		
Interest Income earned on Financial Assets that are not designated at Fair Value through Profit or Loss :		
- on Bank Deposits at Amortised Cost	54.23	90.47
- on Delayed Payment by Customers at Amortised Cost	29.40	34.07
- on Other Deposits at Amortised Cost	14.48	2.42
Total	98.11	126.96

No interest was capitalised during the year.

	For the year ended 31st March 2018	For the year ended 31st March 2017
24.2 Other Non Operating Income		
Royalty	—	35.57
Profit on sale of Current Investments	—	6.31
Gain on Fair Valuation of Investments through Profit and Loss :		
- on Current Investments	80.60	89.78
- on Forward Contracts	—	30.60
Sundry Receipts	87.70	56.48
Total	168.30	218.74

	For the year ended 31st March 2018	For the year ended 31st March 2017
25. COST OF MATERIALS AND COMPONENTS CONSUMED		
Raw Materials (including Packing Materials)	35,009.67	30,981.58
Total	35,009.67	30,981.58

	For the year ended 31st March 2018	For the year ended 31st March 2017
26. PURCHASES OF TRADED GOODS		
Purchase of Traded Goods	6,531.72	6,717.27
Total	6,531.72	6,717.27

	For the year ended 31st March 2018		For the year ended 31st March 2017	
27. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
Opening Stock				
Finished Goods and Stock of Traded Goods	4,111.53		9.42	
Add : Pursuant to Amalgamation	—		3,504.13	
Work-in-Progress	1,438.55		79.10	
Add : Pursuant to Amalgamation	—	5,550.08	1,014.84	4,607.49
Less : Closing Stock				
Finished Goods and Stock of Traded Goods	3,713.87		4,111.53	
Work-in-Progress	1,660.73		1,438.55	
Adjustments for changes in Foreign Currency Rates	(422.25)	4,952.35	554.66	6,104.74
Total		597.73		(1,497.25)

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2018	For the year ended 31st March 2017
28 EMPLOYEE BENEFIT EXPENSES :		
Salaries, Wages and Bonus	11,109.76	10,865.79
Contribution to Provident and other Funds	791.66	449.72
Staff Welfare Expenses	767.63	775.79
Total	12,669.05	12,091.30

28.1 Provident Fund (Funded)

Provident Fund contributions in respect of employees up to August 2017 of erstwhile IFGL Refractories Limited are made to a Trustee managed exempted Fund and interest paid to members thereof is not lower than that declared annually by the Central Government. Shortfall, if any, is made good by the Parent Company. Membership to said Fund has been closed on and from 1st September 2017, subject to necessary approvals and/or permissions.

Based on the final guidance for measurement of Provident Fund Liabilities issued by the Actuarial Society of India, the Parent Company's liability at the year end of ₹ NIL (31st March 2017 : ₹ Nil) has been actuarially determined by an independent actuary using the Projected Unit Credit Method and provided for.

Provident Fund in respect of remaining employees of the Parent Company are made to statutory Provident Fund established by the Central Government. The Parent Company has recognised in the Statement of Profit and Loss for the year ended 31st March 2018 an amount of ₹ 256.25 (31st March 2017 : ₹ 326.08) as expenses under Defined Contribution Plans.

28.2 Gratuity (Funded)

The Parent Company provides Gratuity benefit to its employees. Employees of erstwhile IFGL Refractories Limited are provided Gratuity benefits through a Trustee managed Fund, membership whereof has been closed on and from 1st September 2017 and awaiting merger with that of similar Fund of the Parent Company, subject to necessary approvals and permissions. Gratuity entitlement of the employees is as per provisions of the Payment of Gratuity Act, 1972. However, in case of employees joining before 1st April 2003 of erstwhile IFGL Refractories Limited, they are entitled to Gratuity as per scheme framed by that company or as per Payment of the Gratuity Act, 1972, whichever is higher.

Liabilities with regard to the Gratuity Plan are determined by Actuarial Valuation using the Projected Unit Credit Method, based on which the Parent Company makes contribution to the fund. Most recently, Actuarial Valuation of the Funds was carried out as at 31st March 2018.

28.3 Superannuation (Funded)

Certain employees joined before 31st March 2004 of erstwhile IFGL Refractories Limited are members of a Trustee managed Superannuation Fund. Said Fund provides for Superannuation benefit on retirement/death/incapacitation/termination and was amended from the Defined Benefit to Defined Contribution Plan effective 1st April 2004. Defined benefits were frozen on 31st March 2004. Necessary formalities and approvals have been complied with and obtained.

28.4 Compensated Absence (Unfunded)

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

28.5 Plans at Overseas Subsidiaries

Step down Subsidiaries operate a Defined Contribution Pension Scheme for the benefit of the employees and contributions payable are charged to the Statement of Profit and Loss in the period they render the service. Only Goricon Metallurgical Services Limited (GMSL), a Step down Subsidiary operates a Defined Benefit Pension Scheme. Scheme Assets are measured by the actuary at fair values. Scheme Liabilities are measured on an actuarial basis using the Projected Unit Method and are discounted at appropriate high quality corporate bond rates. A net surplus is recognised only to the extent that it is recoverable by the Company. The current service costs and costs from settlements and curtailments are charged against Operating Profit. Past service costs are spread over the period until the benefit 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.

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

28.6 Following are the further particulars with respect to Defined Benefit Plans of the Group for the year ended 31st March 2018 :

	Gratuity (Funded)		Superannuation (Funded)		Compensated Absence (Unfunded)		Step down Subsidiary Benefit Scheme (Funded)	
	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2018	For the year ended 31st March 2017
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 (including Liabilities taken over pursuant to Amalgamation)	851.29	945.83	114.90	285.94	26.99	24.96	2,363.91	2,459.87
Service Cost	64.46	60.31	–	–	6.46	6.28	–	–
Interest Cost	57.57	62.77	7.79	15.78	1.83	1.78	66.17	79.07
Actuarial (Gains)/Losses	(35.15)	43.67	(0.34)	(24.79)	(9.00)	(5.22)	38.67	448.91
(Benefits Paid)	(33.78)	(261.29)	(4.11)	(162.03)	(0.94)	(0.81)	(68.75)	(241.59)
Exchange Differences on Foreign Plans	–	–	–	–	–	–	292.75	(382.35)
Present Value of Obligation as at the end of the year	904.39	851.29	118.24	114.90	25.34	26.99	2,692.75	2,363.91
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 (including Assets taken over pursuant to Amalgamation)	845.27	918.57	490.28	590.89	–	–	3,246.72	3,273.48
Interest Income	57.92	63.90	33.69	39.26	–	–	91.96	107.18
Remeasurement Gains/(Losses)	5.04	40.14	(4.50)	22.16	–	–	–	–
Contribution by the Company	21.95	83.95	–	–	–	–	–	–
(Benefits Paid)	(33.78)	(261.29)	(4.11)	(162.03)	–	–	(68.75)	(241.59)
Exchange Differences on Foreign Plans	–	–	–	–	–	–	576.61	107.65
Fair Value of Plan Assets at the end of the year	896.40	845.27	515.36	490.28	–	–	3,846.54	3,246.72
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	896.40	845.27	515.36	490.28	–	–	3,846.54	3,246.72
Present Value of Obligation at the end of the year	904.39	851.29	118.24	114.90	25.34	26.99	2,692.75	2,363.91
Assets/(Liabilities) recognised in the Balance Sheet	(7.99)	(6.02)	397.12 #	375.38 #	(25.34)	(26.99)	1,153.79	882.81
# Actual amount of asset in the Balance Sheet Nil (31.03.2017 : Nil)								
d) Expense recognised in the Statement of Profit and Loss :								
Employee Benefit Expenses :								
Service Cost	64.46	60.31	–	–	6.46	6.28	–	–
Net Interest Expenses	(0.35)	(1.13)	(25.90)	(23.48)	1.83	1.78	(25.79)	(28.11)
Non Recoverable Assets written off	–	–	–	–	–	–	(38.67)	(448.91)
Other Comprehensive Income :								
Actuarial (Gain)/Loss	(40.19)	3.53	4.16	(46.95)	(9.00)	(5.22)	38.67	448.91
Total Expense as per the Actuarial Valuation	23.92	62.71	(21.74)	(70.43)	(0.71)	2.84	(25.79)	(28.11)
Actual Expenses Recognised	23.92 **	62.76 **	–	–	(0.71) *	2.84 *	(25.79)	(28.11)

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

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

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 2018	For the year ended 31st March 2017	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2018	For the year ended 31st March 2017
	%	%	%	%	%	%	%	%
e) Category of Plan Assets :								
GOI Securities	0.45	0.92	2.13	2.83	NA	NA	–	–
Bonds	0.19	0.19	0.13	0.71	NA	NA	–	–
State Government/State Government Guaranteed Securities	–	–	–	–	NA	NA	–	–
Units of Insurers	98.47	96.58	93.89	92.29	NA	NA	–	–
Others (including Bank Balances)	0.89	2.31	3.85	4.17	NA	NA	–	–
Scottish Mutual with Profit Deferred Annuity	–	–	–	–	NA	NA	100.00	100.00
	100.00	100.00	100.00	100.00	NA	NA	100.00	100.00
f) Principal Actuarial Assumptions :								
Discount Rate (per annum) (%)	7.60	6.90	7.60	6.90	7.60	6.90	2.60	2.70
Rate of Increase in Salaries (%)	6.00	6.00	NA	NA	6.00	6.00	NA	NA
Remaining Working Life (in years)	22.31	22.05	9.08	9.74	23.21	22.92	2.20	2.10
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	62.96	103.99	29.19	61.42	NA	NA	NA	NA
@ The mortality assumptions adopted at 31st March 2018 imply the following future life expectancies :								
Male currently age 65							22.10	22.20
Female currently age 65							24.00	24.10

g) Other Disclosures :

The basis used to determine overall Expected Return on Assets and the major categories of Plan Assets are as follows :

The major portion of the Assets is invested in Units of Insurers and Government Bonds. Based on the asset allocation and prevailing yield rates on these asset classes, the Long-Term estimate of the Expected Rate of Return on the Fund have been arrived at. Assumed Rate of Return on Assets is expected to vary from year to year reflecting the returns on matching Government Bonds.

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

Sensitivity Analysis

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

	31st March 2018		31st March 2017	
	Impact on Defined Benefit Obligation (Gratuity)			
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%) % change compared to base due to sensitivity	(43.21)	48.23	(47.33)	52.93
Salary Growth Rate (-/+ 1%) % change compared to base due to sensitivity	48.28	(44.16)	52.22	(48.03)

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	31st March 2018		31st March 2017	
	Impact on Defined Benefit Obligation (Superannuation)			
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%) % change compared to base due to sensitivity	(2.84)	2.95	(3.67)	3.86
Salary Growth Rate (-/+ 1%) % change compared to base due to sensitivity	NA	NA	NA	NA

	31st March 2018		31st March 2017	
	Impact on Defined Benefit Obligation Compensated Absence)			
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%) % change compared to base due to sensitivity	(1.74)	1.96	(2.03)	2.30
Salary Growth Rate (-/+ 1%) % change compared to base due to sensitivity	1.96	(1.78)	2.30	(2.07)

	31st March 2018		31st March 2017	
	Impact on Step down Subsidiary Benefit Scheme (Funded)			
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%) % change compared to base due to sensitivity	(53.86)	53.86	(47.28)	47.28
Inflation Rate (-/+ 0.1%) % change compared to base due to sensitivity	53.86	(53.86)	47.28	(47.28)
Life Expectancy (-/+1 year) change in compared to base due to sensitivity	53.86	(53.86)	47.28	(47.28)

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

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

Risk Exposure :

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

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

Defined Benefit Liability and Employer Contributions

Expected contributions to post employment benefit plans for the year ending 31st March 2019 : Nil

The Weighted Average duration of the Defined Benefit Obligation (Gratuity) is 10 years (31st March 2017 - 6 years). The expected maturity analysis of undiscounted Gratuity is as follows :

	31st March 2018	31st March 2017
Year 1	38.53	33.75
Year 2	421.17	46.62
Year 3	97.51	53.77
Year 4	51.13	445.17
Year 5	117.86	50.81
Year 6 to 10	549.84	490.37

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

The Weighted Average duration of the Defined Benefit Obligation (Superannuation) is 3 years (31st March 2017 - 4 years). The expected maturity analysis of payment for Superannuation is as follows :

	31st March 2018	31st March 2017
Year 1	6.46	6.12
Year 2	81.62	7.71
Year 3	9.31	7.67
Year 4	5.98	78.33
Year 5	24.75	5.68
Year 6 to 10	4.43	23.40

The Weighted Average duration of the Defined Benefit Obligation (Compensated Absences) is 10 years (31st March 2017 - 6 years). The expected maturity analysis of payment for Compensated Absences is as follows :

	31st March 2018	31st March 2017
Year 1	1.85	1.27
Year 2	1.16	2.38
Year 3	1.94	2.18
Year 4	1.90	2.94
Year 5	0.87	3.20
Year 6 to 10	20.87	26.49

	For the year ended 31st March 2018	For the year ended 31st March 2017
29. FINANCE COSTS		
Interest	396.79	448.71
Other Borrowing Cost	—	4.02
Total	396.79	452.73

	For the year ended 31st March 2018	For the year ended 31st March 2017
30. OTHER EXPENSES :		
Consumption of Stores and Spare Parts	1,842.44	1,786.69
Power and Fuel	2,330.15	1,990.69
Rent	491.56	527.40
Rates and Taxes	216.10	237.02
Repairs :		
- Machinery	278.28	312.47
- Buildings	74.65	78.13
- Others	560.43	913.36
Insurance	240.15	241.69
Payment to Auditors	82.94	83.61
Directors' Fees	8.60	7.35
Allowance for Doubtful Trade Receivables/Advances	291.34	963.93
Sundry Debit Balances/Advances Written off	20.81	80.05
Travelling and Conveyance	1,349.03	1,404.26
Site Contractor Expenses	1,114.32	1,134.04
Processing Charges	485.25	377.59
Corporate Social Responsibility Expenditure	12.20	72.00
Professional Charges	915.97	841.13
Postage, Telephone, Telex etc.	215.47	228.47
Service Charges	264.98	217.40
Commission and Brokerage	1,659.68	1,316.48
Packing Expenses	2,284.41	2,189.55
Delivery and Forwarding Expenses	3,041.42	2,382.00
Net Loss/(Gain) on Sale/Discard of Property, Plant and Equipment/Investment	3.43	(22.71)
Net Loss/(Gain) on Foreign Exchange Rate Fluctuation and Translation	(996.15)	(9.86)
Miscellaneous Expenses	1,344.85	1,376.69
Total	18,132.31	18,372.01

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2018	For the year ended 31st March 2017
31. EARNINGS PER SHARE (EPS) – THE NUMERATORS AND DENOMINATORS USED TO CALCULATE BASIC AND DILUTED EPS		
Profit after Tax attributable to the Equity Shareholders (A)	4,712.15	4,995.93
Weighted Average number of Equity Shares (in numbers) (B)	36,039,312	36,039,312
Nominal Value of Equity Shares (in ₹)	10.00	10.00
Basic EPS (A/B)	13.08	13.86
Diluted EPS (A/B)	13.08	13.86

	As at 31st March 2018	As at 31st March 2017
32. CONTINGENT LIABILITIES		
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 (31st March 2017 : ₹ 21.05)]	62.93	62.93
ii) Income Tax matters under dispute relating to issues of applicability and determination	212.32	10.04
iii) Service Tax matters under dispute relating to issues of applicability and classification	1.54	3.20

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.

	As at 31st March 2018	As at 31st March 2017
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	852.56	101.32
Total	852.56	101.32

34. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES :

34.1 Capital Management

The Group aims at maintaining a strong capital base maximizing Shareholders' wealth safeguarding business continuity and augments its internal generations with a judicious use of borrowing facilities to fund spikes in working capital that arise from time to time as well as requirements to finance business growth

34.2 Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's Consolidated Financial Instruments :

	As at 31st March 2018		As at 31st March 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial Assets				
a) Measured at Amortised Cost				
i) Cash and Cash Equivalents	7,372.60	7,372.60	5,438.62	5,438.62
ii) Other Bank Balances	737.65	737.65	165.32	165.32
iii) Investment	52.05	53.81	52.05	53.79
iv) Trade Receivables	28,444.00	28,444.00	22,833.82	22,833.82
v) Other Financial Assets	389.27	389.27	301.60	301.60
Sub-total	36,995.57	36,997.33	28,791.41	28,793.15
b) Measured at Fair Value through Profit or Loss				
i) Investment In Mutual Funds	1,270.38	1,270.38	1,189.78	1,189.78
Sub-total	1,270.38	1,270.38	1,189.78	1,189.78
Total Financial Assets	38,265.95	38,267.71	29,981.19	29,982.93

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2018		As at 31st March 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
B. Financial Liabilities				
a) Measured at Amortised Cost				
i) Borrowings	11,245.75	11,245.75	8,397.64	8,397.64
ii) Trade Payables	12,540.65	12,540.65	11,681.24	11,681.24
iii) Other Financial Liabilities	374.76	374.76	331.30	331.30
Sub-total	24,161.16	24,161.16	20,410.18	20,410.18
Total Financial Liabilities	24,161.16	24,161.16	20,410.18	20,410.18

The Management assessed that Cash and Cash Equivalents, Trade Receivables, Trade Payables, other Financial Assets and other Financial Liabilities approximate their carrying amounts largely due to the Short-Term maturities of these instruments.

The fair value of Loans from Banks, Trade Payables and other Financial Liabilities, as well as other Non-current Financial Liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The fair values of the Group's interest bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2018 was assessed to be insignificant. The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

34.3 Financial Risk Management Objectives

The Group's activities expose it to a variety of Financial Risks, including Market Risk, Credit Risk and Liquidity Risk. The Group continues to focus on a system based approach to Business Risk management. The Group's Financial Risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong Internal Control Systems, the Current Risk management System rests on policies and procedures issued by appropriate authorities; process of regular reviews/audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

a) Market Risk

The Group's Financial Instruments are exposed to market changes. The Group is exposed to the following significant Market Risk :

- Foreign Currency Risk
- Interest Rate Risk
- Other Price Risk

Market Risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to Market Risks or the manner in which these risks are being managed and measured.

Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below :

Quoted Prices in an active market (Level 1) : This level of hierarchy includes Financial Assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of Investment in quoted Equity Shares and Mutual Fund Investments.

Valuation Techniques with observable inputs (Level 2) : This level of hierarchy includes Financial Assets and Liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level of hierarchy does not include any instrument.

Valuation Techniques with significant unobservable inputs (Level 3) : This level of hierarchy includes Financial Assets and Liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

As at 31st March 2018				
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in Mutual Funds	1,270.38	–	–	1,270.38
	1,270.38	–	–	1,270.38
Financial Liabilities				
Derivative Instruments not designated as Hedging Instruments	9.12	–	–	9.12
	9.12	–	–	9.12

As at 31st March 2017				
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in Mutual Funds	1,189.78	–	–	1,189.78
Derivative Instruments not designated as Hedging Instruments	30.60	–	–	30.60
	1,220.38	–	–	1,220.38

i. Foreign Currency Risk

The Group undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Company's functional currency (Indian Rupees).

A significant portion of these transactions are in US Dollar, Euro etc. The carrying amount of foreign currency denominated financial assets and liabilities including derivative Contracts, are as follows :

As at 31st March 2018	USD	Euro	GBP	Others	Total
Financial Assets	3,194.02	8,891.53	326.50	9.67	12,421.72
Financial Liabilities	4,947.20	5,174.70	18.19	47.95	10,188.04
As at 31st March 2017					
Financial Assets	5,424.39	11,830.17	175.38	9.29	17,439.23
Financial Liabilities	4,018.05	602.53	2,083.69	35.52	6,739.79

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

The Group enters into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

	As at 31st March 2018	As at 31st March 2017
Forward Contracts to sell € 21 (31st March 2017: € 2.50)	1,842.40	192.58

Hedging against the underlying INR borrowings by which :

- Group will receive principal in INR and pay in foreign currency
- Group will receive fixed interest in INR and pay fixed/floating interest in foreign currency

Un-hedged Foreign Currency balances :

		As at 31st March 2018	As at 31st March 2017
i) Financial Liabilities	USD	4,947.20	4,018.05
	EUR	5,174.70	602.53
	GBP	18.19	2,083.69
	Others	47.96	35.52
ii) Financial Assets	USD	3,194.02	5,424.39
	EUR	7,049.13	11,637.60
	GBP	326.50	175.38
	Others	9.67	9.29

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

Foreign Currency Sensitivity

Foreign Currency Sensitivities for unhedged exposure (impact on increase in 5%)

	As at 31st March 2018	As at 31st March 2017
USD	(62.34)	(131.74)
EUR	183.91	294.59
GBP	15.42	(95.42)
Others	(1.91)	(1.31)

Note : If the rate is decreased by 5% profit will increase/(decrease) by an equal amount.

Figures in brackets indicate decrease in profit.

ii. Interest Rate Risk

Interest Rate Risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The objectives of the Group's Interest Rate Risk management processes are to lessen the impact of adverse interest rate movements on its earnings and cash flows and to minimise counter party risks.

The Group is exposed to interest rate volatilities primarily with respect to its term borrowings from Banks as well as Financial Institutions, export packing credit facilities, cash credit facilities. Such volatilities primarily arise due to changes in money supply within the economy and/or liquidity in banking system due to asset/liability mismatch, poor quality assets etc of banks. The Group manages such risk by operating with banks having superior credit rating in the market as well as Financial Institutions.

Interest Rate Sensitivities for outstanding exposure (impact on increase in 50 bps)

	As at 31st March 2018	As at 31st March 2017
INR	13.46	11.39
USD	20.75	16.85
EUR	24.16	15.02

Note : If the rate is decreased by 50 bps profit will increase by an equal amount.

Interest Rate Sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period. Further, the calculations for the unhedged floating rate borrowing have been done on the notional value of the foreign currency (excluding the revaluation).

iii. Price Risk

The Group invests its surplus funds primarily in debt mutual funds measured at fair value through profit or loss. Aggregate value of such investments as at 31st March 2018 is ₹ 1,270.38 (31st March 2017 : ₹ 1,189.78; 31st March 2016 : ₹ Nil). Investments in the Mutual Fund schemes are measured at fair value. Accordingly, these do not pose any significant Price Risk.

b) Liquidity Risk

Liquidity Risk is the risk that the Group may encounter difficulty in meeting its obligations. The Group mitigates its liquidity risks by ensuring timely collections of its trade receivables, close monitoring of its credit cycle and ensuring optimal movements of its inventories. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date

	As at 31st March 2018		As at 31st March 2017	
	Current	Non-Current	Current	Non-Current
A. Financial Assets				
i) Cash and Cash Equivalents	7,372.60	–	5,438.62	–
ii) Other Bank Balances	737.65	–	165.32	–
iii) Trade Receivables	28,444.00	–	22,833.82	–
iv) Other Financial Assets	178.57	210.70	163.19	107.81
v) Investment In Mutual Funds	1,270.38	–	1,189.78	–
vi) Investment in Bond	–	52.05	–	52.05
vii) Derivative Instruments not designated as Hedging Instruments	–	–	30.60	–
Total	38,003.20	262.75	29,821.33	159.86

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2018		As at 31st March 2017	
	Current	Non-Current	Current	Non-Current
B. Financial Liabilities				
i) Borrowings	9,193.50	2,052.25	6,961.33	1,436.31
ii) Trade Payables	12,540.65	–	11,681.24	–
iii) Other Financial Liabilities	374.76	–	331.30	–
Total	22,108.91	2,052.25	18,973.87	1,436.31

The Group manages this risk by utilising unused credit lines and portfolio diversion. The Group has investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes.

Credit Risk

Credit Risk is the risk that counter party will not meet its obligations leading to a financial loss. The Group has its policies to limit its exposure to credit risk arising from outstanding receivables. Management regularly assess the credit quality of its customer's basis which, the terms of payment are decided. Credit limits are set for each customer which are reviewed on periodic intervals.

The movement of the expected loss provision made by the Group are as under:

	As at 31st March 2018	As at 31st March 2017
Opening Balance	1,306.69	–
Add : Pursuant to Scheme of Amalgamation (Refer Note 38)	–	342.76
Add : Provisions made	291.34	963.93
Less : Utilisation made for impairment/derecognition	(343.41)	–
Closing Balance	1,254.62	1,306.69

35. RELATED PARTY DISCLOSURE :

Related Party Disclosures in keeping with Indian Accounting Standard (Ind AS 24)

a) List of Related Parties

Where Control exists	
Parent	Bajoria Holdings Private Limited (till 14th March 2018)# Erstwhile IFGL Refractories Limited (ceased to be Holding Company post Amalgamation) Bajoria Financial Services Private Limited (with effect from 15th March 2018)#
Fellow Subsidiaries	Heritage Health Insurance TPA Private Limited Bajoria Financial Services Private Limited (till 14th March 2018)# Ganges Art Gallery Private Limited Bajoria Enterprises Limited Heritage Health Knowledge Services Private Limited
Others :	
Key Management Personnel	S K Bajoria (Chairman with effect from 5th August 2017. Was Chairman of erstwhile IFGL Refractories Limited till 4th August 2017) P Bajoria (Managing Director with effect from 5th August 2017. Was Managing Director of erstwhile IFGL Refractories Limited till 4th August 2017) Rajesh Agarwal (Company Secretary with effect from 5th August 2017. Was Company Secretary of erstwhile IFGL Refractories Limited till 4th August 2017) Kamal Sarda (Director and Chief Executive Officer. Also held office of Chief Financial Officer from 5th August 2017 to 10th February 2018) Kanhaiya Poddar (Chief Financial Officer till 4th August 2017) Sikander Yadav (Chief Financial Officer with effect from 10th February 2018)
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 Service Providers LLP

#Pursuant to Order dated 13th March 2018 of the Hon'ble National Company Law Tribunal, Kolkata Bench which became effective on 15th March 2018 consequent to filing of the Order with Ministry Corporate Affairs (Registrar of Companies), the Shares of the Parent Company held by Bajoria Holdings Private Limited (BHPL) has got transferred to and/or vested in Bajoria Financial Services Private Limited (BFSPL).

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	For the year ended 31st March 2018	For the year ended 31st March 2017
Particulars of Transactions during the year and year end balances		
IA) With Parent : Bajoria Holdings Private Limited (till 14th March 2018)		
Rent for Office Premises	33.67	36.73
Expenses Reimbursement/Incurred	–	1.13
	33.67	37.86
IB) With Parent : Bajoria Financial Services Private Limited (with effect from 15th March 2018)		
Rent for Office Premises	3.06	–
	3.06	–
Year End Balances (Trade Payable)		
II) With Fellow Subsidiaries		
Expenses Reimbursement/Incurred		
Ganges Art Gallery Private Limited	0.90	0.62
Bajoria Enterprises Limited	12.00	12.00
	12.90	12.62
III) With Key Management Personnel		
Key Management Personnel Remuneration		
S K Bajoria (Chairman)	159.87	208.07
P Bajoria (Managing Director)	275.86	263.39
Kamal Sarda (Director and Chief Executive Officer)	87.20	65.38
Rajesh Agarwal (Company Secretary)	88.49	79.49
Kanhaiya Poddar (Chief Financial Officer till 4th August 2017)	13.66	32.06
Sikander Yadav (Chief Financial Officer with effect from 10th February 2018)	17.01	–
	642.09	648.39
Director's Commission		
S K Bajoria (Chairman)	33.93	28.00
P Bajoria (Managing Director)	15.52	22.00
	49.45	50.00
Year End Balances		
Director's Remuneration Payable		
P Bajoria (Managing Director)	32.65	–
	32.65	–
Director's Commission Payable		
S K Bajoria (Chairman)	33.93	28.00
P Bajoria (Managing Director)	15.52	22.00
	49.45	50.00
IV) With Relative of Key Management Personnel		
Remuneration		
Mihir Bajoria	110.31	125.28
Akshay Bajoria	26.80	23.07
	137.11	148.35

36. OPERATING LEASE COMMITMENTS

The Group entered into various non-cancellable 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 :

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March 2018	As at 31st March 2017
Within 1 Year	370.18	297.11
More than 1 Year upto 5 Years	443.43	537.55
Total	813.61	834.66

Lease rentals recognised in Note 30 of the Statement of Profit and Loss amount to ₹ 370.18 (31st March 2017 : ₹ 297.11)

37. FIRST TIME ADOPTION

Ind AS 101 (First time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first time adopters.

The Parent Company has prepared the opening Standalone Balance Sheet as per Ind AS as of 1st April 2016 (the transition date) by :

- a. recognising all assets and liabilities whose recognition is required by Ind AS,
- b. not recognising items of assets or liabilities which are not permitted by Ind AS,
- c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS and
- d. applying Ind AS in measurement of recognised assets and liabilities.

The Parent Company did not have any Subsidiary till 31st March 2016 and hence preparation of Consolidated Financial Statement was not applicable to it. Ind AS 101 allows first time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions in its Financial Statements :

- a. Property, Plant and Equipment including Capital Work-in-Progress and Intangible Assets were carried in the Statement of Financial Position prepared under Previous GAAP as at 31st March 2016. The Group has elected to regard such carrying amount as deemed cost at the date of transition i.e. 1st April 2016.
- b. Ind AS 103 Business Combinations has not been applied in respect of mergers which are considered businesses for Ind AS that occurred before 1st April 2016. Use of this exemption means that the previous GAAP carrying amounts of assets and liabilities, which are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with Ind AS. Assets and Liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS Statement of Financial Position. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

Estimates

An entity's estimate in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Classification and measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of Financial Assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS. Further, the standard permits measurement of Financial Assets accounted at amortised cost based on facts and circumstances existing on the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of Financial Assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS. Measurement of the Financial Assets accounted at amortised cost has been done retrospectively except where the same is impracticable. Ind AS requires an entity to reconcile Equity, Total Comprehensive Income and Cash Flows for prior periods. The following tables represent such reconciliations from previous GAAP to Ind AS.

i) Reconciliation of the Financial Results to those reported under previous GAAP are summarised as follows :

	For the year ended 31st March 2017
Profit after Tax as reported under previous GAAP	4,419.22
Add/(Less) : Ind AS adjustments	
Impact of measuring Investments at Fair Value through Profit or Loss (FVTPL)	89.78
Impact of measuring Derivative Financial Instruments at Fair Value	30.60
Reclassification of Actuarial Gains/Losses, arising in respect of Employee Benefit Schemes to Other Comprehensive Income (OCI)	447.27
Tax Adjustments	9.06
Profit after Tax as reported under Ind AS	4,995.93
Other Comprehensive Income (Net of Tax)	(447.84)
Total Comprehensive Income as reported under Ind AS	4,548.09

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

ii) Reconciliation of Total Equity as at 31st March 2017 as previously reported under previous GAAP to Ind AS :

	Notes	As at 31st March 2017
Equity as reported under previous GAAP		68,448.70
Add/(Less) : Ind AS adjustments		
Impact of measuring Investments at Fair Value through Profit or Loss (FVTPL)	(iii)	89.78
Impact of measuring Derivative Financial Instruments at Fair Value	(iv)	30.60
Reclassification of Actuarial Gains/Losses, arising in respect of Employee Benefit Schemes to Other Comprehensive Income (OCI)	(v)	447.27
Tax Adjustments		9.06
Other Comprehensive Income (Net of Tax)		(447.84)
Equity as reported under Ind AS		68,577.57

iii) Under previous GAAP, Current Investments were stated at lower of cost and fair value. Under Ind AS, these Financial Assets have been classified as FVTPL on the date of transition and fair value changes after the date of transition has been recognised in Profit or Loss.

iv) Under previous GAAP, the net mark to market losses on Derivative Financial Instruments, as at the Balance Sheet date, were recognised in Profit or Loss, and the net gains, if any, were ignored. Under Ind AS, such Derivative Financial Instruments are to be recognised at fair value and the movement is recognised in Profit or Loss.

v) Under Ind AS, remeasurement gains and losses (i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit obligations) are recognised in the Other Comprehensive Income instead of Profit or Loss.

vi) The transition from Indian GAAP to Ind AS has not had a material impact on the Statement of Cash Flows.

38. INFORMATION GIVEN IN ACCORDANCE WITH THE REQUIREMENTS OF IND AS 108 ON SEGMENT REPORTING :

The Group is engaged in the business of manufacturing refractories across the globe. The operating segments have been identified based on the different geographical areas where major entities within the Group operate and which is also the basis on which the Chief Operating Decision Maker (CODM) reviews and assess the Group's performances.

The Group's reportable segments and segment information is presented below :

A) Primary Segment Reporting (by Geographical location of Operations)

i) Composition of Geographical Segments

The Group is predominantly a Manufacturer and Trader of Specialised Refractories and accordingly a single business segment group. The Group has adopted the geographical location of its operations (where its products are produced or service rendering activities are based) as its primary segment and presented the related information accordingly together with corresponding figures for the previous year. The Group's production facilities have been segmented into India, Europe (United Kingdom, Germany and Czech Republic), Asia excluding India (China) and America (USA).

ii) Inter Segment Transfer Pricing

Inter Segment Prices are normally negotiated amongst the segments with reference to the Costs, Market Prices and Business Risks, within an overall optimisation objective for the Group.

iii) Segment Revenues, Result and Other Information

	India	Europe	Asia Excluding India	America	Total of Reportable Segments
External Sales	43,848.08	22,279.20	1,230.44	16,573.35	83,931.07
	38,134.07	21,691.59	875.16	17,612.27	78,313.09
Inter Segment Sales	877.59	707.23	4,970.88	94.16	6,649.86
	807.75	1,325.43	5,190.48	135.16	7,458.82
Segment Revenues	44,725.67	22,986.43	6,201.32	16,667.51	90,580.93
	38,941.82	23,017.02	6,065.64	17,747.43	85,771.91
Segment Result	3,750.59	1,408.97	337.39	1,559.55	7,056.50
	1,668.11	2,095.77	702.37	1,986.82	6,453.07

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

	India	Europe	Asia Excluding India	America	Total of Reportable Segments
Segment Assets	59,757.23	18,661.94	2,615.31	10,378.39	91,412.87
	53,821.16	13,807.36	1,748.53	9,176.98	78,554.03
Segment Liabilities	8,358.47	5,202.47	856.38	2,483.87	16,901.19
	5,388.93	3,914.77	905.39	1,334.40	11,543.49
Capital Expenditure (Net)	1,125.42	326.74	134.21	211.48	1,797.85
	27,638.87	198.14	47.11	224.57	28,108.69
Depreciation and Amortisation	3,797.21	320.44	40.71	221.20	4,379.56
	3,701.24	374.40	96.32	233.39	4,405.35
Non Cash Expenses other than Depreciation	207.36	98.29	–	6.50	312.15
	760.96	267.53	–	15.49	1,043.98

iv) Reconciliation of Reportable Segments with the Financial Statements

	Revenues	Net Profit	Assets	Liabilities @
Total of Reportable Segments	90,580.93	7,056.50	91,412.87	16,901.19
	85,771.91	6,453.07	78,554.03	11,543.49
Corporate - Unallocated (Net)/Adjustments	437.72	(405.07)	8,439.78	7,751.95
	389.92	(549.16)	10,890.87	9,323.84
Inter Segment Sales	(6,649.86)	–	–	–
	(7,458.82)	–	–	–
Interest (Net)	–	(396.79)	–	–
	–	(452.73)	–	–
Provision for Taxation	–	–	–	–
- Current	–	(1,451.81)	–	–
	–	(1,294.42)	–	–
- Deferred	–	(104.57)	–	–
	–	839.17	–	–
- Excess Provision of Tax relating to earlier years written back	–	13.89	–	–
	–	–	–	–
As per Financial Statements	84,368.79	4,712.15	99,852.65	24,653.14
	78,703.01	4,995.93	89,444.90	20,867.33

@ Excluding Total Equity

@@ Profit after Taxation and before Non-controlling Interest

v) Revenue from sales to external customers for customer based Geographical Segments

	Total
India	18,917.25
	17,859.12
United Kingdom	3,703.14
	3,658.71
Europe other than United Kingdom	28,885.18
	25,581.64
Asia Excluding India	9,117.83
	7,977.91
Americas	18,043.85
	19,637.49
Others	5,263.82
	3,598.22
Total Sales	83,931.07
	78,313.09

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 minus Total Liabilities)		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent								
IFGL Refractories Limited (Formerly known as IFGL Exports Limited)	65.04	48,912.81	47.92	2,257.98	(494.00)	32.17	48.67	2,290.15
	69.25	47,490.19	36.36	1,816.34	0.00	1.07	39.96	1,817.41
Subsidiary (Foreign)								
IFGL Worldwide Holdings Limited	34.96	26,286.70	52.08	2,454.17	594	(38.68)	51.33	2,415.49
	30.74	21,084.33	63.66	3,180.49	100	(448.99)	60.06	2,731.50
Non controlling Interests in all Subsidiaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.01	3.05	(0.02)	(0.90)	0.00	0.08	(0.02)	(0.82)
Total	100.00	75,199.51	100.00	4,712.15	100.00	(6.51)	100.00	4,705.64
	100.00	68,577.57	100.00	4,995.93	100.00	(447.84)	100.00	4,548.09

Figures in Bold type relate to current year

40. AMALGAMATION WITH ERSTWHILE IFGL REFRACTORIES LIMITED (THE ERSTWHILE PARENT)

Hon'ble National Company Law Tribunal, Kolkata Bench (Tribunal) by passing an Order on 3rd August 2017 under Sections 230 and 232 of the Companies Act 2013 has sanctioned a Scheme of Amalgamation (Scheme) for merger of erstwhile IFGL Refractories Limited (IFGL) with the Parent Company on and from 1st April 2016, being the Appointed Date. Scheme has become effective from 5th August 2017 following filing of Order of Hon'ble Tribunal with the Ministry of Corporate Affairs (Registrar of Companies) by the Parent Company and IFGL on that date. The Scheme has accordingly been given effect to in these Financial Statements.

In accordance with the provisions of aforesaid Scheme :

- The Share swap ratio was 1:1 i.e. for 1 Equity Share held in erstwhile IFGL Refractories Limited on the record date, the Parent Company had issued and allotted 1 Equity Share of the face value of ₹ 10/- each fully paid up.
- The Amalgamation has been accounted under the 'Purchase Method' as prescribed by Accounting Standard 14 - Accounting for Amalgamations under the previous GAAP. The accounting treatment has been given as under :
 - The assets and liabilities of the erstwhile IFGL Refractories Limited as at 1st April 2016 have been incorporated at the fair values in the Financial Statements of the Parent Company.
 - All inter corporate balances and obligations (including investments held by the erstwhile IFGL Refractories Limited in the Parent Company, advances, outstanding balances or other obligations) between the Parent Company and the erstwhile IFGL Refractories Limited stands cancelled.
- The excess of the value of Equity Shares issued by the Parent Company over the book value of assets and liabilities taken over by the Parent Company and cancellation of Equity Shares held by the erstwhile IFGL Refractories Limited in the Parent Company, amounting to ₹ 26,699.46 has been recorded as goodwill arising on amalgamation.
- Pursuant to approved share swap ratio, the Parent Company has issued and allotted on 18th September 2017, 34,610,472 equity shares of ₹ 10/- each (with a premium of ₹ 120 per share) to the Shareholders of erstwhile IFGL Refractories Limited. Equity Shares of the Parent Company has been listed on both BSE Limited and National Stock Exchange of India Limited.
- In accordance with the Scheme, the goodwill recorded on amalgamation has been amortised and the Parent Company has estimated its useful life of 10 years. Accordingly, amortisation for the year amounting to ₹ 2,669.95 has been recognised in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements (Contd.)

(₹ in lacs)

The value of Goodwill has been determined as below :

Assets	
Non-Current Assets	10,070.74
Current Assets	14,983.60
Total Assets (A)	25,054.34
Liabilities	
Non-Current Liabilities	177.83
Current Liabilities	8,515.66
Total Liabilities (B)	8,693.49
Net Assets Taken Over (C) = (A - B)	16,360.85
Cancellation of Equity Shares held by the erstwhile IFGL Refractories Limited in the Company (D)	148.71
Purchase Consideration (E)	43,209.02
Goodwill arising on Amalgamation (G) = (E - C - D)	26,699.46

- f. Trading in Equity Shares of the Parent Company both on BSE Limited and National Stock Exchange of India Limited has commenced with effect from 14th November 2017.
- g. Name of the Parent Company changed to IFGL Refractories Limited with effect from 25th October 2017.
- h. Registered Office of the Parent Company shifted to the state of Odisha on and from 24th November 2017.

41. INCOME TAX EXPENSE

This note provides an analysis of the Group's Income Tax Expense, shows amounts that are recognised directly in Equity and how the tax expenses is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to Tax positions.

	For the year ended 31st March 2018	For the year ended 31st March 2017
a) Income Tax Expense		
Current Tax on Profits for the year	1,451.81	1,294.42
Excess provision of Tax relating to earlier years written back	(13.89)	—
Total Current Tax Expense	1,437.92	1,294.42
b) Deferred Tax		
(Increase) in Deferred Tax Assets	(864.40)	(2,237.68)
Increase in Deferred Tax Liabilities	968.97	1,398.51
Total Deferred Tax Expense	104.57	(839.17)
Income Tax Expense (a + b)	1,542.49	455.25
Current Tax Expense recognised in Profit or Loss		
Current Tax on Profits for the year	1,451.81	1,294.42
Excess provision of Tax relating to earlier years written back	(13.89)	—
Total Current Tax Expense (A)	1,437.92	1,294.42
Deferred Tax Expense recognised in Profit or Loss		
Deferred Taxes	104.57	(839.17)
Total Deferred Tax Expense recognised in Profit or Loss (B)	104.57	(839.17)
Deferred Tax Expense recognised in Other Comprehensive Income		
Deferred Taxes	17.02	0.57
Total Deferred Tax Expense recognised in Other Comprehensive Income (C)	17.02	0.57
Total Deferred Tax for the year (B + C)	121.59	(838.60)
Total Income Tax Expense recognised in Profit or Loss (A + B)	1,542.49	455.25
Total Income Tax Expense (A + B + C)	1,559.51	455.82

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

(₹ in lacs)

Reconciliation of Tax Expense and the accounting profit multiplied by India's Tax Rate :

	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit before Tax	6,254.64	5,451.18
Tax at the Indian Tax rate of 34.608% (2016-2017 : 34.608%)	2,164.60	1,886.54
Effect of items not deductible/exempt from tax/items on which different tax rates are applicable	(260.48)	744.27
Effect of permanent difference on account of Ind AS adjustments	54.13	41.66
Benefit of Unabsorbed Depreciation	221.18	(1,780.09)
Difference in tax rates of Subsidiary Companies	(619.92)	(436.56)
Income Tax Expense	1,559.51	455.82

42. PREVIOUS YEAR FIGURES

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

Signature to Note '1' to '42'

On behalf of the Board of Directors

Kamal Sarda
Director and Chief Executive Officer

S K Bajoria
Chairman

P Bajoria
Managing Director

Kolkata
19th May 2018

Rajesh Agarwal
Company Secretary

Sikander Yadav
Chief Financial Officer

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