

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

To
The Board of Directors of
IFGL Refractories Limited

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of IFGL Refractories Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended March 31, 2021 and for the year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- i. includes the results of the entities as mentioned in Annexure 1;
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2021 and for the year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent

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

Emphasis of Matter

We draw attention to

- a) Note 4 to the consolidated financial results, relating to amalgamation of the erstwhile IFGL Refractories Limited with the Holding Company (the amalgamated entity was thereafter renamed as IFGL Refractories Limited) with effect from April 01, 2016 following Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal, Kolkata Bench, vide its Order date August 03, 2017, under the provisions of sections 230 and 232 of the Companies Act, 2013 (the "Scheme"). Pursuant to the Scheme, the aforesaid business combination was recognized under the 'Purchase Method' as defined under Accounting Standard (AS) 14, Accounting for Amalgamations, and Goodwill arising on such amalgamation aggregating Rs. 26,699 lakhs had been recognized. Based on management's assessment, such Goodwill is being amortized over a period of ten years with a charge of Rs. 667 lakhs per quarter. As per Indian Accounting Standard (Ind AS) 103, Business Combinations, the aforesaid amalgamation had to be recognized under 'Pooling of Interest Method' since these were entities under common control.
- b) Note 5 to the consolidated financial results regarding Holding Company's position with respect to determination of tax payable after the introduction of the 'Explanation' to Section 10AA(1) of the Income Tax Act, 1961 inserted on and from assessment year beginning April 01, 2018 for which the Holding Company has filed a writ which has been admitted by the Hon'ble High Court at Calcutta. Pending decision by the Hon'ble High Court, uncertainty exists as regards realisability of resultant recognized deferred tax assets of Rs. 1,204 lakhs.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation

and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk

of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter

The accompanying Statement includes the audited financial statements and other financial information, in respect of seven (7) subsidiaries (including step-down subsidiaries), whose financial statements include total assets of Rs 56,094 lakhs as at March 31, 2021, total revenues of Rs 12,502 lakhs and Rs 45,301 lakhs, total net profit after tax of Rs. 836 lakhs and Rs 2,166 lakhs, total comprehensive income of Rs. 836 lakhs and Rs 2,166 lakhs, for the quarter and the year ended on that date respectively, and net cash inflows of Rs 4,413 lakhs for the year ended March 31, 2021, as considered in the Statement which have been audited by their respective independent auditors.

The independent auditor's report on the financial statements of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

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

The accompanying Statement includes unaudited financial statements and other unaudited financial information in respect of six (6) subsidiaries (including step-down subsidiaries), whose financial statements and other financial information reflect total assets of Rs 19,501 lakhs as at March 31, 2021, and total revenues of Rs 206 lakhs and Rs 496 lakhs, total net loss after tax of Rs 17 lakhs and Rs 54 lakhs, total comprehensive loss of Rs 17 lakhs and Rs 54 lakhs, for the quarter and the year ended on that date respectively and net cash inflows of

Rs. 11 lakhs for the year ended March 31, 2021, whose financial statements and other financial information have not been audited by any auditor.

These unaudited financial statements have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

The Statement includes the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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Sarkar

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Bhaswar Sarkar
Date: 2021.06.05
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per Bhaswar Sarkar

Partner

Membership No.: 055596

UDIN: 20155596AAAABV5189

Kolkata

June 5, 2021

Annexure I

List of Subsidiaries (including stepdown subsidiaries)

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

[^] Represents step down subsidiaries whose financial statements have been audited by other auditors.

IFGL REFRACTORIES LIMITED

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

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

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

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

Sr. No.	Particulars	₹ in lakhs except as otherwise stated				
		Quarter ended			Year Ended	
		31/03/2021 (Audited) Refer Note 12	31/12/2020 (Unaudited)	31/03/2020 (Audited) Refer Note 12	31/03/2021 (Audited)	31/03/2020 (Audited)
1.	Revenue from Operations	28,352	28,900	22,209	1,02,195	91,735
2.	Other Income (refer note 10)	442	1,072	319	2,050	1,096
3.	Total Income (1+2)	28,794	29,972	22,528	1,04,245	92,831
4.	Expenses					
	a. Cost of Materials Consumed	10,592	11,099	10,638	36,232	39,086
	b. Purchase of Stock-in-Trade	3,149	1,876	536	11,653	5,700
	c. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(464)	608	(449)	(482)	1,125
	d. Employee Benefit Expenses	3,900	4,008	3,731	15,178	15,045
	e. Finance Costs	88	60	113	306	361
	f. Depreciation and Amortisation Expenses	1,241	1,178	1,363	4,858	4,834
	g. Other Expenses	6,766	6,423	5,772	24,078	21,622
5.	Total Expenses [4(a) to 4(g)]	25,272	25,252	21,704	91,823	87,773
6.	Profit before exceptional items and tax (3 - 5)	3,522	4,720	824	12,422	5,058
7.	Exceptional Items (refer note 11)	-	-	2,061	-	2,061
8.	Profit / (Loss) before Tax (6-7)	3,522	4,720	(1,237)	12,422	2,997
9.	Tax Expense					
	a. Current Tax	1,608	1,000	157	3,392	969
	b. Deferred Tax (Credit) / Charge [refer note 8]	2,196	(8)	(1)	2,500	83
	c. Excess Provision of Tax relating to earlier years written back	(29)	-	-	(29)	-
10.	Profit / (Loss) for the year/period (8-9)	(253)	3,728	(1,393)	6,559	1,945
11.	Profit / (Loss) for the year/period attributable to:					
	Equity holders of the Company	(253)	3,728	(1,393)	6,559	1,945
	Non Controlling Interest	-	-	-	-	-
12.	Other Comprehensive Income / (Loss)					
	A Other Comprehensive income not be recycled to profit or loss					
	i. Re-measurement losses on Defined Benefit Plans	45	(1)	8	42	(4)
	ii. Income tax relating to above item	(15)	-	(3)	(15)	1
	B Other Comprehensive Items that will be reclassified to profit or loss					
	Exchange differences in translating the financial statements of foreign operations	178	1,109	472	1,568	1,668
13.	Total Other Comprehensive Income for the year/period	208	1,108	477	1,595	1,665
14.	Total Comprehensive Income / (Loss) for the year/period (10+13)	(45)	4,836	(916)	8,154	3,610
	Total Comprehensive Income / (Loss) for the year/period attributable to:					
	Equity holders of the Company	(45)	4,836	(916)	8,154	3,610
	Non Controlling Interest	-	-	-	-	-
15.	Paid up Equity Share Capital (Face value ₹ 10/- each)	3,604	3,604	3,604	3,604	3,604
16.	Other Equity	-	-	-	85,445	77,291
17.	Earnings Per Share (of ₹ 10/- each) *					
	Basic & Diluted	(0.70)	10.34	(3.87)	18.20	5.40
	Basic & Diluted (₹) (Adjusted) [refer note 8]	5.30	10.34	(3.87)	23.80	5.40

* Figures for quarters are not annualised.

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

Sr. No.	Particulars	₹ in lakhs	
		As at	
		31/03/2021 (Audited)	31/03/2020 (Audited)
A	ASSETS		
	1. Non-Current Assets		
	(a) Property, Plant and Equipment	14,761	15,228
	(b) Right to Use Asset	2,030	2,199
	(c) Capital work-in-progress	2,207	691
	(d) Goodwill (on consolidation)	11,192	10,362
	(e) Goodwill (Other)	13,350	16,020
	(f) Other Intangible Assets	221	231
	(g) Financial Assets		
	(i) Investments	619	152
	(ii) Loans and Deposits	227	220
	(iii) Others	325	-
	(h) Deferred Tax Assets (net)	-	562
	(i) Income Tax Assets (net)	380	299
	(j) Other Non-Current Assets	329	192
	Total Non - Current Assets	45,641	46,156
	2. Current Assets		
	(a) Inventories	16,782	14,175
	(b) Financial Assets		
	(i) Investments	12,165	9,221
	(ii) Loans and Deposits	67	66
	(iii) Trade Receivables	22,822	21,053
	(iv) Cash and cash equivalents	14,758	10,965
	(v) Bank balances other than (iv) above	4,325	108
	(vi) Others	261	208
	(c) Other Current Assets	1,570	966
	Total Current Assets	72,750	56,762
	Total Assets (1+2)	1,18,391	1,02,918

B EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share capital		3,604	3,604
(b) Other Equity		85,445	77,291
	Equity attributable to the owners	89,049	80,895
	Non controlling interest	-	-
	Total Equity	89,049	80,895
Liabilities			
2. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		1,194	1,352
(ii) Lease Liabilities		992	1,086
(b) Deferred Tax Liabilities (Net) [refer note 8]		4,580	1,174
	Total Non - Current Liabilities	6,766	3,612
3. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		3,638	3,506
(ii) Lease Liabilities		221	201
(iii) Trade Payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises		678	259
Total Outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises		14,829	12,163
(iv) Other Financial Liabilities		1,154	800
(b) Income Tax Liabilities (Net)		197	47
(c) Other Current Liabilities		1,830	1,409
(d) Provisions		29	26
	Total Current Liabilities	22,576	18,411
Total Equity and Liabilities (1+2+3)		1,18,391	1,02,918
CONSOLIDATED CASH FLOW STATEMENT		(₹ in lakhs)	
		For the year ended March 31, 2021	For the year ended March 31, 2020
		(Audited)	(Audited)
Cash Flows from Operating Activities			
Profit before tax for the year		12,422	2,997
Adjustments for:			
Finance costs		306	361
Interest income		(238)	(265)
Provision for unspent liabilities reversed		(311)	(395)
Loss on disposal of property, plant and equipment		150	38
Profit on sale of Investments in Mutual Fund (net)		(117)	(396)
Net gain arising on financial assets measured at fair value through profit and loss		(212)	(38)
Sundry debit balances/advances written off		184	476
Impairment of Goodwill		-	2,061
Provision for doubtful Trade Receivables/Advances (net)		194	659
Depreciation and amortisation expense		4,858	4,834
Unrealised foreign exchange gain		(21)	(209)
Effect of change in Foreign Exchange Translation		(717)	324
		16,498	10,447
Change in working capital:			
(Increase) / Decrease in trade and other receivables		(2,043)	1,317
(Increase) / Decrease in inventories		(2,100)	1,697
Increase in trade payables and other liabilities		3,513	1,567
Net change in working capital		(630)	4,581
Cash generated from Operations		15,868	15,028
Income taxes paid (net)		(1,929)	(41)
Net cash generated from Operating Activities (1)		13,939	14,987
Cash flows from Investing Activities			
Purchase of Investments		(19,505)	(25,378)
Proceeds from sale of Investments		16,424	21,044
Proceeds from maturity of term deposits with banks		4,950	2,605
Payment for term deposits with banks		(9,505)	(1,515)
Interest received		98	294
Payments for property, plant and equipment, other intangibles and Capital Work in Progress		(3,108)	(2,495)
Proceeds from disposal of property, plant and equipment		8	75
Net cash used in Investing Activities (2)		(10,638)	(5,370)
Cash flows from Financing Activities			
Dividend on Equity share and Dividend Distribution Tax thereon		-	(2,172)
Repayment of long-term borrowings		(266)	(425)
Proceeds from / (repayments) of short-term borrowings (net)		191	(3,533)
Payments of Lease Liabilities		(204)	(217)
Interest Paid		(176)	(269)
Net cash used in financing activities (3)		(455)	(6,616)
Exchange Differences On Translation Of Foreign Currency		947	330
Net Increase in Cash and Cash Equivalents (1+2+3)		3,793	3,331
Cash and cash equivalents at the beginning of the year		10,965	7,634
Cash and cash equivalents at the end of the year		14,758	10,965

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED ON CONSOLIDATED BASIS	(₹ in lakhs)				
	Quarter ended			Year Ended	
	31/03/2021	31/12/2020	31/03/2020	31/03/2021	31/03/2020
Particulars	(Audited) Refer Note 12	(Unaudited)	(Audited) Refer Note 12	(Audited)	(Audited)
Segment Revenue (Gross Sales / Income from Operations)					
India	17,265	17,752	11,556	63,895	48,894
<i>Outside India</i>					
Asia excluding India	473	1,102	432	1,408	1,576
Europe	5,463	4,990	4,988	19,602	20,957
Americas	5,151	5,056	5,233	17,290	20,308
Gross Sales / Income from Operations	28,352	28,900	22,209	1,02,195	91,735
Segment Results [Profit before Tax and Finance Costs]					
India	2,699	3,450	717	10,354	3,875
<i>Outside India</i>					
Asia excluding India	53	54	109	202	366
Europe (refer note 11)	459	19	(2,368)	624	(2,538)
Americas	399	1,257	418	1,548	1,655
Total	3,610	4,780	(1,124)	12,728	3,358
Less : Finance Costs	(88)	(60)	(113)	(306)	(361)
Profit / (Loss) before Tax	3,522	4,720	(1,237)	12,422	2,997
Segment Assets					
India	69,511	64,705	58,495	69,511	58,495
<i>Outside India</i>					
Asia excluding India	2,567	2,713	2,880	2,567	2,880
Europe	19,740	19,865	17,908	19,740	17,908
Americas	15,381	13,697	13,271	15,381	13,271
Unallocated	11,192	11,083	10,364	11,192	10,364
Total Segment Assets	1,18,391	1,12,063	1,02,918	1,18,391	1,02,918
Segment Liabilities					
India	19,258	13,330	12,207	19,258	12,207
<i>Outside India</i>					
Asia excluding India	753	1,161	1,360	753	1,360
Europe	6,057	5,987	5,742	6,057	5,742
Americas	3,274	2,490	2,714	3,274	2,714
Total Segment Liabilities	29,342	22,968	22,023	29,342	22,023

NOTES :

- Above financial results have been reviewed by the Audit Committee at its meeting held on June 05, 2021 and approved by the Board of Directors (Board) at their meeting held on that date. The statutory auditor have audited the same.
- The above audited financial results of the Group [IFGL Refractories Limited and fourteen subsidiaries] have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. These financial results have been prepared in accordance with the recognition and measurement principles of Ind AS - 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- The Group is engaged in the business of manufacture, trading and sale of refractories and is managed organisationally as a single unit. The Group has adopted geographical location of its operations (where its products are produced or service rendering activities are based) as its operating segment in terms of Ind AS 108 'Operating Segments'.
- A scheme of amalgamation of erstwhile IFGL Refractories Ltd. with the Holding Company with effect from April 01, 2016 was approved by the Hon'ble National Company Law Tribunal, Kolkata vide order dated August 03, 2017. Goodwill of ₹ 26,699 lakhs arose on such merger which was accounted for under "Purchase Method" as defined under erstwhile Accounting Standard 14 – Accounting for Amalgamation. Useful life of such Goodwill was estimated to be 10 years and it is being amortised accordingly.
- The Holding Company's Writ Petition No. 544 of 2019 challenging vires of the Explanation to Section 10AA(1) of the Income Tax Act, 1961 inserted on and from assessment year beginning April 1, 2018, on grounds that such explanation denies the benefit that was intended to be provided under the said section, was admitted by the Hon'ble High Court at Calcutta on November 7, 2019. Supported by a legal opinion obtained in this regard, management believes that the Company has a good case on merit in this matter and consequently, the resultant deferred tax assets of ₹ 1,204 lakhs (March 31, 2020 : ₹ 1,164 lakhs) have been recognised in these financials statements till March 31, 2021 .
- The outbreak of Coronavirus (COVID-19) pandemic globally and in India lead to significant disturbance and slowdown of economic activities during the start of the current year. With the gradual relaxation in the lockdown conditions, opening up of economies globally and good performance of the steel industry driven by better realisation and rising demand, the financial performance of the Group for the current year has improved significantly in comparison to last year. Managements of all components have assessed their operations till date, liquidity position and developed business plans based on which they do not anticipate any challenge around the ability of the components of the Group to continue as a going concern or meeting its financial obligation.
As at the year end, there has been a renewed surge of the pandemic in India. Management of the Holding Company has taken into account the possible impact of such renewed surge of the pandemic in India in preparation of these consolidated financial results, including assessment of recoverability of its assets based on the internal and external information up to the date of approval of the results and will continue to monitor any material changes to future economic conditions.
- The Board of Directors, at its meeting on June 05, 2021, have proposed a final dividend of ₹ 4 (40 %) and one time special dividend of ₹ 6 (60%) per equity share for the financial year ended March 31, 2021 subject to the approval of shareholders at the forthcoming Annual General Meeting, and following Policy on Dividend Distribution of the Company. Total proposed dividends is higher by ₹ 7.5 (75%) per equity share compared to Dividend paid for preceding financial year 2019-20, and if approved would result in a cash outflow of approximately ₹ 3,604 lakhs. Proposed dividend is accounted for in the year in which it is approved by the shareholders.
- Following amendments made by the Finance Act 2021 to the relevant sections of the Income Tax Act 1961, whereby Goodwill on amalgamation will not be considered as a depreciable asset and depreciation on goodwill will not be allowed as deductible expenditure effective April 1, 2020, the Holding Company, in accordance with the requirements of Ind-AS 12, has recognised one time deferred tax charge of ₹ 2,165 lakhs for the quarter (including adjustment for corresponding net deferred tax credit recognised in prior quarters) and ₹ 2,019 lakhs (net) for the year consequent to the reduction of the depreciable amount of goodwill for tax purposes to nil. Accordingly, profit after tax for the quarter and year are lower by respective amounts as indicated above. This deferred tax charge does not involve any cash outflow either in the current year or future. Adjusted EPS for the quarter and year have been calculated without taking into consideration such additional deferred tax charge.
- The Indian Parliament has approved the Code on Social Security, 2020 ('the Code') which, inter alia, deals with employee benefits during employment and post-employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognized post notification of the relevant provisions.

10. During the year, the obligation of the Group's entities operating in the United States of America to repay loans obtained by them from the government of that country under the Paycheck Protection Program has been waived as per terms of the said program. Accordingly, such loans aggregating ₹ 791 lakhs (equivalent to US\$ 10,72,300) have been reversed and recognised as Other Income in these results.
11. During the previous year, the Group had recognised impairment loss amounting to ₹ 2,061 lakhs, which has been disclosed as an exceptional item in these consolidated financial results. This impairment loss represented the write-down of carrying value of goodwill to the recoverable amount pertaining to German operations (IFGL GmbH and its step-down subsidiaries). The recoverable amount was based on value in use calculations using present value of future cash flows estimated by the management and was determined at the level of CGU which consists of the assets of IFGL GmbH and its step-down subsidiaries.
12. The figures of the last quarter March 31, 2021 and March 31, 2020 are the balancing figures between the audited figures in respect of the financial year ended March 31, 2021 and March 31, 2020 and the unaudited published year to date figures up to December 31, 2020 and December 31, 2019, being the date of the end of the third quarter of that financial year which were subjected to Limited Review.

**On behalf of the Board
of IFGL Refractories Limited**
Digitally signed by
**PRADEEP
BAJORIA**
Date: 2021.06.05
13:35:35 +05'30'
P Bajoria
(DIN : 00084031)
Managing Director

Kolkata
June 05, 2021

COMMITTED TO CLEAN METAL