TRL KROSAKI

60th Annual Report

2018-2019

Awards & Accolades

NSCI Shrestha Safety Award

CII SHE Excellence Award

Greentech Environment Management Award

ICC Environment Excellence Award

Sixtieth Annual Report 2018 -19

Contents

Board of Directors

Mr. H. M. Nerurkar	Chairman
Mr. P. B. Panda	Managing Director
Mr. Kotaro Kuroda	
Mr. Kiyotaka Oshikawa	
Mr. Sudhansu Pathak	
Sunanda Lahiri	Independent Director
Mr. Sudhir Krishnaji Joshi	Independent Director
Mr. Toshikazu Takasu	
Mr. Sadayoshi Tateishi	
Mr. A. K. Rath	
Mr. Takeshi Yoshida	
Mr. Hisatake Okumara	

Senior Executives

Mr. H. Sehgal	Sr. Vice President (Operations)
Mr. S. Sengupta	Sr. Vice President (Domestic Sales & Services)
Mr. M.V. Rao	Sr. Vice President (Finance) & CFO
Mr. H. Nagata	Sr. Vice President (Technology & TSS)

Dy. G.M. & Company Secretary — Mr. Arabinda Debta

Registered Office

Belpahar- 768218
Dist: Jharsuguda (Odisha)
Phone No.: 06645-258417
Fax: 06645-250254

Principal Bankers

State Bank of India
Central Bank of India
HDFC Bank Limited
Mizuho Bank Limited

Auditors

BSR & Co LLP
Chartered Accountants
Kolkata

Secretarial Auditors

Ashok Mishra & Associates
Company Secretaries
Bhubaneswar

Cost Auditors

M/s JUP & Associates
Cost Accountants
Kolkata

NOTICE

Notice is hereby given that the 60th Annual General Meeting of TRL Krosaki Refractories Limited will be held on Wednesday, 25th September, 2019, at 11:00 AM IST at the Registered Office at Belpahar, Dist: Jharsuguda, Odisha 768218, to transact the following business:

ORDINARY BUSINESS:

Item No. 1 - Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited standalone Financial Statements of the Company for the Financial Year ended 31st March, 2019 and the reports of the Board of Directors and the Auditors thereon.

Item No. 2 - Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019 and the Report of the Auditors thereon.

Item No. 3 - Declaration of Dividend

To declare dividend of ₹ 12.20 per equity share of ₹ 10 each for the Financial Year 2018-19.

Item No. 4 - Appointment of a Director

To appoint a director in place of Mr. Kiyotaka Oshikawa (DIN:03515516) who retires by rotation in terms of section 152(6) of the Companies Act,2013 and, being eligible, seeks re-appointment.

Item No. 5 - Appointment of a Director

To appoint a director in place of Mr. H. M. Nerurkar (DIN: 00265887) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

Item No. 6 - Appointment of a Director

To appoint a director in place of Mr.A.K.Rath (DIN: 07596590) who retires by rotation in terms of section 152(6) of the Companies Act,2013.

SPECIAL BUSINESS:

Item No. 7 - Appointment of Mr. Sudhansu Pathak as a Director

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

"RESOLVED THAT Mr.Sudhansu Pathak (DIN: 06545101) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 23rd January, 2019 and who holds office up to the date of Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013(the Act) and Article 155 of the Articles of Association of the Company and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under the provision of Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company".

Item No. 8 – Revision in the terms of remuneration of Mr. P. B. Panda, Managing Director

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

"**RESOLVED THAT** in partial modification of Resolution No.8 passed at the fifty-ninth Annual General Meeting of the Company held on September 18, 2018 and in accordance with the provisions of Section 197 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, read with Schedule V of the Act, the Company hereby approves the revision in the terms and conditions of remuneration of Mr. Priyabrata Panda, Managing Director (DIN: 07048273), as per details set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee of Directors) be and is hereby authorised to alter and vary terms of remuneration, within the overall limits prescribed under the Act, as may be agreed upon between the Board of Directors and Mr. Priyabrata Panda.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

Item No. 9 – Alteration of Articles of Association

To Consider and if though fit, to pass with or without modification (s), the following Resolution (s) as Special Resolution:

"**RESOLVED THAT** pursuant to provisions of section 14 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules,2014 (including any amendments thereto or re-enactment thereof for the time being in force) and subject to the approval of shareholders and subject to such other approvals, permission and consents as may be required, the new set of Articles of Association duly submitted to this meeting be and are hereby approved and adopted in substitution and to the entire exclusion of the existing Article of Association of the Company".

Item No. 10 – Ratification of Remuneration of Cost Auditors

To consider and if though fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification or variation thereof, the Company hereby ratifies the remuneration of ₹1,10,000.00 plus out-of-pocket expenses incurred in connection with the audit payable to JUP & Associates, Cost Accountants (Firm Registration Number - 000435) who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost records of the company as prescribed under the Companies (Cost Records and Audit) Rules 2014, for the Financial Year ending 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors (which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution and / or otherwise considered by them to be in the best interest of the Company."

NOTES:

(a) The Statement, pursuant to Section 102 of the Companies Act,2013 with respect to Item Nos. 7 to 10 forms part of this Notice. Additional information, pursuant to Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India in respect of Directors seeking appointment/re-appointment at the Annual General Meeting is furnished as annexure to the Notice.

(b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

(c) Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

(d) Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.

(e) Members/proxies/authorized representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

(f) If dividend on Equity Shares as recommended by the Board of Directors is approved at the meeting, payment of such dividend will be made on and from September 29, 2019 to those members whose names are on the Company's Register of Members on or before Wednesday, September 25, 2019. In respect of Equity Shares held in electronic form, the dividend will be paid to the beneficial owners of shares as at the end of business hours on

Wednesday, September 25, 2019, as per details furnished by the Depositories for this purpose. Shareholders are requested to provide Bank details to facilitate payment of dividend, etc., either in electronic mode or for printing on the payment instruments.

(g) Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.

(h) As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Nomination forms can be obtained from the Company by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

(i) Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India. Accordingly, the Company has transferred to the IEPF all unclaimed/ unpaid dividends in respect of the Financial year up to 2010-11. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2012 onwards, are requested to make their claims to the Company, without any delay. It may be noted that the unclaimed dividend for the Financial Year 2011-12 can be claimed by the shareholders by October 20, 2019. Member's attention is particularly drawn to the "Corporate Governance" section of Information to Investors in respect of unclaimed dividend.

The Ministry of Corporate Affairs ("**MCA**") on May 10, 2012 notified the Investor Education and Protection Fund (Uploading of information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012 ("**IEPF Rules"**), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post, etc. in terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividend, as on the date of last AGM i.e. September 18, 2018, on the website of the IEPF viz. www.iefp.gov.in and under 'Investors' section on the website of the Company viz. www.trlkrosaki.com.

(j) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares for ease of portfolio management. Members can contact the Company or Depository.

(k) To support the 'Green Initiative' the Members who have not registered their e-mail addresses are requested to register the same with the Depository.

Updating of Members' Details:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/Registrars and Transfer Agents to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing the additional details is appended in the Annual Report. Members holding shares in physical form are requested to submit the filled in form to the Company and Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

By Order of the Board of Directors

sd/-

ARABINDA DEBTA

Dy. GM & Company Secretary

(FCS : 6546)

Kolkata

22nd July, 2019

Registered Office :

Po: Belpahar, Dist. Jharsuguda, Odisha, Pin: 768218

CIN: U26921OR1958PLC000349

Website: www.trlkrosaki.com

Statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”)

The following Statement set out all material facts relating to Item Nos. 7 to 10 mentioned in the accompanying Notice.

Item Nos. 7

The Board appointed Mr. Sudhansu Pathak (DIN: 06545101) as Additional Director on the Board of Directors of TRL Krosaki Refractories Limited with effect from 23rd January,2019. As per Section 161(1) of the Act and Article 155 of the Company’s Articles of Association, Mr.Sudhansu Pathak hold office as Director only till the date of the forthcoming Annual General Meeting, but is eligible for re-appointment. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member, proposing the candidature of Mr. Pathak for the office of Director. Mr.Pathak, once appointed will be liable to retire by rotation.

Mr. Sudhansu Pathak, 58, is a Metallurgical Engineer from PEC Chandigarh, India in the year 1984. Mr. Pathak has around 28 years’ of experience at Tata Steel, and held various positions including Chief of Steel Melting Shops, Chief of Total Operation Performance, Chief Aspire long Product.

The Board considers that Mr. Sudhansu Pathak’s continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Sudhansu Pathak as Director.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Sudhansu Pathak, to whom the resolutions relates, are concerned or interested in the resolution mentioned at Item No. 7 of the Notice.

Item No. 8

The members of the Company at the 59th Annual General meeting held on September 18, 2018, approved the appointment of Mr. Priyabrata Panda as the Managing Director of the Company for a period from 01.01.2018 to 03.04.2020. The members at the same meeting also approved the terms and conditions of appointment including the remuneration and authorised the Board of Directors (“Board”) of the Company to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Priyabrata Panda. In view of the excellent performance of the Company under the leadership of Mr. Panda, the Board, on the recommendation of Nomination and Remuneration Committee, has approved payment of perquisites/ allowances, in addition to the existing perquisites and allowances, detailed as follows:

S.No	Existing Remuneration	Proposed remuneration
1.	Salary: ₹ 4,36,000/- (Rupees Four Lakh Thirty Six Thousand only) per month, with authority to the Board which expression shall include a Committee thereof, to fix his salary from time to time within the maximum of ₹ 7,00,000/- (Rupees Seven Lakh only) per month. The annual increments will be merit based and take into account the Company’s performance; such increment shall fall due on 1st April of every succeeding year	No Change
2.	**Benefits, Perquisites and Allowances:** In addition to the basic salary referred in [1] above, the Managing Director shall be entitled to:	
A)	In addition to the salary and Commission / Performance Linked Remuneration, the Managing Director shall also be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servant’s salaries, society charges and property tax, medical reimbursement for self and family, medical/accident insurance, leave travel concession for self and his family, club fees and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board or Committee thereof and the Managing Director, such perquisites and allowances to be restricted to an overall limit of 140% of the annual salary of the Managing Director.	No Change
B)	Hospitalisation, Transport, Telecommunication and other facilities: (a) Hospitalisation and major medical expenses for self ,spouse and dependent (minor) children as per the rules of the company (b) Car with driver, provided and maintained by the company for official and personal use (c) Telecommunication facilities including broadband, internet and fax (d) Housing loans per rules of the company.	No Change
C)	Other perquisites and allowances given below subject to a maximum of 55% of the annual salary: (i) Allowance for Helper/Education of children/ Other allowances equal to 33.34% of his salary per month. (ii) Leave Travel Concession/ Allowance - 8.33% of his salary. (iii) Medical allowance - 8.33% of his salary. (iv) Club membership fee & Personal Accident Insurance – 5% of his salary (vi) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per Rules of the Company. (vii) The Managing Director shall be entitled to leave in accordance with the Rules of the Company. Privilege Leave earned but not availed by the Managing Director is encashable in accordance with the Rules of the Company.	No Change

D)	Not available.	Long Term Incentive Plan: Deferred cash based incentive scheme as approved by the Board.
3.	**Performance Bonus/Commission:** Performance linked remuneration not exceeding twice the annual salary as may be determined by the Board. OR Such remuneration by way of commission in addition to salary and perquisites, calculated with reference to the net profits of the Company for each financial year subject to the overall ceiling stipulated in Section 197 of the Companies Act,2013 and also such limit as may be decided by the Board of Directors of the Company at the end of each such financial year. These amounts (if any) will be paid after the Annual Financial Statements have been approved by the Board and adopted by the Shareholders.	No Change

The Board of Directors of the Company, in order to achieve long term sustainable and profitable growth of the organization had approved the Long-Term Incentive Plan ("LTIP") - deferred cash based incentive scheme, for the Managing Director and other eligible executives of the Company. The LTIP scheme provides incentive for achieving the target performance as per the Board approved criteria in order to achieve long term value creation.

In view of the above, the Board recommends the resolution at item No. 8 for approval of the members.

None of the directors and/or Key Managerial Personnel (KMP) of the Company and/or their respective relative except Mr. Priyabrata Panda, are concerned or interested in the Resolution mentioned at Item No. 8 of the Notice.

Item No. 9

The Articles of Association of the Company was last amended in August, 2011 to give effect to the terms and condition of shareholder's agreement dated 21st April, 2011, entered between Tata Steel Limited (TSL), Krosaki Harima Corporation (KHC) and the Company. Tata Steel had disposed its 55,63,864 equity shares having face value of ₹ 10 representing 26.62% of equity shares of the Company to Krosaki Harima Corporation, Japan on 31st December 2018. Accordingly, the shareholder's Agreement entered between Tata Steel Limited(TSL), Krosaki Harima Corporation(KHC) and the Company, dated 21st April, 2011,terminated in entirety and have no further force and effect.

Upon enactment of the Companies Act,2013, various provisions of the Companies Act,1956 has been repealed and in view of the same, the Articles of Association of the Company needs to be re-aligned as per the provisions of the new Act. Pursuant to provisions of Section 14 of Companies Act,2013, amendment of Articles of Association requires approval of Shareholders by way of Special Resolution. Accordingly, this matter has been placed before the Shareholders for approval.

A copy of the existing as well as new Articles of Association of the Company are available for inspection at the Registered Office of the Company during working hours on any working day.

None of the Director(s) and Key Managerial Personnel or their respective relatives are concerned or interested in the resolution mentioned at Item No. 9 of the Notice.

Item No. 10

The Company is required under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time ("Cost Audit Rules"), to have the audit of its cost records for products covered under the Cost Audit Rules conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment and remuneration of JUP & Associates, Cost Accountants (Firm's Registration Number 000435) appointed as the Cost Auditor for Financial Year 2018-19. In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2019.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 10 of the Notice

By Order of the Board of Directors

sd/-
ARABINDA DEBTA
Dy. GM & Company Secretary
(FCS : 6546)

Kolkata
22nd July, 2019

Registered Office :
Po: Belpahar, Dist. Jharsuguda, Odisha, Pin: 768218
CIN: U26921OR1958PLC000349
Website: www.trlkrosaki.com

Annexure to the Notice

Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting

Name of Director	Mr. H. M. Nerurkar (DIN: 00265887)	Mr. Kiyotaka Oshikawa (DIN: 03515516)
Date of Birth	20.10.1948	27.07.1960
Date of Appointment	27.08.2011	31.05.2011
Expertise in specific functional areas	Metallurgy	Finance, Accounting & Corporate Planning
Qualifications	B.Tech. (Metallurgy)	Master of Science
Directorship held in other public companies (excluding Foreign Companies)	7	NIL
Membership/Chairmanship of Committees of other public Companies (includes only Audit Committees and Stakeholder Relationship Committee)	7	NIL
Shareholding in the company	NIL	NIL

Highlights

(₹ Crores)

	2018-19	2017-18	2016-17	2015-16	2014-15
Turnover	**1594.29**	1194.90	1090.66	1064.66	1074.78
Profit Before Interest, Depreciation & Taxes	**177.54**	106.79	101.76	67.46	52.47
Depreciation	**31.86**	20.51	18.17	18.65	18.30
Profit before Taxes	**129.96**	72.46	63.15	21.49	4.67
Profit After Taxes	**84.72**	47.03	45.79	13.31	2.80
Shareholders' Funds	**418.33**	353.00	322.99	284.48	271.73
Borrowings	**219.01**	162.63	215.38	230.54	211.89
Dividends	**30.74**	16.63	15.85	5.03	2.51
Shareholders' Funds - per Share(Rs.)	**200**	169	155	136	130
Dividend - (%)	**122**	66	63	20	10
Employees - (Numbers)	**1435**	1332	1291	1294	1227

DIRECTORS' REPORT

To
The Members,

The Board of Directors hereby presents the 60th Annual Report along with the Audited Statement of Account for the year ended 31st March, 2019.

Financial Results

(₹ Crores)

	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Gross Revenue	1594.29	1192.18	1594.29	1192.18
Less Total Expenses	1416.75	1085.39	1416.75	1085.39
Profit before finance cost, depreciation, Taxes and other comprehensive income	177.54	106.79	177.54	106.79
Less Finance Cost	15.72	13.83	15.72	13.83
Less Depreciation	31.86	20.51	31.86	20.51
Profit before taxes	129.96	72.46	129.96	72.46
Less provision for Current taxation	46.79	24.33	46.79	24.33
Less provision for Deferred taxation	(1.55)	1.10	(1.55)	1.10
Profit after Taxes	84.72	47.03	84.72	47.03
Add share of profit of Associates	-	-	3.28	8.32
Profit after tax, non-controlling interest and share of profit of Associates	84.72	47.03	88	55.35
Other comprehensive income	(2.97)	(1.40)	(2.97)	(1.40)
Total comprehensive income	81.75	45.63	85.03	53.95
Add Balance brought forward from earlier year	113.08	83.30	120.73	82.63
Balance:	194.83	128.93	205.76	136.58
Less				
(i) Dividend Paid for the previous year	13.79	13.17	13.79	13.17
(ii) Tax on Dividend	2.84	2.68	2.84	2.68
Total	16.63	15.85	16.63	15.85
Balance carried forward	178.20	113.08	189.13	120.73

Dividend

Your Directors are pleased to recommend a dividend of ₹ 12.20 per share, i.e. 122 % for the year ended 31st March, 2019, for approval by the shareholders at the forthcoming Annual General Meeting.

Transfer to Reserves

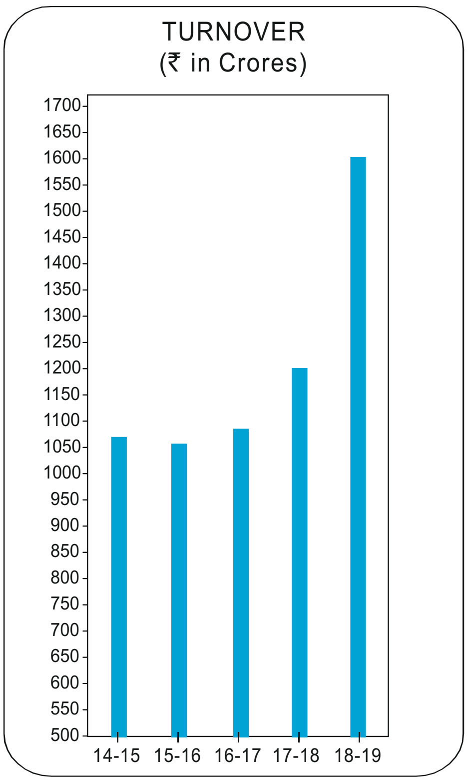
The Board of Directors has decided to retain the entire amount of profit in the statement of profit and loss.

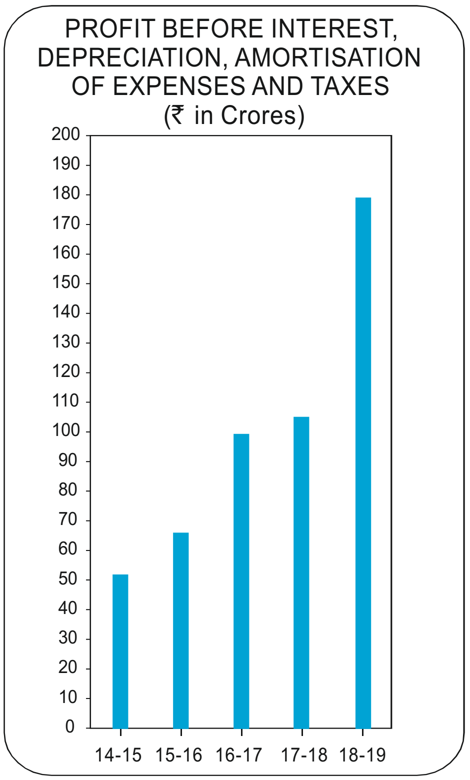
Economic Environment

As per the World Bank report, global growth is moderating in most advanced economies as industrial activity and trade are negatively decelerating. This is because of the trade tensions among major economies combined with concerns about softening global growth prospects. This is also impacting investor sentiment and contributed to decline in global equity prices. Among advanced economies, the only exception to negative growth is United States where growth has remained solid and fiscal stimulus is boosting activity. In European countries, the activity has been weaker than previously expected. Over all, in advanced economies, the growth has decelerated from 2.3% in 2017 to 2.2% in 2018 and expected to continue slower in next three years. The recovery in Emerging Market and Developing Economies (EMDE) has stalled, owing to softening external demand, tighter external financing conditions and heightened policy uncertainties. Many EMDE central banks have raised interest rates to fend off currency pressures. EMDE growth edged down to an estimated 4.2% in 2018 which is 0.3% lower than previous projection. EMDE countries' elevated current account deficits experienced substantial financial market pressures and appreciable slowdowns in activity. Overall, global growth is projected to moderate from a revised 3% in 2018 to 2.9% in 2019.

However, South Asia remains the world's fastest growing region. India's domestic demand is strengthening as the country recaps the benefits of structural reforms and of a revival of credit growth. The growth in South Asia accelerated to 6.9% in 2018 from 6.2% in the previous Year. The recovery was in line with expectations. Throughout the region, domestic consumption has picked up in 2018 while investment remained solid supported by fading of a number of temporary disruptions, a revival of credit growth and ongoing infrastructure projects.

In India the domestic demand is increasing and investment growth has firmed up as temporary disruptions on account of implementation of Goods and Services Tax and demonetization fade and the benefits from ongoing structural reforms started to materialize. It is also expected that reforms will encourage a shift from informal sector to formal sector. India's growth accelerated to 7.3% in 2018-19 from 6.7% in 2017-18 as economic activity continued to recover with strong domestic demand.





Economic Outlook

World Bank has projected global growth to moderate further from 3% in 2018 to 2.9% in 2019. Escalating trade tensions involving major economies is the major risk to the negative global outlook. In United States, it is expected that fiscal policy will boost the activity in 2019 but may become a drag thereafter. Softening global trade and tighter financing conditions will result in a more challenging external environment for EMDE economic activity. EMDE growth is expected to stay at 4.2% in 2019. However, the outlook for South Asia is robust and World Bank remains bullish on India's growth potential and has improved GDP forecast from 7.3% in 2018 to 7.5% in 2019. Private consumption to remain robust and investment growth is expected to continue. The rising oil prices and food prices is a concern as it would create pressure on inflation and it is expected that the inflation would be above 3% against the Reserve Bank of India's target range of 2 to 6%.

Performance

The year 2018-19 has been a year of records for your Company, surpassing its own best performance in 2017-18 in terms of achieving highestever revenue, profit before and after taxes. On stand-alone basis, the revenue of the Company increased to ₹ 1594 Crores against ₹ 1195 Crores in the previous year; an increase of 33%. The export revenue of the company increased to ₹ 291 Crores from ₹ 203 Crores in the previous year; an increase of 43%.

The stand-alone gross production during the year was 2,47,739 MT against 2,33,624 MT in the previous year; an increase of 6% and sales volume was 2,83,660 MT against 2,68,975 MT in the previous year; an increase of 5%.

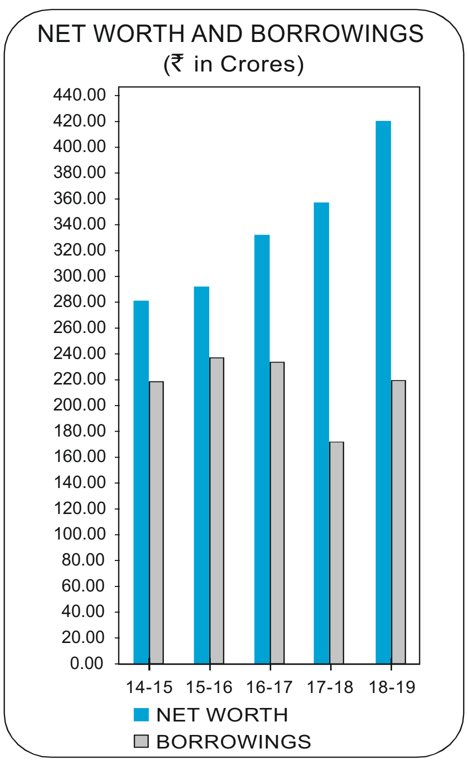
Despite uncertainty in the availability of imported raw materials and exorbitant increase in raw material and fuel prices, Profit Before Tax and other comprehensive income for the year was ₹ 129.96 Crores against ₹ 72.46 crores of the previous year; an increase of 79%. Total comprehensive income for the year was ₹ 81.96 Crores against ₹ 45.86 Crores in the previous year; an increase of 78%.

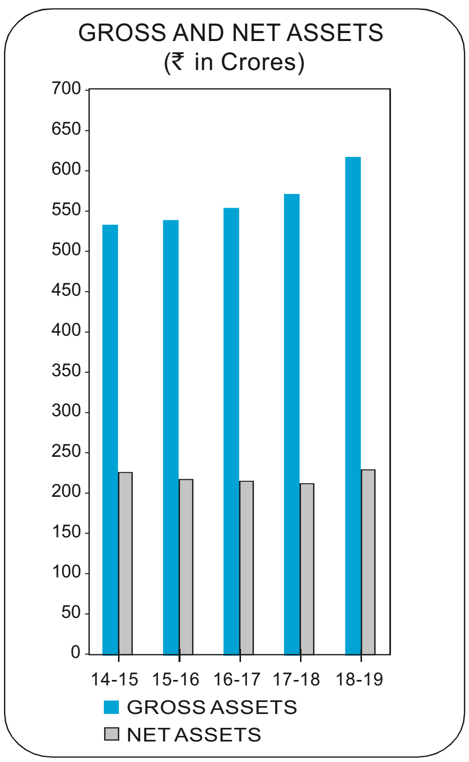
Higher selling price, better product mix, improved operational efficiencies, enhanced product performance and improved technical services largely contributed to the improved performance of the company.

Tata Steel has disposed its 26.62% shareholding in the Company to Krosaki Harima Corporation on 31st December, 2018. The total shareholding of Krosaki Harima Corporation, Japan has increased to 77.62% in the Company.

Credit Ratings

ICRA has assigned [ICRA]AA-(pronounced ICRA Double A Minus) rating, placed under rating watch with developing implications to Fund Based Working Capital Facilities and A1+ (pronounced A one plus) rating, placed under rating watch with developing implications to non-fund based





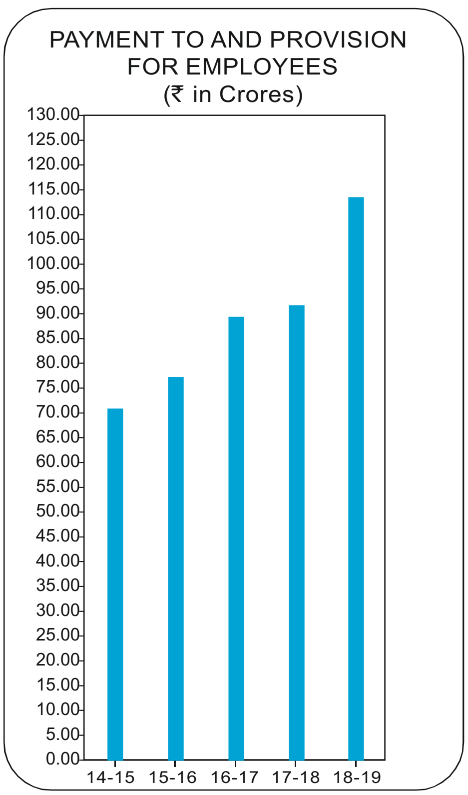
Working Capital Limit and Short Term Fund based Working Capital Limit of the Company.

Business Strategy

The benefit of multi-pronged growth strategy, increasing market share of focused products, increasing revenues from international business, enhanced product performance, improved technical services and timely supply of materials adopted by the company has reflected in the performance results.

Various actions taken by your Company to increase revenue from identified focused products, top 20 customers and stockiest have yielded desired results. During the year, revenue from focused products has increased by 30%, revenue from top 20 customers has increased by 50% and revenue through stockiest sale has increased by 39%. Performance of Tap Hole Clay has been well appreciated by customers and your Company maintained more than 70% share of business in many big blast furnaces registering a revenue growth of 43%. The product performance in Trough Management has improved during the year and the Company secured order for management of 9 more troughs. Thus, total number of troughs managed by the Company in the country has increased from 28 to 37 and the revenue increased by 51%.

Despite stiff competition, your Company could improve its sale of magnesia carbon bricks for steel ladle by 191%.



The Company has taken a new technology initiative for supply of dolomite unburnt refractories in place of magnesia carbon refractories in steel Ladle. This technology change has improved refractories performance by around 30% at customer places. This will help in increasing sale of dolomite refractories where the competition is lower than magnesia carbon refractories. Various actions taken by the Company to strengthen its position in non-ferrous industries have yielded desired results. The Company successfully executed orders received from Russia and Latin America. Overall revenue from non-ferrous business increased to ₹ 175 Crores from ₹ 159 Crores; an increase of 10%. Direct Bonded Magnesite Chrome (DBMC) refractories supplied to copper industry has been well received by customers both in domestic and in International markets and has registered a revenue growth of 60%.

During the year, capacity utilization of Basic and Tap Hole Clay departments had crossed 100% and capacity utilization of Dolomite department was 88%. These products are well established in domestic and international markets and the demand is expected to increase further. In view of this, your Company has initiated action to increase production capacity of these plants with a capital expenditure of around ₹127 Crores. Capacity expansion of all these plants is expected to be completed by 2020-21. Alumina Graphite (AG) refractories is a highly technical refractories product used in tundish vessel for manufacture of steel. Considering criticality of its manufacturing, very few refractories manufacturers produce this product. In order to further strengthen its presence in steel segment, your Company has decided to put up an AG refractories manufacturing plant at Belpahar works with Krosaki Harima Corporation (KHC) technology.

Associates

TRL Krosaki Asia Pvt. Ltd. and Almora Magnesite Limited are two Associates of the Company.

In accordance with Section 129(3) of the Companies Act, 2013, consolidated financial statements of the Company with all its associates have been prepared, which form part of the Annual Report. Further, the Report on the performance and financial position of each of the associate and salient features of the financial statement in the prescribed Form AOC-1 is given in notes to consolidated financial statements.

Management Discussion and Analysis

Management discussion and analysis given separately forms part of this Report "**Annexure – F**"

Safety, Health & Environment Management

The Company believes that while its expertise lies in providing superior refractories solutions to its esteemed customers, creating an environmental friendly, healthful and safe operations is its priority. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned at all times, compliances of all environmental regulations and good health for all.

Safety & Health Management

A few years ago the Company embarked on a focused "Safety Excellence Journey" to bring in a quantum jump in its Safety Management Practices and Performance. The hard work has paid off and the overall safety performance of the Company is now a benchmark for others. However, the journey continues.

"Safety" is now a stated "Top Priority" for the Company and it follows a principle of "Zero Tolerance" for any Safety violation. Being a responsible Company and encouraged by the significant improvement in its Safety performance, the Safety Excellence Journey has been extended beyond the factory premises and include the entire Township, where our employees reside and to various Customer Sites where we undertake different refractories management jobs. Needless to mention that, the Company is already certified to the current ISO 45001 : 2018 on Occupational Health & Safety Management System.

During the year, there was no reportable accident in the plant, township or any of the customer sites. As on March 31, 2019, the company has achieved a continuous 1686 safe days (more than four years) without any reportable accident, which is an all-time record for the Company. Safety leadership & ownership at all levels, comprehensive training, robust safety systems, employee motivation measures, focus on behavioral safety, timely statutory compliances, thorough audits & closure of points, etc. had helped improve the overall safety performance.

The Company's safety initiatives have been duly recognized at National & State levels. During the year, the company received the prestigious SHRESTHA SURAKSHYA PURASKAR from National Safety Council of India (NSCI), Kalinga Safety Award (Gold) from Govt. of Odisha, SHE Excellence Award (Certificate of Appreciation) from CII Eastern Zone & State Safety Award from Government of Odisha. The Safety Management initiatives by the Company at different Customer Sites have also earned a number of laurels / recognition from the respective Customers.

On the Health front, the drive towards promoting Preventive Health for all employees have taken its roots which is reflected on the individual health score cards of executives. A focused approach towards minimizing dust pollution in the work area, regular training and awareness sessions and implementation of a well defined job rotation policy ensures significant reduction in exposure to air pollution by the employees. Like previous years, during the year also, there is no case of silicosis reported in the company.

Environment Management

The Company is committed to pursue best environmental management practices and comply with applicable health, safety and environmental (HSE) legislations and other requirements. The Company is certified to ISO 14001 : 2015 for its environment Management System.

The Effluent Treatment Plant & Sewage Treatment Plant are operating on zero discharge concept. The treated water from the plants, after meeting applicable prescribed norms, are reused completely and there is no discharge to outside the factory premises. The company has maintained wide varieties of plants inside factory premises as well as in the Township and the greenbelt coverage exceeds 33% of total land, which is the statutory norm. All legal requirements with respect to Environment are timely complied with.

During the year, two Ambient Air Monitoring stations, four stack-monitoring stations, four Pulse Jet type Bag Filters with a total capacity of 72,600 M^3/Hr, two automatic composting machines for handling township solid waste disposal, dedicated Effluent Treatment plant at TRL Krosaki Hospital were installed to further improve the overall environmental performance.

Our endeavor towards achieving a sustainable environment have been recognized at State & National Levels. During the year, the company received the ICC Environment Excellence Award, Greentech Gold Award for Environment Management, SHE Excellence Award (Certificate of Appreciation) from CII Eastern Zone.

Corporate Social Responsibility (CSR) Initiatives

Sustainability and Corporate Social Responsibility (CSR) have been the focused areas of the Company since its inception. The company aims to improve the quality of life of the communities living around its operations who are the key communities for the company. It believes in inclusive growth and strives to positively impact the lives of its key communities. The company understands and addresses the concerns of communities through mutual consultation and partnership mode.

Under the guidance of the 'CSR Committee' constituted at the Board level, Company's CSR activities run through initiatives on Education, Heath & Sanitation, Infrastructure Development, Sustainable Livelihood, Environment, Sports and Ethnicity. Its CSR initiatives have resulted significant benefit to the key communities of the company. During the year, the Company spent around ₹ 105 Crore which is more than the norm as prescribed under the Companies Act, 2013.

During the year, the Company focused on providing poor-but-meritorious students access to quality education in the best schools in the region, improved infrastructure of rural institutions. The Rural Self Employment Training Institute (RSETI), established around 10 years back with an objective to provide skill development training to the unemployed youth of the area, have grown from strength to strength and has been instrumental in providing gainful engagement to the passed out trainees by way of either self employment or wage employment. During the year, 876 number of trainees passed out from the institute, were hand-holded post training to help them get linkage to credit facilities from the Banks and most of them have started getting gainfully engaged. In fact, the overall settlement rate of the institute stands at around 85% year after year. Besides the above, a number of community infrastructure were constructed for the benefit of the residents, health initiatives, such as, correction of cleft-lip and cleft-palate cases free of cost to the affected, organizing health camps across community were also undertaken.

Annual Report on CSR activities of the Company in compliance with the Section 135 of the Companies Act,2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as "**Annexure -A**".

Industrial Relations

Industrial Relation during the year remained cordial and peaceful at Belpahar and all other units and branches of the Company.

Year 2018-19, was special with re-strengthening of the Joint Department Council as a tool for shop-floor empowerment. A drive towards improving shop-floor discipline in collaboration with recognized Union was very successful. Action were taken to identify workmen with expertise to serve as mentors for Trainee Workmen thus developing internal resources for capability building at workmen level.

During the year, a unique program on "Quality of Life" for workmen and their spouses were initiated. This focuses on well-being, stress management and improving their quality of life both on personal and family front. This program got widespread appreciation by all workmen and Unions.

All these have served well towards improving the engagement and productivity and has contributed well towards superior business performance during the year 2018-19.

Corporate Governance

Corporate Governance practices followed by the company are given in separate section which forms integral part of this Report "**Annexure – G**".

Extract of Annual Return

Extract of the Annual Return in form MGT 9 is annexed herewith as "**Annexure - B**".

Vigil Mechanism

The Vigil Mechanism that provides a formal mechanism for all Directors, employees and vendors of the Company to approach the Ethics Counsellor/Chairman of the Audit Committee of the Board and make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Code of Conduct.

The Vigil Mechanism comprises two policies viz., the Whistle Blower Policy for Directors & Employees; and Whistle Blower Policy for Vendors.

The Whistle Blower Policy for Directors and Employees is an extension of the Code of Conduct that requires every Director or Employee to promptly report to the Management any actual or possible violation of the Code or any event wherein he or she becomes aware of that, which could affect the business or reputation of the Company.

The Whistle Blower Policy for Vendors provides protection to vendors from any victimization or unfair trade practice by the Company.

The disclosures reported are addressed in the manner and within the time frames prescribed in the Whistle Blower Policy. Under the Policy, every Director, employee or vendor of the Company has an assured access to the Ethics Counsellor/Chairman of the Audit Committee.

Internal Control System

The Board of Directors is responsible for ensuring that internal financial controls have been laid down in the Company and that such controls are adequate and are operating effectively. The foundation of Internal Financial Control (IFC) lies in the code of conduct, policies and procedures adopted by the management, corporate strategies, annual business planning process, management review and the risk management framework.

The Company has IFC framework commensurate with the size, scale and complexity of the operations. The framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use, executing transaction with proper authorization and ensuring compliance with the corporate policies. The control, based on the prevailing conditions and processes have been tested during the year and no reportable material weakness in the design or effectiveness was observed. The framework on internal financial controls over financial reporting has been reviewed by internal and external auditors.

The Company uses various IT platforms to keep the IFC framework robust and information management policy governs these IT platforms. The systems, standard operating procedures and controls are implemented by the executive leadership team and reviewed by internal audit team, whose findings and recommendation are placed before the Audit Committee.

The scope and authority of Internal Auditors is defined in Internal Audit Charter. To maintain its objectivity and independence, the Internal Auditors report to the Chairman of Audit Committee. Internal Auditors develop an annual audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the Report of the Internal Auditors, process owners undertake corrective actions in their respective areas and thereby strengthened the controls. Significant audit observations and corrective controls thereon are presented to the Audit Committee.

The Audit Committee reviews the Reports submitted by the Internal Auditors in its meeting. Also the audit committee at frequent intervals has independent session with the external auditors and the Management to discuss the adequacy and effectiveness of internal financial controls.

Directors' Responsibility Statement

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory and secretarial Auditors and external agencies, including Audit of internal financial controls over financial reporting by the Statutory Auditors and the review performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.

Accordingly pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability confirms :

(a) that in the preparation of annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) that we have selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of Financial Year, and of the profit and loss of the Company for that period;

(c) that proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the annual accounts have been prepared on a going concern basis;

(e) that proper system to ensure compliance with the provisions of all applicable laws were in place and such systems are adequate and operating effectively;

(f) that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

Related Party Transactions

There have been no materially significant related party transactions between the Company and Directors, Key Managerial Personnel, holding and subsidiary company or the relatives.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contracts or arrangements in Form AOC-2 does not form part of the Report.

Remuneration Policy

The Board on recommendation of the Nomination and Remuneration Committee has framed a Policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Meetings

The details of the Board Meetings and Meeting of Committee of Directors are given in the Corporate Governance Report.

Auditors

(a) Statutory Auditors

M/s BSR & Co. LLP, Chartered Accountants, was appointed as Auditors of the Company at the last AGM held on 28th June 2017, for a period of five years, to hold office till the conclusion of 63rd AGM to be held in 2022.

M/s BSR & Co. LLP has audited the books of accounts of the Company for the Financial Year ended March 31, 2019 and have issued the Auditors' Report thereon. There are no qualifications or reservations or adverse remarks or disclaimers in the said Report.

(b) Secretarial Auditors

Pursuant to the provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company appointed Ashok Mishra & Associates, Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the Company for the FY 2018-19. The Secretarial

Audit Report is annexed herewith as "**Annexure - C**". There are no qualification/ observations in the said Report.

(c) Cost Auditors

As per Section 148 of the Companies Act, 2013 ('Act'), the Company is required to have the Audit of its cost records conducted by a Cost Accountant in practice with respect to some products. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee approved the appointment of M/s JUP & Associates as the cost Auditors of the Company for the year ending March 31, 2019.

In accordance with the provisions of the Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company. Accordingly, appropriate resolution forms part of the Notice convening the AGM. The Board seeks your support in approving the proposed remuneration of ₹ 1.10 Lakhs plus applicable taxes and reimbursement of out-of-pocket expenses payable to the Cost Auditors for the Financial Year ending March 31, 2019.

The due date for filing of Cost Audit Report of the Company for the Financial year ended March 31, 2018 was September 30, 2018 and the same was filed in XBRL mode by the Cost Auditors on 19th September, 2018.

Particulars of Loans, Guarantees or Investments

Particulars of Loans, Guarantees or Investments in accordance with Section 186 of the Companies Act, 2013 are given below:

Outstanding as at 31st March 2019

Particulars	Amount (₹ Crores)
Loan given	Nil
Guarantee given	Nil
Investment made (Refer Note 2 to Standalone account)	15.77

No investment has been made during the year.

Risk Management

The Company has developed and implemented a risk management policy with an objective to develop a risk intelligent culture that supports decision making and helps improve performance. Although the Company is not mandatorily required to constitute risk management committee, the Company as a mark of good corporate governance initiative, has proactively constituted a risk management committee consisting of Managing Director and senior executives of the Company. The Company's risk management process focus on identifying and analyzing the risk associated with the business and operating environment of the Company on time and address the same suitably to eliminate / mitigate the risk.

In order to further strengthen the process of identifying both external and internal risks for timely addressing, the Company has engaged an external consultant. The consultant would help to develop a robust 5 step Enterprise Risk Management (ERM) process for identification and redressal of risks in the company. This will improve the process of addressing risks in time to enhance long term stakeholder values.

Board Evaluation

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual Directors by seeking their inputs on various aspects of Board/Committee Governance.

The aspects covered in the evaluation included the contribution to and monitoring of Corporate Governance practices, participation in the long-term strategic planning and the fulfilment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings.

The Chairman of the Board had discussion with the Independent Directors and the Executive and Non-Executive Directors. These meetings were intended to obtain Directors' inputs on effectiveness of Board/ Committee processes. The Board considered and discussed the inputs received from the Directors. Further, the Independent Directors at their meeting, reviewed the performance of Board, Chairman of the Board and of Non-Executive Directors.

Independent Directors Declaration

The Company has received the necessary declaration from each Independent Directors in accordance with Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013.

Directors

(a) Retire by rotation

- In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Kiyotaka Oshikawa, (DIN: 03515516) is retiring by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.
- In accordance with the provisions of the Companies Act, 2013 and Articles of Association

of the Company, Mr. H.M.Nerurkar, (DIN: 00265887) is retiring by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

- In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. A.K.Rath, (DIN: 07596590) is retiring by rotation at the forthcoming Annual General Meeting.

(b) Changes in Directors

- Mr.Hiroshi Odawara resigned from the Board of Directors of your Company effective 1st April, 2018. Your Directors would like to record his appreciation for the services rendered by Mr.Hiroshi Odawara.
- Mr.Takashi Matsunaga resigned from the Board of Directors of your Company effective 1st April, 2018. Your Directors would like to record his appreciation for the services rendered by Mr.Takashi Matsunaga.
- Consequent to sale of 26.62% shares of the Company by Tata Steel Limited to Krosaki Harima Corporation, Japan on 31.12.2018, Mr.V.S.N.Murty and Mr.Sudhansu Pathak resigned from Board of Directors of your company effective 31.12.2018. On proposal of Krosaki Harima Corporation, the Board took on record the continuation of Mr.H.M.Nerurkar as Director and Non-Executive Chairman of the company.
- The Board at its meeting held on 23rd January, 2019, appointed Mr. Sudhansu Pathak as Additional (Non-Executive) Director of the Company effective from the said date, till the date of forthcoming Annual General Meeting, but is eligible for re-appointment.

Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. P. B. Panda, Managing Director, Mr. M. V. Rao, Sr.Vice President (Finance) & CFO and Mr. Arabinda Debta, Dy. General Manager & Company Secretary.

Mr. M.V.Rao was appointed by the Board as the Chief Financial Officer of the Company with effect from 1st June, 2018. Mr. Chandra Sekhar Das retired from the services of the Company with effect from close of work on 31st May, 2018 and consequently ceased to be the Chief Financial Officer with effect from the said date.

Employees

The information required under section 197(12) of the companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the "**Annexure - D**" forming part of this Report.

Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as **"Annexure - E"**.

Significant and Material Orders Passed by the Regulators or Courts

There have been no significant material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its future operations.

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace and has constituted an Internal Complaint Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the year, the Company has received no complaint for sexual harassment.

Deposits

During the year under review, the Company has not accepted any deposits under the Companies Act, 2013.

On behalf of the Board of Directors

sd/-
H.M.NERURKAR
Chairman
(DIN : 00265887)

Kolkata
17th April, 2019

Annexure A

Annual Report on Corporate Social Responsibility Activities

(Pursuant to Section 135 of the Companies Act, 2013)

1. **A brief outline of the Company's Corporate Social Responsibility (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.**

As an integral part of our commitment to good corporate citizenship, TRL Krosaki believes in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around our business operations.

Every CSR initiative that is chosen to be supported and implemented lies within one of the broad areas of Education, Health & Sanitation, Sustainable Livelihood and Infrastructure Development. Besides, the Company strives to promote local sports & games, ethnicity and environment protection.

The CSR Policy is posted on the company's website, the web link to which is http://www.trlkrosaki.com/aboutUs/policies.aspx

2. **Composition of the CSR Committee of the Board.**

Sl.No.	Name of Director	Category
1.	Mr. S. Pathak Chairman	Non-Executive Director
2.	Mr. P. B. Panda	Managing Director
3.	Mr. S. K. Joshi	Independent Director

The composition of the Committee is in compliance with Section 135 of the Companies Act, 2013.

3. **Financial Details**

Particulars	₹ Lakhs
Average net profit of the Company for last three financial years.	4,980.82
Prescribed CSR Expenditure (2% of the average net profits for last three years)	99.62
Details of CSR spent during the financial year:	
Total amount spent :	104.70
Amount unspent, if any	Nil

Manner in which the amount spent during the financial year is given as an Annexure to this report:

4. **Responsibility Statement**

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR projects and activities in compliance with our CSR objectives.

sd/-

S. PATHAK
Chairman of CSR Committee
(DIN : 06545101)

sd/

P. B. PANDA
Managing Director
(DIN : 07048273)

Kolkata
17th April, 2019

ANNEXURE TO THE CSR ANNUAL REPORT 2018-19

Manner in which the amount spent during the financial year is detailed below : (In ₹ Lakhs)

Sl. No.	Project / Activities	Sector in which the project is covered	Location of project	Amount Outlay	Amount Spent on the projects or programs	Cumulative Expenditure up to the reporting period	Amount Spent Direct or through Implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Scholarship to Poor & Meritorious students under Merit-cum-Means Scheme and free education to students under "Ekalavya" Scheme, construction of toilets in schools, supply of MS desks, benches and beds to schools, financial support to schools for handicapped & differently abled children etc.	Education	At: Lakhanpur Block, Dist.: Jharsuguda, ODISHA	51.05	11.24	11.24	Direct
2	Organising health camps, Family Planning Camps, "Balyashree" Programme , "Operation Khushi" Programme , immunization & National Pulse Polio programmes	Health Care	At: Lakhanpur Block Dist.: Jharsuguda, ODISHA	7.16	5.06	5.06	Direct
3	Supply of drinking water through tankers (During summer season), Construction of Community toilets in rural areas	Drinking Water & Sanitation	At: Lakhanpur Block, Dist.: Jharsuguda, ODISHA	9.14	7.51	7.51	Direct
4	Promoting Skill Development Training to unemployed youth through the Rural Self Employment Training Institute (RSETI)	Sustainable Livelihood	At: Lakhanpur Block, Dist.: Jharsuguda, ODISHA	28.20	26.56	26.56	BEST
5	Extending financial support to cultural / social events to promote culture	Ethnicity	At: Lakhanpur Block, Dist.: Jharsuguda, ODISHA	2.68	2.54	2.54	Direct
6	Germination of saplings, Maintenance of CD Nursery & distribution of sapling to farmers, schools, Govt. Offices & Industries	Environment	At: Lakhanpur Block, Dist.: Jharsuguda, ODISHA	2.70	2.43	2.43	Direct
7	Developing Rural Infrastructure like community hall, dining hall, community kitchen, etc. and taking up beautification projects in Belpahar.	Rural Infrastructure	At: Lakhanpur Block, Dist.: Jharsuguda, ODISHA	9.75	44.74	44.74	Direct
8	Supplying sports items to rural areas & schools, extending financial support for organizing sports events in rural areas and supply of open gym equipment to villages	Sports	At: Lakhanpur Block, Dist.: Jharsuguda, ODISHA	5.15	4.62	4.62	Direct
			Total	**115.83**	**104.70**	**104.70**	

Belpahar Education Society (BEST) formed by the Company under Society Registration Act, 1860.

Annexure B

Extract of Annual Return

As on 31st March, 2019

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

Form No. MGT-9

I. REGISTRATION AND OTHER DETAILS:

CIN	U26921OR1958PLC000349
Registration Date	5th September, 1958
Name of the Company	TRL Krosaki Refractories Limited
Category/Sub-Category of the Company	Public Company having share capital
Address of the Registered office and contact details	Po- Belpahar, Dist- Jharsuguda, Odisha, 768218, India Phone : +91 6645 258417 Email : arabinda@trlkrosaki.com
Whether listed Company	No
Name, Address and Contact details of Registrar and Transfer Agent	The Company has an in-house Share Department at the registered office address. Phone: +91 6645 258417

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the Company
1	Manufacturing of Refractories products	23913	65
2	Manufacturing of Monolithic products	23911	31

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	Krosaki Harima Corporation 1-1, Higashihama- machi, Yahatanishi- ku Kitakyushu-city, 806-8586, Japan	NA	Holding	77.62	2(46)
2	TRL Krosaki Asia Pte Ltd 7, Temasek Boulevard # 12-02C Suntec Tower One Singapore - 038987	NA	Associate	37	2(6)
4	Almora Magnesite Limited Magnesite House, Ranidhara Road, Almora-263601 (Uttaranchal)	U26941UR1971PLC003453	Associate	39	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	Beginning of the year (1st April, 2018)				End of the year (31st March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	55,63,864	-	55,63,864	26.62	-	-	-	-	-26.62
e) Banks/FI	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	55,63,864	-	55,63,864	26.62	-	-	-	-	-26.62
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	106,59,000	-	106,59,000	51.00	162,22,864	-	162,22,864	77.62	26.62
d) Banks/FI	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	106,59,000	-	106,59,000	51.00	162,22,864	-	162,22,864	77.62	26.62
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	162,22,864	-	162,22,864	77.62	162,22,864	-	162,22,864	77.62	-
B. Public Shareholding									
1. **Institutions**									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	1010	-	1010	0.005	1010	-	1010	0.005	0.005
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	9,62,500	-	9,62,500	4.61	9,62,500	-	9,62,500	4.61	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	9,63,510	-	9,63,510	4.615	9,63,510	-	9,63,510	4.615	-
2. **Non- Institutions**									
a) Bodies Corp.									
i) Indian	1,03,490	23,53,150	24,56,640	11.75	24,62,640	1,50,000	26,12,640	12.50	0.75
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals/HUF									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	39,950	58,316	98,266	0.47	58,490	33,776	92,266	0.44	- 0.03

Category of Shareholders	Beginning of the year (1st April, 2018)				End of the year (31st March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8,98,510	2,60,210	11,58,720	5.54	7,48,510	2,60,210	10,08,720	4.83	- 0.71
Sub-total (B)(2):-	10,41,950	26,71,676	37,13,626	17.76	32,69,640	4,43,986	37,07,626	17.74	- 0.02
Total Public Shareholding (B)=(B)(1)+ (B)(2)	20,05,460	26,71,676	46,77,136	22.38	42,33,150	4,43,986	46,71,136	22.35	- 0.03
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
Total (A+B+C)	182,28,324	26,71,676	209,00,000	100	204,56,014	4,43,986	209,00,000	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Beginning of the year (1st April, 2018)			End of the year (31st March, 2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Tata Steel Limited	55,63,864	26.62	-	-	-	-	-26.62
2	Krosaki Harima Corporation	106,59,000	51.00	-	162,22,864	77.62	-	26.62
	Total	162,22,864	77.62	-	162,22,864	77.62	-	-

(iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year i.e. 1st April, 2018		Cumulative Shareholding during the year (1st April, 2018 to 31st March, 2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	162,22,864	77.62	-	-
	Changes during the year	NIL			
	At the end of the year	-	-	162,22,864	77.62

(iv) Shareholding Pattern of top ten Shareholders

Sl. No.	Shareholders Name	Shareholding at the beginning of the year i.e. 1st April, 2018		Cumulative Shareholding during the year (1st April, 2018 to 31st March, 2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Krosaki Harima Corporation	106,59,000	51.00	162,22,864	77.62
2	Tata Steel Limited	55,63,864	26.62	-	-
3	Steel Authority of India Limited	22,03,150	10.54	22,03,150	10.54
4	Life Insurance Corp. of India	9,62,500	4.61	9,62,500	4.61
5	Rita Pavankumar	4,65,000	2.22	4,65,000	2.22
6	Ajay Kumar Kayan	1,50,000	0.72	-	-
7	Stewart and Mackertich Wealth Management Ltd	-	-	1,50,000	0.72
8	S. M. S. Investment Corp. Pvt. Limited	97,490	0.47	97,490	0.47
9	Devraj Singh	92,285	0.44	92,285	0.44
10	Lalitya Kumari	92,285	0.44	92,285	0.44

(v) Shareholding of Directors and Key Managerial Personnel (KMP)

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year i.e. 1st April, 2018		Shareholding at the end of the year i.e. 31st March, 2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. P. B. Panda	100	-	100	-
2	Mr. A. Debta	50	-	50	-
3	Mr. C. S. Das*	100	-	100	-

*Retired from services on 31st May, 2018

V. INDEBTEDNESS

Indebtedness of the Company includes interest outstanding/accrued but not due for payment. (In ₹ lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
(i) Principal amount	8,938.20	7,325.34	16,263.54
(ii) Interest due but not paid	-	-	-
(iii) Interest accrued but not due	-	-	-
Total (i + ii + iii)	**8,938.20**	**7,325.34**	**16,263.54**
Change in Indebtedness during the financial year			
● Addition	-	6,546.27	6,546.27
● Reduction	908.52	-	908.52
Net Change	**(908.52)**	**6,546.27**	**5,637.75**
Indebtedness at the end of the financial year			
(i) Principal amount	8,029.67	13,871.61	21,901.28
(ii) Interest due but not paid	-	-	-
(iii) Interest accrued but not due	-	-	-
Total (i + ii + iii)	**8,029.67**	**13,871.61**	**21,901.28**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In ₹ lakhs)

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager
		Mr. P.B. Panda MD
1	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	78.88
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	20.95
	(c) Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-
2	Stock Options	Nil
3	Sweat Equity	Nil
4	Commission	227.50
5	Others(Retirement Benefits)	8.60
	Total	335.93
	Ceiling as per the Companies Act, 2013	685.60

B. Remuneration to other Directors:

(In ₹ lakhs)

Sl. No.	Name	Commission*	Sitting Fees	Total Compensation
I	**Non-Executive Directors**			
1	Mr. H.M. Nerurkar	20.00	2.60	22.60
2	Mr. V.S.N. Murty	3.63	1.60	5.23
3	Mr. Sudhansu Pathak**	2.51	1.55	4.06
4	Mr. Kotaro Kuroda@	3.35	1.95	5.30
5	Mr. Takeshi Yoshida @	1.67	1.20	2.87
6	Mr. Kiyotaka Oshikawa @	3.63	1.50	5.13
7	Mr. Toshikazu Takasu@	1.95	1.40	3.35
8	Mr. Sadayoshi Tateishi@	1.95	1.40	3.35
9	Mr. Hisatake Okumura @	1.67	1.95	3.62
10	Mr. Junichi Sakane@	1.67	1.20	2.87
11	Mr. A. K. Rath #	0.55	0.40	0.95
12	Mr. H. P. Singh #	1.11	0.80	1.91
	Total (I)	43.69	17.55	61.24
II	**Independent Director**			
1	Sunanda Lahiri	4.00	2.45	6.45
2	Mr. Sudhir K. Joshi	4.25	2.60	6.85
	Total (II)	8.25	5.05	13.3
	Grand Total (I + II)	**51.94**	**22.60**	**74.54**
	Overall ceiling as per the Companies Act, 2013 (commission)			137.12

** Payable to Tata Steel Limited.
# Paid to Steel Authority of India Limited.
@ Paid to Krosaki Harima Corporation, Japan.
* Commission relates to financial year ended March 31, 2019. This will be paid after the AGM on September 25, 2019.

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

(In ₹ lakhs)

Sl. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. A. Debta Dy. GM & Company Secretary	**Mr. C.S. Das** EVP & CFO*	**Mr.M.V.Rao** Sr.VP(F) & CFO*	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	21.63	18.34	57.09	97.06
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	5.51	5.35	8.99	19.85
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961.	-	-	-	
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
5	Others(Retirement Benefits)	2.61	90.17	4.62	97.4
	Total	**29.75**	**113.86**	**70.70**	**214.31**

* Part of the year.

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			**NONE**		
B. DIRECTORS Penalty Punishment Compounding			**NONE**		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			**NONE**		

Kolkata
17th April, 2019

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
A. DEBTA
Dy. GM & Company Secretary
(FCS : 6546)

Annexure C

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2019

To
The Members,
TRL KROSAKI REFRACTORIES LIMITED
CIN-U26921OR1958PLC000349

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by TRL Krosaki Refractories Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under relating to Foreign Direct Investment or Overseas Direct Investment.

(iv) Following other laws as are specifically applicable to the Company:

- a. The Factories Act, 1948
- b. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- c. Industrial Disputes Act, 1947
- d. Contract Labour (Regulations and Abolition) Act, 1970
- e. Employees State Insurance Act, 1948
- f. Payment of Bonus Act, 1965
- g. The Employees Compensation Act, 1923
- h. The Mines Act, 1952 and the Mines Rules, 1955
- i. Mines & Minerals (Development and Regulation) Act, 1957
- j. The Environment Protection Act, 1986
- k. Water (Prevention & Control of Pollution) Act, 1974
- l. Air (Prevention & Control of Pollution) Act, 1981.

The Company complies with Statutory Tax Audit requirement under section 44AB of the Income Tax Act, 1961, which is done by Tax Auditors appointed in his Tax Audit Report, so we have not reviewed compliance of applicable Income Tax Laws to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India, under Section 118 (10) of the Companies Act, 2013 by the Company.

The management has represented and we have also checked that the Company being an unlisted Public Company the following Acts, Regulations, Guidelines, Agreements etc. as specified in the prescribed MR-3 Form were not applicable to the Company:

(i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act) :

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registers to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and;

(h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;

(iii) Listing Agreement with Stock Exchanges.

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

We further report that:

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(b) Adequate notice was given to all directors to schedule the Board Meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under audit one of the promoters M/s. Tata Steel Limited has completely diluted its holding by selling its 26.62% stake to the co-promoters M/s. Krosaki Harima Corporation, Japan and has ceased to be the shareholder of the Company

Place: Bhubaneswar
Date: 10.04.2019

sd/-
(CS Ashok Kumar Mishra)
FCS-5128, C.P. No-3270

This is to be read with our letter of even date which is annexed as Enclosure-A and forms an integral part of this report.

Enclosure-A

To

The Members,
TRL Krosaki Refractories Limited
U26921OR1958PLC000349

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that correct 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, regulations, guidelines, standards 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 check basis.
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.

Place: Bhubaneswar
Date: 10.04.2019

sd/-
(CS Ashok Kumar Mishra)
FCS-5128, C.P. No-3270

Annexure D

Statement pursuant to Section 197 of the Companies Act, 2013 read with Rules of The Companies (Appointment and Rumuneration of Managerial Personnel) Rule, 2014

Name	Designation/ Nature of duties	Gross Remuneration ₹	Net Remuneration ₹	Qualifications	Age (Years)	Total Experience (Years)	Date of Commencement of Employment	Particulars of last Employment held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
P.B. Panda	Managing Director	1,95,43,343	1,05,72,355	B.Sc.(Tech.) Ceramic Tech.	61	37	17.10.1981	—
Koji Tsuyuguchi	Executive Vice President (Technology & Technical Support Service)	1,08,38,710	65,43,268	B.E(Mech. Engg.)	64	44	01.05.2015	Krosaki Harima Corporation, Japan.
S. Sengupta	Sr. Vice President (DSS)	82,03,791	51,88,978	B.Tech.(Ceramic)	47	26	03.08.2009	IFGL Refractories Ltd.
H. Sehgal	Sr. Vice President (Operations)	79,17,801	45,80,997	B.Tech.(Mech.)	53	30	08.03.2007	Vardhaman Textiles
Dr. T.P. Dash	Vice President (HR, Safety & Environment)	73,28,103	44,24,993	MSc. (Chemistry), P.G. Diploma (Ecology & Env.), P.G. Diploma (Safety), P.HD. Env. Sc.	53	28	17.09.1991	J.K. Paper Mills Ltd.
M.V. Rao	Sr. Vice President (Finance) & CFO	70,70,871	42,10,656	ACMA	56	30	14.08.1992	Stiles India Ltd.
P.K. Naik	Vice President (Prodn.)	66,74,161	38,76,867	M.Tech. (Geology)	54	27	01.08.1991	—
H. Nagata	Vice President (Technical Support Service)	61,02,208	39,89,095	M.Tech. (Metallurgy)	60	36	01.07.2015	Krosaki Harima Corporation, Japan
S. K. Banerjee	Vice President (Spl Assignment)	51,91,979	33,54,188	M. Com, LLB	60	39	04.06.2009	ACC Cement Limited
R K Singh*	Vice President (HR & IR)	50,47,823	34,07,265	PhD in HR Management (IIT Kharagpur),Executive MBA from IIM Kolkata	53	23	10.05.2018	Hindustan Coca-cola Beverages Pvt. Ltd.
C.S. Das*	Executive Vice President & Chief Finance Officer	25,76,032	17,21,242	B.Com, FCA, ACS	60	37	01.04.1996	IPITATA Refractories Limited (Presently known as Nilachal Refractories Limited)

Notes:

1. Gross Remuneration comprises Salary, allowances, monetary value of perquisites, commissions and the Company's contribution to Provident Fund and Superanuation Fund but excludes contribution to Gratuity Fund as separate figures are not available.
2. Net Remuneration is after tax and is exclusive of Company's contribution to Provident Fund and Superannuation Fund and monetary value of non-cash perquisites.
3. None of the above employees along with his spouse and dependent children hold 2% or more equity shares of the Company.
4. The nature of employment in all cases is contractual.
5. None of the above employees is a relative of any Director of the Company
6. * Part of the year.

On behalf of the Board of Directors

sd/-
H.M.NERURKAR
Chairman
(DIN : 00265887)

Kolkata
17th April, 2019

Annexure E

Conservation of Energy, Technology Absorption

A. Conservation of Energy

(i) Steps taken or impact on conservation of energy

(a) Energy conservation measures taken:

i. Modified the feed chute arrangement in both rotary kilns at Dolomite. This has eliminated material flow problems.

ii. AC drive installed at pump motor to eliminate furnace oil flow variations.

iii. Girth gear reversed and cooler shell of rotary kiln-1 replaced.

iv. Major kiln repair done for High temperature kiln of Basic department.

v. Monitoring and preventive checks and upkeep of fans and blowers improved in High temperature kiln of Basic department.

vi. Installed high capacity oil heaters to improve oil flow in Dolo tunnel Kilns.

vii. LED lights installed in plant and township to reduce power consumption and improve lighting.

viii. A new tempering kiln installed in Basic Department to enhance load capacity & improve energy efficiency.

(b) Impact of above measures :

Savings of approximately ₹ 2.21 crores due to lower specific consumption in Dolo rotary Kiln and Basic kilns.

(ii) Capital investment on energy conservation equipment

Approximately ₹ 1.7 crores were spent on installation of new tempering Kiln at Basic Department.

B. Technology absorption, adaptation and innovation:

(i) Efforts, in brief, made towards technology absorption, adaptation and innovations:

- Number of new products have been introduced in the product basket with in-house development as well as with technical know-how with Krosaki Harima Corporation, Japan.
- New type of CASOB snorkel with a combination of MgO – C and castable lining has been designed for TSL KPO.
- Commercially supply of silica bricks with < 1% RQ to Nagoya Plant, Japan with consistent performance.
- Redesign of slide plate for better performance.
- In-house developed resin bonded Dolomite brick in metal zone was used in place of magnesia carbon.
- Replacement of water based ramming material by non – hydrous ramming mass for Dolomite based ladle lining.
- New generation trough castable (TRL Cast ESSM – L) suitable for intermittent operation of blast furnace.
- Innovation in every field of business process are given as the thrust area. TRL-Krosaki R&D Laboratory has been has been accredited Lab for Chemical & Mechanical Testing according to ISO 17025:2005.
- TRL Krosaki is working jointly with different Raw material suppliers like M/s Almatis, Kerneos, Elkem & Kumas for performance improvement of existing products, new product development and introduction of new raw materials.

(ii) Benefits derived as a result of above efforts

Improved product performance and cost reduction.

(iii) In case of imported technology (imported during the five years reckoned from the beginning of the financial year) following information may be furnished:

Details of Technology	Year of Import	Whether technology fully absorbed	Status of Implementation
Manufacturing of Slide Gate Device – Krosaki Harima Corporation, Japan	2013-14	Y	Implemented

C. Research & Development

(i) Specific areas in which R&D work was carried out by the Company

New product development, upgradation of existing products, process improvement for consistence product, alternative cost effective raw materials development. Major emphasis was given to the research in the field of Magnesia rich Dolomite material for secondary steel making processes like AOD & VOD. Performance improvement for repairing monolithics. Higher throughput of trough castable. New trough castable for intermittent operation of blast furnace. Combination of CASOB snorkel with MgO – C and castable. Cost effective high alumina products for Aluminium industries particularly for ABF application.

(ii) Benefits delivered as a result of R&D Programmes

R&D activities have helped Company in reducing the cost of raw materials through redesign of products as well as improvement in yield. Sales through new/improved and focused products during the year ending March 31, 2019 was ₹ 190 Crores.

(iii) Future plan of action

Company continues its effort on developing new/ customized products & Technical Services to meet the future technological challenges & meet Customer expectations. Redesigning of products with alternative raw materials due to scarcity of prime raw materials and cost. R&D will continue to work on reducing input cost.

(iv) Expenditure of R&D

(a)	Capital	:	₹ 200.76 Lakhs
(b)	Recurring	:	₹ 974.46 Lakhs
(c)	Total	:	₹ 1175.22 Lakhs
(d)	Total R&D expenditure as a Percentage of total turnover	:	0.74 %

This Figures are unaudited from Finance

D. Foreign Exchange Earnings & Outgo

Foreign Exchanged Earned	:	₹ 295.18 Crores
Foreign Exchanged Used	:	₹ 507.10 Crores

On behalf of the Board of Directors

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

Kolkata
17th April, 2019

Annexure F

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

Refractories are composite materials used in large volume in extreme, usually corrosive environments as furnace lining for high temperature materials processing and other applications in which thermos-chemical properties are critical. Refractories are therefore facilitating or enabling materials and are essential to successful operations of any industry in which high temperatures are used. About 70% of world refractories production is consumed by steel industry. In India steel industry consumes around 75% of refractories produced. Other significant consumers of refractories are copper, cement, lime, aluminum, glass, chemicals etc.

As the steel industry is the major consumer of refractories, the growth of refractories industry is closely linked with the growth of iron and steel industry. India has become 2nd largest producer of crude steel in the world. India's steel production has increased to 107.2 Mn. MT in 2018 from 101.4 Mn. MT in 2017; an increase of 5.7%. It is estimated that steel demand will continue to increase in India especially from construction, automotive and infrastructure sectors. Indian steel industry is consolidating and this will help to infuse fresh funds for raising capacity utilization to 80% from the present level of 70%. It is estimated that the steel production in India will increase to 146.2 Mn. MT by 2023. This will increase the demand for refractories. Other major consuming industries like cement, copper and aluminum are also expected to grow in the next 5 years.

Performance Review

During the year the Company recorded profit before tax of ₹ 129.95 Crores (previous year: ₹ 72.46 Crores) and profit after tax of ₹ 84.72 Crores (previous year: ₹ 47.03 Crores). The increase is primarily on account of improved realisations and higher volume of focused products.

Sl. No.	Item	2018-19 ₹ Crores	2017-18 ₹ Crores	Change (%)
1	Sale of Products and Services (including Excise Duty)	1592	1190	34 ↑
2	Other Income	2	2	-
3	Total Income (1+2)	1594	1192	34 ↑
4	Manufacturing and other Expenses	1417	1085	31 ↑
5	Earnings before interest, Depreciation, Taxes, other comprehensive income and exceptional item	178	107	66 ↑
6	Other comprehensive income (Loss)	(3)	(1)	200 ↑
7	Earnings before interest, Depreciation, Taxes and exceptional item	175	106	65 ↑
8	Exceptional item	-	-	-
9	Earnings before interest, Depreciation and Taxes	178	107	66 ↑
10	EBIDTA margin	11.17%	8.98%	-
11	Depreciation	32	20	70 ↑
12	Finance Cost	16	14	14 ↑
13	Profit Before Tax	130	72	81 ↑
14	Profit After Tax	85	47	79 ↑

Finance cost for the year was higher compared to previous year primarily due to higher utilization of working capital facility on account of increase in raw materials inventory and increase of business volume. Raw material consumption increased from ₹ 540 Crores in 2017-18 to ₹ 693 Crores in current year primarily on account of exorbitant increase of imported raw materials price. Employee benefit expenses increased from ₹ 91 Crores in 2017-18 to ₹ 114 Crores in current year primarily on account of salary revisions and its consequential impact on the provision for retirement benefits. Depreciation increased from ₹ 21 Crores in 2017-18 to ₹ 34 Crores in current year primarily on account of increase in amortization charges. Stores and Spares consumption increased from ₹ 24 Crores in 2017-18 to ₹ 34 Crores in current year primarily due to increase in supply to customers and increase in production. Repairs to Building increased from ₹ 18 Crores in 2017-18 to ₹ 24 Crores in current year primarily on account of higher expenditure on Company's township maintenance. Repairs to machinery increased from ₹ 21 Crores in 2017-18 to ₹ 28 Crores in current year primarily due to higher production. Contract charges increased from ₹ 19 Crores in 2017-18 to ₹ 25 Crores primarily due to increase of minimum wages by Government of Odisha and higher production. Fuel cost increased from ₹ 73 Crores in 2017-18 to ₹ 92 Crores in current year primarily due to increase in fuel prices. Freight and Handling charges increased from ₹ 72 Crores in 2017-18 to ₹ 77 Crores in current year primarily due to higher export and supply of materials to overseas customers on DDU basis. Payment of royalty increased from ₹ 5 Crores in 2017-18 to ₹ 7 Crores in current year due to higher sale of royalty bearing products. Commission and discounts increased from ₹ 11 Crores in 2017-18 to ₹ 18 Crores in current year primality due to higher business through overseas agents. Travelling expenses increased from ₹ 12 Crores in 2017-18 to ₹ 17 Crores in current year primarily due to increase of overseas business travel.

Customer Relationship

Our strategy is anchored in ensuring our customers are at front and center for everything we do. While we supply high quality refractories to our customers, our endeavour is to be the supplier of choice for our products and services. Hence, it is imperative for us to keep pace with the growing needs of our customers across sectors primarily in the iron and steel sector.

Our business has been transformed considerably from product supply to a service & solution provider and our journey shall continue in this direction. During the year, intense interactions were made with the customers to make correlation between operational practices and life of refractories in order to bring continuous improvement in performance. For the Blast Furnace Trough management job Profiler has been introduced to reduce refractory consumption & L shaped corrugated PCPF design has been introduced to elongate the campaign life & productivity. The company has formed a Customer Service Team to improve the product and service performance in Stainless Steel sector where primarily Dolomite Refractory is used. The Company had organized workshop at customers' premises by inviting personnel from Nippon Steel and KHC, Japan, to share knowledge on best practice of usage of Tap Hole Clay and troubleshooting. Visit of key customers to manufacturing units of the Company was organized to create awareness about the state-of-the-art manufacturing facility of the Company. To strengthen customer relationship further the company has introduced concept of 'Milestone Celebration' i.e joint celebration with customer for various benchmark performance achieved to strengthen relationship e.g. M/s Tata Steel BSL (earlier Bhusan Steel Limited), Codelco Chile, Tata Steel Jamshedpur etc.

Borrowings and Liquidity

Borrowings for working capital increased to ₹ 219 Crores from ₹163 Crores in the previous year primarily due to higher inventories and increase in business volume. Inventories increased to ₹ 360 Crores from ₹ 265 Crores in previous year primarily due to stocking of critical imported raw material envisaging short supply of such raw materials. Trade Receivables increased to ₹ 219 Crores from ₹ 210 Crores in previous year due to increase in revenue. Other current assets increased to ₹ 59 Crores from ₹ 47 Crores in previous year primarily due to increase in GST credit pending for utilization.

The average cost of borrowing has increased to 7.05% during the year from 6.24% in the previous year primarily due to increase in Marginal Cost of funds based Lending Rate (MCLR) by Banks.

Keeping in view, estimated better performance during the year 2019-20, current gearing level and unutilized credit limits, the Company is comfortable of managing its liquidity over the short term and medium term.

Human Resources

The Company believes that it is the commitment and passion of its Human Resources which has enabled the business to surpass its previous records in 2018-19, not only on the business front, but also, towards improving product and service performance, productivity, safety, relationship with all stakeholders and quality of life.

Measures were taken during the year to strengthen Human Resources Division with induction of more professionals for supporting to the business. A series of initiatives were taken during the year to strengthen HR processes including improving talent supply chain, talent management, engagement, diversity and quality of life. A number of officers were inducted laterally to build up the talent capability. Strengthening the inclusive culture and gender diversity has remained a continued focus and our female headcount crossed 100. Dedicated HR Partners have been assigned to department clusters and sales location to extend HR Support to front level employees. In order to groom fresh professionals a structured mentoring scheme has been started this year along with specific year- long developmental plan.

Capability Building of Human Resources play a pivotal role in business success and the same has been reemphasized as organizational priority last year. The Learning and Development initiatives included behavioural and technical training programmes along with customer focused workshops & seminars covering 80% of the employees. A unique six-month upskilling programme “Utthan” has been launched for technically qualified Contract Labour. This scheme is having the potential to enhance the customized refractory skill supply at workmen level.

The reward and recognition system has grown from strength to strength and during the year 230 employees were recognized for their performance through various recognition schemes. All there have served well to reinforce the culture of commitment and excellence.

Annexure G

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2018-19

Company's Corporate Governance Philosophy

TRL Krosaki Refractories Limited is not a Listed Company. Hence, the Corporate Governance norms are not statutorily mandatory for TRL Krosaki. However, your Company is committed to follow good corporate governance practices proactively. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. The Company believes that good corporate governance practices generate goodwill among business partners, customers and investors, earn respect from society, bring about a consistent sustainable growth and profitability for the Company and ensure competitive returns for the investors. The Corporate Governance Philosophy has been strengthened with the implementation of Code of Conduct applicable to the Company, its Directors and its Employees.

Board of Directors

The Board of Directors ("the Board") is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

SIZE AND COMPOSITION OF THE BOARD

The Company has a Non-Executive Chairman and all other Directors except the Managing Director are Non-Executive Directors (NEDs).

None of the Directors on the Board is Director in the Board of more than ten Public Companies (including directorship in private company which is either holding or subsidiary company of a public company) and more than twenty Companies. Also, none of the Director on the Board is a Member of more than 10 Board Committees (Audit Committees and Stakeholders' Relationship Committees) and a Chairman of more than 5 Committees, across all the Companies in which he or she is a Director.

Currently, the Board comprises; thirteen members consisting one Managing Director, ten Non-Executive Directors (NEDs) and two Independent Directors (IDs) including a Woman Director. The Board periodically evaluates the need for change in its composition and size. Detailed profile of our Directors is available on our website: www.trlkrosaki.com .

None of the NEDs serve as IDs in over seven listed companies and the Whole-time Director does not serve as ID on any listed company.

The Company has issued formal letters of appointment to Independent Directors. The terms and conditions of appointment of Independent Directors is available on the Company's website and can be accessed at http://www.trlkrosaki.com/aboutUs/Board-of-Directors.aspx

The names and categories of Directors on the Board, their attendance at Board Meetings during the year, and at the last Annual General Meeting, and also the number of Directorships and Committee Memberships held by them in other Companies are given below:

Name	DIN	Whether attended AGM held on September, 18, 2018	No. of Directorships in other Public Companies # As on 31.03.2019		No. of Committee Positions held in other Public Companies * As on 31.03.2019	
			As Chairman	As Director	As Chairman	As Member
Non-Executive Directors						
Mr. H. M. Nerurkar (Chairman)	00265887	Yes	2	5	3	4
Mr. V. S. N. Murty	00092348	Yes	-	1	-	-
Mr. Kotaro Kuroda	03140089	Yes	-	-	-	-
Mr. Kiyotaka Oshikawa	03515516	Yes	-	1	-	-

Name	DIN	Whether attended AGM held on September, 18, 2018	No. of Directorships in other Public Companies # As on 31.03.2019		No. of Committee Positions held in other Public Companies * As on 31.03.2019	
			As Chairman	As Director	As Chairman	As Member
Mr. Toshikazu Takasu	07119176	Yes	-	-	-	-
Mr. Sadayoshi Tateishi	03119411	No	-	-	-	-
Mr. Junichi Sakane	07499890	No	-	-	-	-
Mr. A. K. Rath	07596590	No	1	1	-	-
Mr. H. P. Singh	07605026	Yes	-	-	-	-
Mr. Sudhansu Pathak	06545101	Yes	-	1	-	-
Mr. Hisatake Okumura	05130777	No	-	-	-	-
Mr. Takeshi Yoshida	03514462	No	-	-	-	-
Independent Directors						
Sunanda Lahiri	00451473	Yes	-	4	-	2
Mr. Sudhir K. Joshi	00066366	Yes	-	3	-	2
Executive Director(s)						
Mr. P. B. Panda (Managing Director)	07048273	Yes	-	-	-	-

Excludes Directorships in Private and Foreign Companies.

* Chairmanship/ Membership of Audit Committee and Stakeholders Relationship Committee.

Board Meetings

SCHEDULING AND SELECTION OF AGENDA ITEMS FOR BOARD MEETINGS

Dates for Board meetings in the ensuing year are decided in advance. Most Board meetings are held at TRL Krosaki, 11th Floor, Tata Centre, Kolkata - 700001. The agenda and explanatory notes are sent to the Board in advance. The Board periodically reviews compliance reports of all laws applicable to the Company. The Board meets at least once a quarter to review the quarterly results and other items on the agenda and also on the occasion of the Annual General Meeting ("AGM") of the shareholders. Additional meetings are held, when necessary. Committees of the Board usually meet before the formal Board meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval.

Seven Board Meetings were held during the financial year 2018-19 and the gap between two consecutive meetings did not exceed one hundred and twenty days.

The details of meetings attended by Directors are given below:

Name of the Director	Category	No of meeting attended	Attendance(%)
Mr. H. M. Nerurkar (Chairman)	NED	7	100
Mr. P.B. Panda	ED	7	100
Mr. V. S. N. Murty (up to 31st Dec,2018)	NED	5	100
Mr. Sudhansu Pathak	NED	7	100
Mr. Kotaro Kuroda	NED	6	86
Mr. Kiyotaka Oshikawa	NED	6	86
Mr. Hisatake Okumura	NED	6	86
Sunanda Lahiri	ID	7	100
Mr. Sudhir K. Joshi	ID	7	100
Mr. Toshikazu Takasu	NED	7	100
Mr. Sadayoshi Tateishi	NED	7	100
Mr. Junichi Sakane (up to 31st Jan,2019)	NED	6	100
Mr. Takeshi Yoshida	NED	6	86
Mr. A. K. Rath	NED	2	29
Mr. H. P. Singh	NED	4	57

Consequent to sale of 26.62% shares in the Company by Tata Steel Limited to Krosaki Harima Corporation (KHC), Japan, Mr.V.S.N.Murty and Mr.S.Pathak resigned from the Board on 31st December, 2018. Subsequently, Mr.S.Pathak was appointed as an Additional (Non-Executive) effective from 23rd January. 2019.

Mr.Junichi Sakane ceased as Director of the Company effective 31st January, 2019.

INDEPENDENT DIRECTORS MEETING

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors met on 19th March, 2019 without the presence of Non Independent Directors and members of the Management. At this meeting, the Independent Directors inter-alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

AUDIT COMMITTEE

The Company has constituted an Audit Committee of Directors under Section 177 of the Companies Act, 2013. The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them. The Committee further reviews the process and controls including compliance with applicable laws, code of conduct, Whistle Blower Policy and related cases thereto, functioning of the Prevention of Sexual Harassment at Workplace Policy and guidelines and Internal Controls. The Committee may also review such matters as considered appropriate by it or referred to it by the Board.

Six Meetings of the Audit Committee were held during the financial year 2018-19.

The composition of the Audit Committee and the details of meetings attended by the Members are given below:

Name of the Director	Category	No of meeting attended	Attendance(%)
Mr. V.S.N. Murty (Chairman up to 31st December'2018)	NED	4	100
Mr. Sudhir K. Joshi	ID	6	100
Sunanda Lahiri	ID	6	100
Mr. K. Oshikawa (Member w.e.f. 01.01.2019)	NED	2	100

ID - Independent Director, NED - Non-Executive Director

Mr. V. S. N. Murty, Chairman of the Committee up to 31st December'2018 was present at the AGM of the Company held on 18th September, 2018.

Mr.K.Oshikawa was appointed as Member of the Committee effective 1st January, 2019.

As per present composition of the Committee, the Members present in a Meeting shall elect one of them as Chairperson to preside the Meeting.

The Audit Committee Meetings are attended by Internal Auditors and representative of Statutory Auditors are invited to the meetings. Other senior executives of the Company attended the meetings as invitees to address concerns raised by the Committee Members. The Company Secretary acts as the Secretary of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted Nomination and Remuneration Committee of Directors under Section 178 of the Companies Act, 2013.

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;

- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.
- Co-ordinates and overseas the annual self-evaluation of the performance of Board, Committees and of individual Directors.

Chairman of Nomination and Remuneration Committee, Mr. Kotaro Kuroda is different from Chairman of Board of Directors. Mr. S.K. Joshi and Sunanda Lahiri, Independent Directors are Members of the Committee.

One Meeting of the Nomination and Remuneration Committee was held during the financial year 2018-19.

The composition of the Nomination and Remuneration Committee and the details of meeting attended by the Directors are given below.

Name of the Director	Category	No of meeting attended	Attendance(%)
Mr. Kotaro Kuroda (Chairman)	NED	1	100
Mr. H. M. Nerurkar	NED	1	100
Mr. S.K. Joshi	ID	1	100
Sunanda Lahiri	ID	1	100

ID - Independent Director, NED - Non-Executive Director

REMUNERATION POLICY OF DIRECTORS, KMPs AND OTHER EMPLOYEES

The Remuneration Policy approved by the Nomination and Remuneration Committee and Board is available on the Company's website http://www.trlkrosaki.com/aboutus/policies.aspx.

DETAILS OF REMUNERATION TO DIRECTORS FOR 2018-19

(a) Non-Whole time Directors (₹ Lakhs)

Sl. No.	Name of the Director	Commission *	Sitting Fees
1	Mr. H. M. Nerurkar	20.00	2.60
2	Mr. V.S.N. Murty	3.63	1.60
3	Mr. Kotaro Kuroda	3.35	1.95
4	Mr. Kiyotaka Oshikawa	3.63	1.50
5	Sunanda Lahiri	4.00	2.45
6	Mr. Sudhir K. Joshi	4.25	2.60
7	Mr. Toshikazu Takasu	1.95	1.40
8	Mr. Sadayoshi Tateishi	1.95	1.40
9	Mr. Junichi Sakane	1.67	1.20
10	Mr. A. K. Rath	0.55	0.40
11	Mr. H. P. Singh	1.11	0.80
12	Mr. Sudhansu Pathak	2.51	1.55
13	Mr. Hisatake Okumura	1.67	1.95
14	Mr. Takeshi Yoshida	1.67	1.20

Note:

(a) * Commission will be paid after adoption of financial statements for FY 2018-19 at the AGM scheduled to be held on September 25, 2019.

(b) Amounts indicated against Mr. Kotaro Kuroda, Mr. Kiyotaka Oshikawa, Mr. Toshikazu Takasu, Mr. Sadayoshi Tateishi, Mr. Hisatake Okumura, Mr. Takeshi Yoshida and Mr. Junichi Sakane are paid/payable to Krosaki Harima Corporation, Japan.

(c) Amounts indicated against Mr.A.K.Rath and Mr.H.P.Singh are paid/payable to Steel Authority of India Ltd.

(d) Amount indicated against Mr. Sudhansu Pathak are pay payable to Tata Steel Ltd.

(b) Managing Director (₹ lakhs)

Name	Salary	Perquisites & Allowances	Commission @	Stock Options
Mr. P.B. Panda	78.88	29.55	227.50	-

@ Commission will be paid after adoption of financial statements for FY 2018-19 at the AGM scheduled to be held on September 25, 2019.

Service Contract, Severance Fees and Notice Period

Period of Contract of MD: From 1st January, 2018 to 3rd April, 2020

The contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance fees.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In terms of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility (CSR) Committee to monitor the Corporate Social Responsibility Policy of the Company and the activities included in the policy.

The terms of reference of the Committee are:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on CSR activities; and
- To monitor from time to time the CSR Policy of the Company.

One Meeting of the Corporate Social Responsibility (CSR) Committee were held during the financial year 2018-19.

The composition of the CSR Committee and the details of meeting attended by the Directors are given below:

Name of the Director	Category	No of meeting attended	Attendance(%)
Mr. Sudhansu Pathak (Chairman)	NED	1	100
Mr. P.B. Panda	ED	1	100
Mr. Sudhir K. Joshi	ID	1	100

ID - Independent Director, NED - Non-Executive Director, ED – Executive Director

COMMITTEE OF BOARD

In addition to the above Committees on Corporate Governance, the Board has also constituted an additional committee known as Committee of Board and its terms of reference amongst its other functions is to periodically review:

- Business and Strategy
- Financial matters requiring special attention
- Long term financial projections and cash flow
- Capital expenditure programmes
- Organizational Structure.

COB shall also periodically review Company's business plans, profit projections, ways and means position etc.

Seven Meeting of the Committee of Board (COB) was held during the financial year 2018-19.

The composition of the COB and the details of meeting attended by the Directors are given below.

Name of the Director	Category	No of meeting attended	Attendance(%)
Mr. H. M. Nerurkar (Chairman)	NED	7	100
Mr. P.B. Panda	ED	7	100
Mr. Kotaro Kuroda	NED	4	57
Mr. K. Oshikawa	NED	5	83

NED - Non-Executive Director, ED – Executive Director

GENERAL BODY MEETINGS

(a) Location and time, for last three Annual General Meetings (AGMs) and details of Special Resolution Passed:

Financial Year	Date	Time	Location	Special Resolution Passed for
2017-18	18th Sept'18	12:00 Noon	Belpahar, Jharsuguda, Odisha – 768 218	Re-appointment of Mr.P.B.Panda, Managing Director
2016-17	28th June'17	11.00 AM	Belpahar, Jharsuguda, Odisha – 768 218	No special Resolution Passed
2015-16	26th Sept'16	1.00 PM	Belpahar, Jharsuguda, Odisha – 768 218	No special Resolution Passed

(b) No Extra-Ordinary General Meeting of shareholders was held during the Year under review.

OTHER DISCLOSURES

The Board has received disclosures from key managerial personnel relating to financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interests of the Company at large.

INFORMATION TO INVESTORS

Annual General Meeting 2019

Date	**25th September, 2019**
Time	11:00 AM IST
Venue	TRL Krosaki Refractories Limited, Belpahar, Jharsuguda, Odisha 768218.
Financial Year	1st April 2018 to 31st March, 2019

Particulars of Directors seeking appointment / re-appointment are given in the annexure to the Notice of the Annual General Meeting to be held on 25th September, 2019.

Address for correspondence

Dy. GM & Company Secretary
TRL Krosaki Refractories Limited
CIN-U26921OR1958PLC000349
PO: Belpahar – 768 218
Dist.: Jharsuguda, Odisha, INDIA
Phone: +91 6645 258417
E-mail: arabinda@trlkrosaki.com

Share Transfer System:

Share Transfers in physical form can be lodged with the Company at the above mentioned address. The transfers are normally processed within two weeks from the date of receipt if the documents are complete in all respects. Certain Directors and the Company Secretary are severally empowered to approve transfers.

Distribution of Shareholding as on 31st March, 2019

Number of Shares Slab	Number of Shareholders	% of Shareholders	Number of Shares Held	% of Shares Held
1-100	25	22.52	1968	0.01
101-500	23	20.72	7,948	0.04
501-1000	15	13.51	14,350	0.07
1001-5000	16	14.41	42,510	0.20
5001-10000	4	3.60	31,500	0.15
10001-100000	23	20.72	7,98,210	3.82
Above 100000	5	4.50	200,03,514	95.71
Total	**111**	**100**	**209,00,000**	**100**

Categories of Shareholding as on 31st March, 2019

Category of Shareholder	Number of Shares Held	Percentage of Share Capital
Foreign Holdings	162,22,864	77.62
Government Companies	22,03,150	10.54
FIs, Insurance Companies & Banks	9,62,500	4.61
Other Corporate Bodies	4,09,490	1.96
Mutual Funds	-	-
Directors & Relatives	100	-
Key Managerial Personnel & Relatives	50	-
Individual & Others	11,01,846	5.27
Total	**209,00,000**	**100**

Top Ten Shareholders of the Company as on 31st March, 2019

Sl.No.	Name of the Shareholders	No. of Shares Held	% of Holding
1	Krosaki Harima Corporation	162,22,864	77.62
2	Steel Authority of India Limited	22,03,150	10.54
3	Life Insurance Corp. of India	9,62,500	4.61
4	Rita Pavankumar	4,65,000	2.22
5	Stewart and Mackertich Wealth Management Limited	1,50,000	0.72
6	S. M. S. Investment Corp. Pvt. Limited	97,490	0.47
7	Devraj Singh	92,285	0.44
8	Lalitya Kumari	92,285	0.44
9	Man-Made Fibers Pvt. Limited	75,000	0.36
10	M/S Alpic Finance Limited	70,000	0.33

Dematerialization of shares as on 31st March, 2019

We have established connectivity with the depository, i.e. National Security Depository Limited (NSDL). The International Securities Identification Number ("ISIN") allotted to the shares under the Depository System is **INE 012L01014**. 2,04,56,014 equity shares of the Company representing 97.88 % of the Company's Share Capital is dematerialized as on 31st March, 2019.

Unclaimed Dividend-

- All unclaimed /unpaid dividend amounts up to financial year 2010-11, have been transferred to Investor Education & Protection Fund and no claims will lie against the Company or the Fund in respect of the unclaimed amounts so transferred.

- The unclaimed dividend declared in respect of the financial year 2011-12 can be claimed by the shareholders by 20th October, 2019.

Address for Correspondence : Dy. GM & Company Secretary
TRL Krosaki Refractories Limited
PO: Belpahar – 768 218, Dist: Jharsuguda
Odisha, INDIA
Phone: +91 6645 258417, E-mail: arabinda@trlkrosaki.com

OTHER INFORMATION TO THE SHAREHOLDERS

Dividend History for the last 10 years

Financial Year	Dividend Date	Rate	Financial Year	Dividend Date	Rate
2017-18	18.09.2018	66%	2012-13	21.09.2013	10%
2016-17	28.06.2017	63%	2011-12	15.09.2012	35%
2015-16	26.09.2016	20%	2010-11	06.05.2011	158%
2014-15	29.09.2015	10%	2009-10	24.07.2010	55%
2013-14	06.09.2014	10%	2008-09	05.09.2009	50%

Nomination Facility

Shareholders who hold shares in the physical form and wish to make/change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit to the Company the prescribed Forms SH-13/SH-14. The Nomination Form can be downloaded from the Company's website www.trlkrosaki.com .

Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given directly to the Depository Participant (DP).

Shares held in Physical Form

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given to the Company.

Remittance of Dividend through Electronic Mode

The Company provides the facility for remittance of dividend to Shareholders through NECS (National Electronic Clearing Service) / RTGS (Real Time Gross Settlement) / NEFT (National Electronic Funds Transfer). Shareholders, who have not opted for remittance of dividend through electronic mode and wish to avail the same, are required to provide their bank details, including MICR (Magnetic Ink Character Recognition) and IFSC (Indian Financial System Code) to their respective Depository Participants (DPs) or to the ISC, where shares are held in the dematerialized form and in the certificate form, respectively.

Shareholders holding shares in the physical form may use the NECS Mandate Form for this purpose, which can be downloaded from the Company's website under the section 'Investor Relations' or can be furnished by the Company on request.

INDEPENDENT AUDITOR'S REPORT

To the Members of TRL Krosaki Refractories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of TRL Krosaki Refractories Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information obtained at the date of this auditor's report is Directors Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) As required by Section 143(3) of the Act, we report that:

      (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

      (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

      (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

      (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

(B) 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, 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 as at 31 March 2019 on its financial position in its standalone financial statements - Refer note 27 to the standalone 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; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditor’s Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No. 101248W/W-100022

sd/-

Seema Mohnot
Partner
Membership No.060715

Place: Kolkata
Date: 17 April 2019

Annexure – A to THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year. In our opinion, the frequency of such physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification carried out during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) According to the information and explanations given to us, the inventory, except goods in transit and stocks lying with third parties, have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For goods in transit as at year end, subsequent receipts of goods have been verified. For stocks lying with the third parties as at the year end, written confirmations have been obtained by the management. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) According to the information and explanations given to us, the Company has granted unsecured interest free loan to one person covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'), in respect of which :

(a) In our opinion, the terms and conditions on which the loan had been granted to the person listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) The schedule of repayment of principal has been stipulated and repayments or receipts of principal amounts have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) According to the information and explanations given to us, the Company has not given any loans, investments, guarantees or securities during the year that would attract provisions of Section 185 of the Act. In our opinion and accordingly to the information and explanations given to us, the provisions of Section 186 of the Act in respect to loan given during the year has been complied with by the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under Section 148(1) of the Act in respect of the products manufactured by the Company and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, goods and services tax, duty of customs, cess, income tax and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us by the management, the Company did not have any dues on account of sales tax, service tax, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, goods and services tax, duty of customs, cess, income tax and any other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, goods and services tax, sales tax, value added tax, entry tax, service tax, duty of excise and duty of custom which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the statute	Nature of the dues	Amount in ₹	Period to which amount relates	Forum where dispute is pending
Income tax Act, 1961	Disallowances arising in income tax proceedings (deposits paid Rs. 6,79,80,620)	20,59,59,575	Assessment years 2010-11 to 2014-15	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Disallowance of Cenvat Credit (deposits paid Rs. 22,50,728)	3,78,29,702	2000-01, 2003-04 to 2010-11	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Disallowance of Cenvat Credit	82,23,000	1999-2000 and 2001-02	Hon'ble High Court of Madras
Central Excise Act, 1944	Utilisation of excess Cenvat credit (deposits paid Rs. 1,94,85,572)	51,96,15,256	2008-09	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Disallowance of Cenvat Credit (deposits paid Rs. 15,00,513)	4,00,13,670	2007-08 and 2008-09	Commissioner (Appeals)
Customs Act,1962	Classification of products under incorrect category (deposits paid Rs. 9,05,63,624)	9,05,63,624	2011-12 to 2017-18	Commissioner (Appeals)
Finance Act, 1994	Disallowance of credit on outward transportation (deposits paid Rs. 6,71,378)	1,79,43,302	2005-06 to 2008-09	Central Excise and Service Tax Appellate Tribunal
Central Sales Tax Act, 1956	Non submission of Statutory forms (deposits paid Rs. 1,20,26,957)	1,60,37,689	2006-07 to 2008-09	Sales Tax Tribunal
Central Sales Tax Act, 1956	Non submission of statutory forms (deposits paid Rs. 2,000,000)	1,50,92,299	1994-1995	Hon'ble High Court of Odisha
Central Sales Tax Act, 1956	Non submission of statutory forms (deposits paid Rs.2,21,31,433)	7,19,82,736	1987-1989, 2006-07, 2009-10 to 2017-18	Commissioner, Deputy Commissioner, Additional Commissioner, Joint Commissioner
Central Sales Tax Act, 1956	Submission of defective forms (deposits paid Rs. 7,50,000)	43,20,734	2005-06	Additional Commissioner
Central Sales Tax Act, 1956	Wrong utilisation of C form	2,00,000	1986-1989	Commissioner of Sales Tax
Odisha Entry Tax Act, 1999	Tax demand on non-scheduled goods (deposits paid Rs.76,503)	11,47,542	2012-13 to 2013-14	Additional Commissioner of Sales Tax
Orissa Value Added Tax Act, 2004	Disallowance of input credit (deposits paid Rs. 21,64,470)	21,64,470	2004-05 to 2006-07	Sales Tax Tribunal
Orissa Value Added Tax Act, 2004	Reversal of input tax credit	26,57,04,686	2007-08 to 2013-14	Hon'ble High Court of Odisha
Gujarat Value Added Tax,2003	Demand due to incorrect filing by supplier	5,76,32,253	2009-10	Commissioner of Sales Tax
Orissa Value Added Tax Act, 2004	Disallowance of input credit (deposits paid Rs. 72,484)	21,74,520	2014-15	Deputy Commissioner
Orissa Value Added Tax Act, 2004	Disallowance of input credit Credit Credit (deposits paid Rs. 1,16,359)	14,54,489	2015-16 to 2017-18	Additional Commissioner

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any outstanding loan or borrowings from financial institution or government or debenture holders during the year.

(ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Order are not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the standalone Ind AS financial statements as required by applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them as per Section 192 of the Act. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.

(xvi) Accordingly to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

sd/-

Seema Mohnot
Partner
Membership No.060715

Place: Kolkata
Date: 17 April 2019

Annexure B to the Independent Auditors' report on the standalone financial statements of TRL Krosaki Refractories Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of TRL Krosaki Refractories Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

Meaning of Internal Financial controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

sd/-

Seema Mohnot
Partner
Membership No.060715

Place: Kolkata
Date: 17 April 2019

STANDALONE BALANCE SHEET AS AT 31 MARCH 2019

Particulars	Note	As at 31 March 2019 ₹	As at 31 March 2018 ₹
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	01	202,44,37,730	194,76,69,739
(b) Capital work-in-progress	01	19,14,80,946	5,24,26,028
(c) Intangible assets	01	3,26,80,817	3,91,42,378
(d) Investments in associates	02	14,60,60,575	14,60,60,575
(e) Financial assets			
(i) Investments	03	1,15,94,500	94,30,500
(ii) Loans and deposits	04	5,79,14,485	4,30,11,772
(iii) Other financial assets	05	3,22,61,298	8,00,000
(f) Income tax assets (net)		9,55,96,004	10,55,10,584
(g) Other non-current assets	06	19,45,05,909	17,58,97,382
Total Non-current assets		**278,65,32,264**	**251,99,48,958**
(2) Current assets			
(a) Inventories	08	359,54,47,592	265,25,73,248
(b) Financial assets			
(i) Trade receivables	07	218,54,29,201	209,67,93,844
(ii) Cash and cash equivalents	09	11,55,20,315	76,45,735
(iii) Other balances with bank	10	23,30,370	2,83,31,706
(iv) Loans and deposits	04	2,57,44,376	1,85,37,014
(v) Other financial assets	05	25,06,708	57,68,929
(c) Other current assets	06	59,14,48,569	46,76,96,391
(d) Assets held for sale		8,61,82,870	8,61,82,870
Total Current assets		**660,46,10,001**	**536,35,29,737**
TOTAL ASSETS		**939,11,42,265**	**788,34,78,695**
EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity share capital	11	20,90,00,000	20,90,00,000
(b) Other equity		397,42,69,450	332,09,66,879
Total Equity		**418,32,69,450**	**352,99,66,879**
(2) LIABILITIES			
(i) Non-current liabilities			
(a) Provisions	15	28,52,31,951	28,71,51,976
(b) Deferred tax liabilities (net)	30	9,17,35,932	12,33,58,996
Total Non-current liabilities		**37,69,67,883**	**41,05,10,972**
(ii) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	219,01,28,280	162,63,53,706
(ii) Trade payables			
a) Dues of micro enterprises and small enterprises	13(a)	28,10,866	2,82,49,518
b) Dues of creditors other than micro enterprises and small enterprises	13(b)	208,06,34,055	190,82,78,903
(iii) Other financial liabilities	14	12,16,10,663	92,55,073
(b) Provisions	15	8,30,60,553	7,09,48,802
(c) Income tax liabilities (net)		7,65,94,895	6,06,52,894
(d) Other current liabilities	16	27,60,65,620	23,92,61,948
Total Current liabilities		483,09,04,932	394,30,00,844
Total Liabilities		520,78,72,815	435,35,11,816
TOTAL EQUITY AND LIABILITIES		**939,11,42,265**	**788,34,78,695**
Notes forming part of financial statements	(1-37)		

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715

Kolkata, April 17, 2019

For and on behalf of the Board of Directors

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
M. V. RAO
Sr. VP (Finance) &
CFO

sd/-
A. DEBTA
Dy. GM & Company Secretary
(FCS : 6546)

Kolkata, April 17, 2019

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

		Note	April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
I	Revenue from operations	17	1592,18,87,973	1190,22,82,686
II	Other income	18	2,10,42,051	1,95,02,400
III	**Total Income (I + II)**		**1594,29,30,024**	**1192,17,85,086**
IV	**EXPENSES**			
	(a) Cost of materials consumed	19	693,34,40,348	540,14,26,626
	(b) Purchases of stock-in-trade		237,73,81,589	118,24,54,814
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(33,85,35,456)	(7,21,08,671)
	(d) Employee benefits expenses	21	113,56,46,569	90,96,99,435
	(e) Finance costs	22	15,72,10,328	13,83,20,808
	(f) Depreciation and amortisation expenses	01	31,85,72,263	20,50,67,789
	(g) Other expenses	23	405,96,70,382	343,23,67,956
	Total Expenses (IV)		**1464,33,86,023**	**1119,72,28,757**
V	**Profit before tax (III - IV)**		**129,95,44,001**	**72,45,56,329**
VI	**Tax Expense**			
	(a) Current tax		46,66,59,977	24,32,35,484
	(b) Taxation for earlier years		12,63,553	–
	(c) Deferred tax		(1,55,30,397)	1,09,82,711
	Total tax expense		**45,23,93,133**	**25,42,18,195**
VII	**Profit for the year (V-VI)**		**84,71,50,868**	**47,03,38,134**
VIII	**Other Comprehensive Income / (loss)**			
	(i) Items that will not be reclassified subsequently to the statement of profit and loss			
	(a) Remeasurement of defined benefit plans		(4,58,10,991)	(2,16,05,840)
	(b) Fair value changes of investments in equity shares		21,64,000	22,30,500
	(ii) Income tax on items that will not be reclassified subsequently to the statement of profit and loss		1,60,92,667	76,24,627
	Total Other comprehensive income/ (loss) for the year (net of income tax)		**(2,75,54,324)**	**(1,17,50,713)**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**81,95,96,544**	**45,85,87,421**
X	**Earnings per equity share**			
	Basic and Diluted [Face value of Rs.10 each] (PY: Face value of Rs.10 each)	35	40.53	22.50
	Notes forming part of financial statements	(1 - 37)		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715

Kolkata, April 17, 2019

For and on behalf of the Board of Directors

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
M. V. RAO
Sr. VP (Finance) & CFO

sd/-
A. DEBTA
Dy. GM & Company Secretary
(FCS : 6546)

Kolkata, April 17, 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(A) EQUITY SHARE CAPITAL

(Refer Note 11)

As at 31 March 2019 ₹

Particulars	Balance as at 1 April 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
Equity Share Capital	20,90,00,000	—	20,90,00,000

As at 31 March 2018

Particulars	Balance as at 1 April 2017	Changes in equity share capital during the year	Balance as at 31 March 2018
Equity Share Capital	20,90,00,000	—	20,90,00,000

(B) OTHER EQUITY

(Refer Note 11)

As at 31 March 2019 ₹

Particulars	Reserve & Surplus			Items of Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Security Premium Reserve	Investment Revaluation Reserve	
Balance as at 1 April 2018	**113,08,88,395**	**142,33,53,424**	**75,73,04,560**	**94,20,500**	**332,09,66,879**
Profit for the year	84,71,50,868	–	–	–	**84,71,50,868**
Dividend (Including dividend distribution tax)	(16,62,93,973)	–	–	–	**(16,62,93,973)**
Fair value gain on equity instrument	–	–	–	21,64,000	**21,64,000**
Remeasurement loss on defined benefit plans	(2,97,18,324)	–	–	–	**(2,97,18,324)**
Balance as at 31 March 2019	**178,20,26,966**	**142,33,53,424**	**75,73,04,560**	**1,15,84,500**	**397,42,69,450**

As at 31 March 2018 ₹

Particulars	Reserve & Surplus			Items of Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Security Premium Reserve	Investment Revaluation Reserve	
Balance as at 1 April 2017	83,30,06,853	142,33,53,424	75,73,04,560	71,90,000	**302,08,54,837**
Profit for the year	47,03,38,134	–	–	–	**47,03,38,134**
Dividend (Including dividend distribution tax)	(15,84,75,379)	–	–	–	**(15,84,75,379)**
Fair value gain on equity instrument	–	–	–	22,30,500	**22,30,500**
Remeasurement loss on defined benefit plans	(1,39,81,213)	–	–	–	**(1,39,81,213)**
Balance as at 31 March 2018	**113,08,88,395**	**142,33,53,424**	**75,73,04,560**	**94,20,500**	**332,09,66,879**

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715

Kolkata, April 17, 2019

For and on behalf of the Board of Directors

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
M. V. RAO
Sr. VP (Finance) & CFO

sd/-
A. DEBTA
Dy. GM & Company Secretary
(FCS : 6546)

Kolkata, April 17, 2019

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2019

	April 2018 - March 2019 ₹	April 2017 - March 2018 ₹
A. Cash Flow from Operating activities:		
Profit before tax	129,95,44,001	72,45,56,329
Adjustments for:		
Depreciation and amortisation expenses	31,85,72,263	20,50,67,789
Credit balances written back	(1,36,14,802)	(1,39,34,325)
Property, plant and equipment written off	1,89,57,147	-
Dividend income	(65,000)	(55,000)
Net gain on sale of property, plant and equipment	(12,00,865)	(10,14,831)
Interest income	(61,61,384)	(44,98,244)
Finance costs	15,72,10,328	13,83,20,808
Unrealised gain on foreign exchange fluctuation	(39,22,184)	(69,56,710)
Operating profit before working capital changes	**176,93,19,504**	**104,14,85,816**
Adjustments for:		
(Increase)/ decrease in non-current / current financial and other assets	(26,11,77,304)	54,44,29,909
Increase in inventories	(94,28,74,344)	(87,62,59,968)
Increase in non-current / current financial and other liabilities / provisions	17,71,83,011	58,42,89,726
Cash generated from operations	**74,24,50,867**	**129,39,45,483**
Income tax paid (net of refunds)	(44,20,66,949)	(24,82,95,107)
Net Cash from Operating Activities A	**30,03,83,918**	**104,56,50,376**
B. Cash Flow from Investing Activities:		
Acquisitions of property, plant and equipment	(44,61,59,677)	(25,42,22,782)
Proceeds on sale of property, plant and equipment	15,69,954	13,54,683
Fixed deposits with bank	(51,61,298)	(8,00,000)
Interest received	81,20,152	22,58,419
Dividend received	65,000	55,000
Net Cash used in Investing Activities B	**(44,15,65,869)**	**(25,13,54,680)**
C. Cash Flow from Financing Activities:		
Proceeds from borrowings	78,18,83,342	64,53,20,071
Repayment of borrowings	(21,81,08,768)	(117,27,72,064)
Proceeds from government grant	91,12,034	16,42,876
Interest paid	(15,75,36,104)	(13,93,80,909)
Dividend paid (including dividend distribution tax)	(16,62,93,973)	(15,84,75,379)
Net Cash provided by / (used in) Financing Activities C	**24,90,56,531**	**(82,36,65,405)**
Net increase in cash and cash equivalents (A+B+C)	10,78,74,580	(2,93,69,709)
Cash and Cash equivalents as at 1 April 2018 (Refer Note-9)	**76,45,735**	**3,70,15,444**
Cash and Cash equivalents as at 31 March 2019 (Refer Note-9)	**11,55,20,315**	**76,45,735**

Note:

i) Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.

ii) Figures in brackets represent cash outflows.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715

Kolkata, April 17, 2019

For and on behalf of the Board of Directors

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
M. V. RAO
Sr. VP (Finance) &
CFO

sd/-
A. DEBTA
Dy. GM & Company Secretary
(FCS : 6546)

Kolkata, April 17, 2019

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

NOTE 01

Property, Plant and Equipment

Description	Cost / (Deemed Cost) as at 1 April 2018 ₹	Additions ₹	Deductions ₹	Gross Block as at 31 March 2019 ₹	Accumulated Depreciation as at 1 April 2018 ₹	Depreciation for the Year: Additions ₹	Depreciation for the Year: Deductions/ Deductions ₹	Total Depreciation as at 31 March 2019 ₹	Net Block as at 31 March 2019 ₹
A. TANGIBLE ASSETS									
Freehold Land	18,67,412 (8,80,50,282)	– –	– (8,61,82,870)*	18,67,412 (18,67,412)	– –	– –	– –	– –	18,67,412 (18,67,412)
Buildings and Roads	59,96,25,145 (54,36,72,279)	12,56,27,529 (5,59,52,866)	1,71,154 –	72,50,81,520 (59,96,25,145)	5,57,70,956 (3,69,86,858)	11,85,54,510 (1,87,84,098)	1,71,154 –	17,41,54,312 (5,57,70,956)	55,09,27,208 (54,38,54,189)
Plant and Machinery	166,31,29,607 (154,26,35,823)	22,10,94,207 (13,58,92,359)	6,70,19,948 (1,53,98,575)	181,72,03,866 (166,31,29,607)	36,63,63,848 (24,14,57,278)	15,40,73,343 (14,03,05,143)	4,83,20,293 (1,53,98,573)	47,21,16,898 (36,63,63,848)	134,50,86,968 (129,67,65,759)
Railway Siding	1,34,48,476 (1,34,48,476)	– –	– –	1,34,48,476 (1,34,48,476)	43,34,922 (28,89,948)	14,44,974 (14,44,974)	– –	57,79,896 (43,34,922)	76,68,580 (91,13,554)
Furniture and Fixture	10,41,70,400 (9,17,19,028)	1,23,16,993 (1,24,51,372)	1,07,79,755 –	10,57,07,638 (10,41,70,400)	5,09,30,141 (3,47,04,386)	1,36,58,446 (1,62,25,755)	1,04,62,272 –	5,41,26,315 (5,09,30,141)	5,15,81,323 (5,32,40,259)
Office Equipments	5,32,83,227 (2,95,39,432)	3,09,34,190 (2,38,61,635)	10,09,939 (1,17,840)	8,32,07,478 (5,32,83,227)	2,93,76,159 (1,48,07,279)	1,28,69,663 (1,46,35,832)	9,77,643 (66,952)	4,12,68,179 (2,93,76,159)	4,19,39,299 (2,39,07,068)
Vehicles	2,02,15,024 (1,56,50,745)	1,22,59,720 (1,03,87,394)	66,05,557 (58,23,115)	2,58,69,187 (2,02,15,024)	12,93,526 (25,09,759)	55,37,476 (43,17,920)	63,28,755 (55,34,153)	5,02,247 (12,93,526)	2,53,66,940 (1,89,21,498)
Total Tangible Assets	**245,57,39,291** (232,47,16,065)	**40,22,32,639** (23,85,45,626)	**8,55,86,353** (10,75,22,400)	**277,23,85,577** (245,57,39,291)	**50,80,69,552** (33,33,55,508)	**30,61,38,412** (19,57,13,722)	**6,62,60,117** (2,09,99,678)	**74,79,47,847** (50,80,69,552)	**202,44,37,730** (194,76,69,739)
B. INTANGIBLE ASSETS									
Development of Mines	2,88,33,293 (2,88,33,293)	– –	– –	2,88,33,293 (2,88,33,293)	1,33,41,274 (88,94,182)	44,47,091 (44,47,092)	– –	1,77,88,365 (1,33,41,274)	1,10,44,928 (1,54,92,019)
Software	3,71,51,441 (3,40,78,005)	59,72,290 (30,73,436)	– –	4,31,23,731 (3,71,51,441)	1,35,01,082 (85,94,107)	79,86,760 (49,06,975)	– –	2,14,87,842 (1,35,01,082)	2,16,35,889 (2,36,50,359)
Total Intangible Assets	**6,59,84,734** (6,29,11,298)	**59,72,290** (30,73,436)	**–** –	**7,19,57,024** (6,59,84,734)	**2,68,42,356** (1,74,88,289)	**1,24,33,851** (93,54,067)	**–** –	**3,92,76,207** (2,68,42,356)	**3,26,80,817** (3,91,42,378)
Total (A+B) As at 31 March 2018	**252,17,24,025** (238,76,27,363)	**40,82,04,929** (24,16,19,062)	**8,55,86,353** (10,75,22,400)	**284,43,42,601** (252,17,24,025)	**53,49,11,908** (35,08,43,797)	**31,85,72,263** (20,50,67,789)	**6,62,60,117** (2,09,99,678)	**78,72,24,054** (53,49,11,908)	**205,71,18,547** (198,68,12,117)
C. CAPITAL WORK IN PROGRESS									
Buildings, Plant and Machinery, etc.	**5,24,26,028** (5,05,24,327)	**54,72,59,847** (24,35,20,763)	**40,82,04,929** (24,16,19,062)	**19,14,80,946** (5,24,26,028)	**–** –	**–** –	**–** –	**–** –	**19,14,80,946** (5,24,26,028)
Total Assets									**224,85,99,493** (203,92,38,145)

Note : i) Figures in brackets relate to the previous year.

(ii) Development of mines represent expenditure incurred in relation to restoration obligations as per applicable regulations.

(iii) Property, Plant and Equipment including Capital Work in Progress were tested for impairment during the year . No indicators of impairment were identified during the current year.

(iv) *Land at Vizag and Salem Plant amounting to ₹ 8,61,82,870/– was classified as assets held for sale

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

	No. of equity shares	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
NOTE 02 : Investment in Associates			
Non-Current			
Investments in Associate Companies carried at Cost			
Investment in Equity Instrument (Unquoted)			
a) TRL Krosaki Asia Pte Limited (Face value of SG$ 1 each, fully paid-up)	48,07,584	13,82,61,575	13,82,61,575
b) Almora Magnesite Limited (Face value of ₹ 100 each, fully paid-up)	77,990	77,99,000	77,99,000
Total investments in Associates		**14,60,60,575**	**14,60,60,575**
The carrying value of unquoted investments		14,60,60,575	14,60,60,575
NOTE 03 : Investments			
Non-Current			
a) **Investment designated at fair value through Other Comprehensive Income**			
Investment in Equity Instrument (Quoted)			
HDFC Bank Limited (Market Value) (Face Value of ₹ 2 each fully paid up)	5,000	1,15,94,500	94,30,500
b) **Investment in Equity Instrument (Unquoted)**			
Tata Construction and Projects Limited (Face Value of ₹ 10 each fully paid up)	1,44,202	18,42,020	18,42,020
Less : Provision for permanent diminution in value of investment		(18,42,020)	(18,42,020)
Total Investments		**1,15,94,500**	**94,30,500**
The carrying value and market value of quoted investments are as below:			
Carrying value		1,15,94,500	94,30,500
Market Value		1,15,94,500	94,30,500
Aggregate amount of impairment in value of investment		18,42,020	18,42,020

*Company is in liquidation.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

04 Loans and deposits	As at 31 March 2019 ₹			As at 31 March 2018 ₹		
Unsecured, considered good	Non-current	Current	Total	Non-current	Current	Total
(a) Security deposits	3,69,34,903	1,60,01,827	**5,29,36,730**	3,31,96,403	1,26,31,041	**4,58,27,444**
(b) Loans to employees	2,09,79,582	97,42,549	**3,07,22,131**	98,15,369	59,05,973	**1,57,21,342**
Total Loans	**5,79,14,485**	**2,57,44,376**	**8,36,58,861**	**4,30,11,772**	**1,85,37,014**	**6,15,48,786**

05 Other financial assets	As at 31 March 2019 ₹			As at 31 March 2018 ₹		
Unsecured, considered good	Non current	Current	Total	Non current	Current	Total
(a) Interest accrued on deposits	–	25,06,708	**25,06,708**	–	44,65,476	**44,65,476**
(b) Derivative assets	–	–	**–**	–	13,03,453	**13,03,453**
(c) Earmarked balance with bank	3,22,61,298	–	**3,22,61,298**	8,00,000	–	**8,00,000**
Total Other financial assets	**3,22,61,298**	**25,06,708**	**3,47,68,006**	**8,00,000**	**57,68,929**	**65,68,929**

Earmarked balance with bank represent deposits not due for realisation within 12 months from the balance sheet date. These are primarily placed as margin money against issue of bank guarantees.

06 Other assets	As at 31 March 2019 ₹			As at 31 March 2018 ₹		
Unsecured, considered good unless otherwise stated	Non current	Current	Total	Non current	Current	Total
(a) Capital advances	44,83,105	–	**44,83,105**	93,22,488	–	**93,22,488**
(b) Advance with public bodies *	18,33,72,146	47,58,78,139	**65,92,50,285**	15,77,82,457	33,54,04,470	**49,31,86,927**
(c) Other advances (Unsecured, considered good)**	66,50,658	11,55,70,430	**12,22,21,088**	87,92,437	13,22,91,921	**14,10,84,358**
(d) Other advances (Unsecured, considered doubtful)	1,03,13,821	–	**1,03,13,821**	68,80,219	–	**68,80,219**
Other assets	**20,48,19,730**	**59,14,48,569**	**79,62,68,299**	**18,27,77,601**	**46,76,96,391**	**65,04,73,992**
Less: Provision for doubtful advances	1,03,13,821	–	**1,03,13,821**	68,80,219	–	**68,80,219**
Total Other assets	**19,45,05,909**	**59,14,48,569**	**78,59,54,478**	**17,58,97,382**	**46,76,96,391**	**64,35,93,773**

* Advance with public bodies primarily relate to duty credit entitlements and amounts paid under protest in respect of demands from regulatory authorities.

** Other advances include advances against supply of goods and services and advances paid to employees.

07 Trade receivables	As at 31 March 2019 ₹	As at 31 March 2018 ₹
(a) Unsecured, considered good	229,25,93,857	213,64,75,900
(b) Credit Impaired	6,37,07,225	3,41,01,225
Gross Trade Receivables	**235,63,01,082**	**217,05,77,125**
Less: Allowance for credit losses	17,08,71,881	7,37,83,281
Net Trade receivables	**218,54,29,201**	**209,67,93,844**

There are no receivables which have significant increase in credit risk.

The Company's exposure to customers contributing more than 10% of the outstanding receivables as at March 31, 2019 is ₹72,03,55,179 (Previous year: ₹48,69,01,125)

The trade receivables from related parties amounting to ₹ 8,66,45,917 (Previous year: ₹ 47,90,86,309) are included in Net Trade Receivables.

There are no outstanding debts due from directors or other officers of the Company.

The details of movement in allowances for credit losses are as below:

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Balance at the beginning of the year	7,37,83,281	6,62,35,031
Additions during the year	9,70,88,600	75,48,250
Amount utilised during the year	–	–
Balance at the end of the year	**17,08,71,881**	**7,37,83,281**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

08 Inventories	As at 31 March 2019 ₹	As at 31 March 2018 ₹
(a) Raw materials	219,55,23,852	162,98,92,779
(b) Work-in-progress	24,04,39,963	18,81,31,865
(c) Finished goods	76,76,72,374	55,51,94,710
(d) Stock-in-trade	18,54,42,095	11,16,92,401
(e) Stores and spares	14,86,13,584	11,54,73,253
(f) Loose tools	36,74,336	29,30,488
(g) Fuel	5,40,81,388	4,92,57,752
Total Inventories	**359,54,47,592**	**265,25,73,248**

The value of inventories stated above is after impairment of ₹ 1,09,61,387 (Previous year: ₹ 98,02,800) for write-downs to net realisable value and provision for slow moving and obsolete item is ₹ 83,47,346 (Previous year : ₹ 5,38,43,593).

Included above, goods in transit, finished goods of ₹ 3,73,68,835 (Previous year : Nil)

The inventories have been hypothecated as security against certain bank borrowings (Refer note–12)

09 Cash and Cash Equivalents	As at 31 March 2019 ₹	As at 31 March 2018 ₹
(a) Cash on hand	79,612	2,17,565
(b) Balances with banks	11,54,40,703	74,28,170
Total Cash and cash equivalents	**11,55,20,315**	**76,45,735**

10 Other balances with bank	As at 31 March 2019 ₹	As at 31 March 2018 ₹
(a) Fixed deposits held as margin money *	17,00,000	2,80,00,000
(b) Unclaimed dividend**	6,30,370	3,31,706
Total Other balances with bank	**23,30,370**	**2,83,31,706**

* Fixed deposits held as margin money against issue of bank guarantees.

** Not available for use of the Company.

11 Equity Share Capital	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Authorised :		
2,50,00,000 Equity Shares of ₹ 10 each (Previous year: 2,50,00,000 Equity Shares of ₹ 10 each)	25,00,00,000	25,00,00,000
	25,00,00,000	**25,00,00,000**
Issued, Subscribed and Fully Paid-up:		
2,09,00,000 Equity Shares of ₹ 10 each (Previous year: 2,09,00,000 Equity Shares of ₹ 10 each)	20,90,00,000	20,90,00,000
Total Equity Share Capital	**20,90,00,000**	**20,90,00,000**

a) Rights, preference and restrictions attached to equity shares

i) The Company has only one class of shares referred to as equity shares having par value of ₹ 10 each. Holder of equity shares is entitled to one vote per share.

ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11 Equity Share Capital (Cont...)

b) Reconciliation of Share Capital

	As at 31 March 2019 Number	As at 31 March 2018 Number	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Opening Balance	2,09,00,000	2,09,00,000	20,90,00,000	20,90,00,000
Closing Balance	**2,09,00,000**	**2,09,00,000**	**20,90,00,000**	**20,90,00,000**

c) Shares held by holding company

	As at 31 March 2019 Number	As at 31 March 2018 Number	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Krosaki Harima Corporation - Japan				
Opening Balance	1,06,59,000	1,06,59,000	10,65,90,000	10,65,90,000
Addition during the year*	55,63,864	–	5,56,38,640	–
Closing Balance	**1,62,22,864**	**1,06,59,000**	**16,22,28,640**	**10,65,90,000**

* On 31 December 2018, Krosaki Harima Corporation acquired 26.62% share of the Company from Tata Steel Limited.

d) Share holders holding more than 5% shares

Name of the Share holders	As at 31 March 2019		As at 31 March 2018	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Krosaki Harima Corporation -Japan (Holding company)	1,62,22,864	77.62	1,06,59,000	51.00
Tata Steel Limited	–	–	55,63,864	26.62
Steel Authority of India Limited	22,03,150	10.54	22,03,150	10.54

e) Other Equity

1) General Reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Balance at the beginning of the year	142,33,53,424	142,33,53,424
Balance at the end of the year	**142,33,53,424**	**142,33,53,424**

2) Securities premium : Securities premium is used to record the premium on issue of shares. Securities premium is utilised in accordance with the provisions of the Companies Act, 2013. There is no movement in securities premium during the current and previous year.

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Balance at the beginning of the year	75,73,04,560	75,73,04,560
Balance at the end of the year	**75,73,04,560**	**75,73,04,560**

3) Investment revaluation reserve: The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in investment revaluation reserve.

The details of movement in investment revaluation reserve are as below:

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Balance at the beginning of the year	94,20,500	71,90,000
Other comprehensive income recognised during the year	21,64,000	22,30,500
Balance at the end of the year	**1,15,84,500**	**94,20,500**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11 Equity Share Capital (Cont...)

4) Dividends

The following dividends were declared and paid by the Company during the year

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
₹ 6.60 per equity shares (Previous year: ₹ 6.30 per share)	13,79,40,000	13,16,70,000
Dividend distribution tax (DDT) on dividend to equity shareholders	2,83,53,973	2,68,05,379
	16,62,93,973	**15,84,75,379**

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the board of directors subject to the approval by the shareholders at the annual general meeting. These dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
₹ 12.20 per equity shares (Previous year: ₹ 6.60)	25,49,80,000	13,79,40,000

5) Remeasurement on defined benefit plans

Remeasurement gain/ (loss) on defined benefit plans includes actuarial gain / (loss) arising on defined benefit plans of Company (net of income taxes).

12 Borrowings

₹

	As at 31 March 2019		As at 31 March 2018	
	Current	Total	Current	Total
A. Secured Borrowings				
From banks*				
(i) Cash Credit (repayable on demand)	15,95,48,851	**15,95,48,851**	16,58,42,137	**16,58,42,137**
(ii) Packing Credits**	64,34,18,645	**64,34,18,645**	72,79,77,646	**72,79,77,646**
Total Secured Borrowings	**80,29,67,496**	**80,29,67,496**	**89,38,19,783**	**89,38,19,783**
B. Unsecured Borrowings				
From banks				
(i) Working Capital demand loans	135,00,00,000	**135,00,00,000**	70,00,00,000	**70,00,00,000**
(ii) Packing Credits**	3,71,60,784	**3,71,60,784**	3,25,33,923	**3,25,33,923**
Total Unsecured Borrowings	**138,71,60,784**	**138,71,60,784**	**73,25,33,923**	**73,25,33,923**
Total Borrowings	**219,01,28,280**	**219,01,28,280**	**162,63,53,706**	**162,63,53,706**

*Secured by hypothecation of stock of raw materials, stores and consumables, stock-in-process, finished goods, receivables and other current assets, both present and future, by way of pari-passu first charge and second charge over property,plant and equipment.

** Packing credits are repayable within maximum tenure of 180 days.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13 Trade Payables	As at 31 March 2019 ₹	As at 31 March 2018 ₹
(a) **Dues of micro enterprises and small enterprises**		
Creditors for supplies of micro and small enterprises	28,10,866	2,82,49,518

The amounts due to Micro and Small Enterprises, as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)", have been determined to the extent that such parties have been identified on the basis of information available with the Company. The details are tabulated below:

1. The principal amount remaining unpaid to supplier as at the end of the year	28,10,866	2,82,49,518
2. The interest due thereon remaining unpaid to suppliers as at the end of the year	–	–
3. The amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the suppliers beyond the appointed day during the year.	–	–
4. The amount of interest due and payable for the period (i.e. principal has been paid but interest under MSMED Act, 2006 not paid)	–	–
5. The amount of interest accrued and remaining unpaid at the end of the year.	–	–
6. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure u/s 23.	–	–
(b) **Dues of creditors other than micro enterprises and small enterprises**		
(i) Creditors for supplies / services other than micro and small enterprises	168,46,25,391	158,65,30,455
(ii) Creditors for accrued wages and salaries	9,42,75,793	6,91,98,031
(iii) Acceptances	30,17,32,871	25,25,50,417
Total dues of creditors other than micro enterprises and small enterprises	**208,06,34,055**	**190,82,78,903**

14 Other financial liabilities	As at 31 March 2019 ₹	As at 31 March 2018 ₹
(a) Interest accrued but not due on borrowings	11,827	3,37,603
(b) Unpaid dividends	6,30,370	3,31,706
(c) Derivative liabilities	70,09,881	–
(d) Creditors for capital goods	11,39,58,585	85,85,764
Total Other financial liabilities	**12,16,10,663**	**92,55,073**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

15 Provisions

	As at 31 March 2019			As at 31 March 2018		
	Non current	Current	Total	Non current	Current	Total
	₹	₹	₹	₹	₹	₹
(a) Provision for employee benefits*	14,61,94,100	7,13,39,640	**21,75,33,740**	10,75,86,130	6,34,68,450	**17,10,54,580**
(b) Provision for retirement benefits	13,13,73,236	74,04,675	**13,87,77,911**	13,98,35,510	63,75,370	**14,62,10,880**
(c) Provision for employee separation compensation	13,41,916	11,24,357	**24,66,273**	28,73,577	11,04,982	**39,78,559**
(d) Other provisions**	63,22,699	31,91,881	**95,14,580**	3,68,56,759	–	**3,68,56,759**
Total Provisions	**28,52,31,951**	**8,30,60,553**	**36,82,92,504**	**28,71,51,976**	**7,09,48,802**	**35,81,00,778**

* Provision for employee benefits includes provision for compensated absence, bonus and employee incentives.

**The other provisions include provisions for Octroi, holding tax, license fees and water cess.

The details of movement in other provisions is as below:

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Balance at the beginning of the year	3,68,56,759	3,36,64,881
Add : Provision recognised during the year	31,91,879	31,91,878
Less : Amount utilised during the year	3,05,34,058	–
Balance at the end of the year	**95,14,580**	**3,68,56,759**

16 Other Liabilities

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
(a) Advances received from customers	3,67,51,255	6,06,88,320
(b) Employee recoveries and employer contributions	1,30,36,165	1,16,38,497
(c) Statutory dues *	22,62,78,200	16,69,35,131
Total Other liabilities	**27,60,65,620**	**23,92,61,948**

*Statutory dues primarily include payables in respect of Goods and Services Tax (GST) and tax deducted at source (TDS)

17 Revenue from Operations

	April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
(a) Sale of products *	1486,12,50,644	1144,39,59,246
(b) Income from sale of services	81,77,62,994	31,64,49,814
(c) Other operating revenue	24,28,74,335	14,18,73,626
Total Revenue from operations	**1592,18,87,973**	**1190,22,82,686**

* Sale of products upto 30 June 2017 includes excise duty. Goods and Services Tax (GST) was introduced w.e.f 1 July 2017 and sale of products w.e.f 1 July 2017 does not include GST.

18 Other income

	April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
(a) Dividend income	65,000	55,000
(b) Net gain on sale of property, plant and equipment	12,00,865	10,14,831
(c) Credit balances written back	1,36,14,802	1,39,34,325
(d) Interest income	61,61,384	44,98,244
Total Other income	**2,10,42,051**	**1,95,02,400**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

19 Cost of materials consumed	April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
Opening stock	162,98,92,779	84,34,16,377
Add: Purchases	749,90,71,421	618,79,03,028
	912,89,64,200	703,13,19,405
Less: Closing stock	219,55,23,852	162,98,92,779
Cost of materials consumed	**693,34,40,348**	**540,14,26,626**

20 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year		
Work-in-progress	24,04,39,963	18,81,31,865
Finished goods	76,76,72,374	55,51,94,710
Stock-in-trade	18,54,42,095	11,16,92,401
Total Inventories at the end of the year	**119,35,54,432**	**85,50,18,976**
Inventories at the beginning of the year		
Work-in-progress	18,81,31,865	13,75,11,262
Finished goods	55,51,94,710	54,00,06,751
Stock-in-trade	11,16,92,401	10,53,92,292
Total Inventories at the beginning of the year	**85,50,18,976**	**78,29,10,305**
Total Changes in stock of finished goods, work-in-progress and stock-in-trade	**33,85,35,456**	**7,21,08,671**

21. Employee benefits expenses		
(a) Salaries, wages and bonus	96,28,69,967	76,24,64,641
(b) Employee separation compensation	19,79,745	7,68,267
(c) Contribution to provident and other funds	9,75,36,301	9,01,78,447
(d) Staff welfare expenses	7,32,60,556	5,62,88,080
Total Employee benefits expenses	**113,56,46,569**	**90,96,99,435**

22 Finance costs		
(a) Interest expense		
(1) Interest on fixed loans	8,65,65,462	8,51,73,119
(2) Interest on other loans	6,84,18,686	5,08,39,832
(b) Other borrowing costs	22,26,180	23,07,857
Total Finance costs	**15,72,10,328**	**13,83,20,808**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

23 Other Expenses

		April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
(a)	Stores and spares consumed	33,96,90,204	24,17,73,376
(b)	Repairs to buildings	23,68,42,324	17,85,57,368
(c)	Repairs to machinery	28,02,59,595	20,94,16,758
(d)	Contractors charges for refractories management	25,29,13,907	18,62,75,601
(e)	Fuel consumed	91,91,85,181	73,29,78,281
(f)	Purchase of power	23,84,76,535	23,10,85,236
(g)	Conversion and processing charges	20,68,94,696	16,86,84,906
(h)	Freight and handling charges	77,22,40,275	71,96,76,474
(i)	Rent	4,57,72,949	3,88,21,170
(j)	Royalty	7,38,76,523	5,10,67,165
(k)	Rates and taxes	1,59,59,937	4,96,16,570
(l)	Insurance charges	53,57,001	57,13,599
(m)	Commission expenses	13,72,84,257	8,71,10,641
(n)	Excise duties*	–	15,48,61,383
(o)	Net loss on foreign currency transactions	6,80,88,835	3,02,36,978
(p)	Legal and other professional costs	13,55,77,906	11,92,73,934
(q)	Travelling expenses	17,26,43,225	12,30,42,372
(r)	Others	15,86,07,032	10,41,76,144
Total Other expenses		**405,96,70,382**	**343,23,67,956**

* There is no excise duty on implemention of GST Act with effect from 1 July 2017.

Note:

Other expenses includes:

			April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
(i)	Payment to Auditors :			
	a)	Services as Auditors (including for audit in terms of Section 44AB of the Income Tax Act, 1961 ₹ 2,00,000 [(Previous Year ₹ 2,00,000)]	25,00,000	25,00,000
	b)	Fees for other services	11,38,842	13,33,919
	c)	Out-of pocket expenses	1,56,131	3,71,575
			37,94,973	**42,05,494**
(ii)	Cost audit fees [Including expenses ₹ 8,345 (Previous year: ₹ 7,133)]		1,18,345	1,17,133

(iii) Revenue expenditure charged to statement of profit and loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year is ₹ 1,04,66,626 (fully paid) [Previous year: ₹ 81,68,688 (fully paid)].

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities as per section 135 of the Companies Act, 2013 was ₹ 99,90,426 (Previous year: ₹ 54,68,006).

No capital expenditure on Corporate Social Responsibility (CSR) has been incurred during the year and in previous year.

(iv) Property, plant and equipment amounting to ₹ 1,89,57,147 written off during the year (Previous Year: ₹ Nil).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Note 24 ACCOUNTING POLICIES

1) Company Information

TRL Krosaki Refractories Limited ("the Company") is a public limited company incorporated under the provisions of Companies Act, 2013 and domiciled in India with its registered office situated at Belpahar, Jharsuguda District, Odisha, India.

The Company is primarily engaged in the business of manufacturing of wide range of refractories like Basic, Dolomite, High Alumina, Monolithic, Silica, Flow Control and Tap Hole Clay and providing refractories engineering and management services.

The financial statements as at 31 March 2019 present the financial position of the Company.

The functional and presentation currency of the Company is Indian Rupee (Rs.), which is the currency of the primary economic environment in which the Company operates.

As at 31 March 2019, Krosaki Harima Corporation owns 77.62% of the equity shares of the Company, and has the ability to influence the Company's operations. Nippon Steel Corporation is having significant influence over Krosaki Harima Corporation.

2) Significant Accounting Policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

a) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, and other provisions of the Act , as amended from time to time.

The financial statements of the Company for the year ended 31 March 2019 were approved for issue in accordance with the resolution of the Board of Directors on 17 April 2019.

b) Basis of Preparation

The financial statements have been prepared under the historical cost convention, with the exception of certain assets and liabilities that are required to be carried at fair values by Ind-AS.

Fair value is the price that would be received to sell asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in the estimates are made as management becomes aware of such changes. The changes in estimates are recognised in the period in which the estimates are revised.

Significant judgements and estimates relate to the following-

i. carrying values of assets and liabilities include useful lives of tangible and intangible assets;

ii. impairment of property, plant and equipment.;

iii. provision for employee benefits and other provisions; and

iv. commitments and contingencies and measurement of fair values.

d) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss, as incurred. When a replacement occurs, the carrying amount of the replaced part is de-recognised. Property, plant and equipment are stated at cost/deemed cost, less accumulated depreciation and impairment, if any. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as a part of cost of qualifying asset. Deemed cost represents the carrying value of the property, plant and equipment recognized as at 1 April 2015 measured as per the previous GAAP.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying value of such item, and is recognised in the Statement of Profit and Loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital Work-in-Progress".

e) Intangible assets

Development of mines and software costs are recognized in the Balance Sheet as intangible assets when it is probable that associated future economic benefits will flow to the company and its cost can be measured reliably. These are initially measured at cost and subsequently at cost less accumulated amortisation and impairment, if any. All other costs on development of mines and software are expensed in the Statement of Profit and Loss as and when incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

f) Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortisation is provided under the straight line method, based on the estimated useful life, as determined by technical evaluation of the useful life of the assets, in terms of Schedule II to the Companies Act, 2013.

Assets individually costing up to Rs.25,000 are fully depreciated or amortized in the year of acquisition. Freehold Land is not depreciated.

The charge of depreciation or amortization commences from the date the assets are available for their intended use. Depreciation on assets under construction commences only when the assets are ready for their intended use. No further charge is provided in respect of assets that are fully written down but are still in use.

The estimated useful lives of assets and residual values are reviewed periodically and, adjusted if appropriate at the end of reporting period.

As the estimated useful life of some of the assets is significantly different from the useful life given in the Schedule II to Companies Act, 2013, the useful life of the assets has been assessed based on the number of years for which the assets have already been put to use and the estimated minimum balance period for which the assets can be used in the Company. The residual values are not more than 5% of the original cost of the asset.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

Sl No	Class of Assets	Estimated Useful Life (in years)
I	**Buildings and Roads**	
	Roads	10
	Factory Buildings and Reservoir	30
	Other Buildings (RCC Structure)	60
II	**Plant and Machinery**	
	Grinder	8 to 15
	Mixture, Press Drying Chambers, Shuttle Kiln	10 to 15
	Gas Producer, Kiln and Shaft Kiln	25
	Kiln Car	10
	Workshop Equipment	10 to 15
	Research and development equipment	10
	Other Equipment	5 to 15
III	**Railway Siding**	15
IV	**Furniture and Fixture and Office Equipment**	
	Furniture fittings, office equipment, computer, cinema and audio visual equipment	5
	Hospital canteen equipment, electric fittings	10
V	**Vehicles**	
	Motor car, Jeep, motor cycle	5
	Motor Lorry and mobile equipment	8
VI	**Intangible Assets**	
	Software	10
	Development of mines	10 years or lease period whichever is less

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

g) Impairment

At each Balance Sheet date, the Company reviews the carrying value of its property, plant and equipment and intangible asset to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount of an asset (or a cash generating unit) is the higher of fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognized in the Statement of Profit and Loss as and when the carrying value of an asset exceeds its recoverable amount.

An impairment loss is recognized in prior accounting periods is reviewed at each Balance Sheet date to assess whether there is any indication that the impairment loss recognized may no longer exist or may be decreased.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying value does not exceed the carrying value 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 in the Statement of Profit and Loss immediately.

h) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease.

The Company as lessee

Operating lease payments, as per terms of the agreement, are recognised as an expense in the Statement of Profit and Loss on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Company as lessor

Rental income from operating leases is recognised in the Statement of Profit and Loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished.

i) Investment in associates

Investments in associates are carried at cost/deemed cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required, immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the Statement of Profit and Loss.

j) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the Statement of Profit and Loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

i. Financial assets

Cash and bank balances

Cash and bank balances consist of:

Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than 3 months from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Other balances with bank- which includes balances and deposits with banks having maturity of more than three months but less than 12 months and are restricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:

These financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

The Company in respect of certain equity instruments which are not held for trading, has made an irrevocable election to present subsequent changes in the fair value of such equity instruments in other comprehensive income.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

Loss allowance for financial asset measured at amortised cost is deducted from gross carrying amount of asset.

De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

ii. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

A financial liability is classified at fair value through profit and loss account, if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans, overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Offsetting

Financial assets and financial liabilities are off set and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Derivative financial instruments and hedge accounting

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange. The instruments are confined principally to forward foreign exchange contracts. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/ firm contractual commitments.

Derivatives are initially accounted for and measured at fair value on the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The fair values for forward currency contracts are marked to market at the end of each reporting period. The Company adopts hedge accounting for forward foreign exchange contracts wherever possible. At the inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item or transaction and the nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the Statement of Profit and Loss.

When hedge accounting is applied, the Company treats the hedge relationship in relation to foreign currency exposure as fair value hedges of recognised assets and liabilities. Changes in fair value of the hedged assets and liabilities, attributable to the risk being hedged, are recognised in the Statement of Profit and Loss and compensate for the effective portion of the symmetrical changes in the fair value of the derivatives.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the Statement of Profit and Loss for the period.

k) Employee benefits

The Company's retirement benefit obligation are subject to a number of judgement including discount rates, inflation and salary growth. Significant judgement is required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's Balance Sheet and the Statement of Profit and Loss. The Company sets these judgement based on previous experience and third party actuarial advice.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed employee benefit schemes are dealt with as payments to defined contribution schemes, as the Company has no further defined benefit obligation beyond the monthly contribution.

Defined benefit plans

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end Balance Sheet date. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in Other Comprehensive Income. The service cost and net interest on the net defined benefit liability / (asset) is recognised as an expense within employment costs.

Past service cost is recognised as an expense, when the plan amendment or curtailment occurs, or when any related restructuring cost or termination benefits are recognised, whichever is earlier.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined-benefit obligation, as reduced by the fair value of plan assets.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized based on actuarial valuation at the present value of the obligation as on the reporting date.

Employee Separation Scheme

Compensation to employees who have opted for retirement under the Friendly Departure Scheme of the Company is charged off in the year in which the employee is relieved from the services of the Company.

Post-Retirement Medical Benefit

The company has a policy to give medical benefit to the retired employees at its own hospital at Belpahar not exceeding the amount of expense defined in its medical policy. The obligation of this service is measured and recognized based on actuarial valuation at the present value of the obligation as on the reporting date. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in Other Comprehensive Income. The service cost and net interest on the net defined benefit liability / (asset) is recognised as an expense within employment costs.

Pension to Directors

Pension payable to directors after their retirement as per the contractual agreement are recognized based on actuarial valuation at the present value of the obligation as on the reporting date. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in Other Comprehensive Income. The service cost and net interest on the net defined benefit liability / (asset) is recognised as an expense within employment costs.

l) Inventories

i. **Raw materials, Stores and Spares, Loose Tools and Fuel**

Raw materials, stores and spares, loose tools and fuel are valued at weighted average cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined or the cost of the finished products has exceeded its net realisable value.

ii. **Finished goods:** These are valued at lower of cost and net realisable value. Costs are calculated at full absorption cost basis which includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of inventories is generally ascertained on weighted average basis.

iii. **Work in Progress :** These are valued at cost. Costs are calculated at full absorption cost basis which includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

iv. **Stock-in-trade:** These are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to completion and the estimated costs necessary to sell them.

Provisions are made to cover slow moving and obsolete items based on historical experience of utilization on a product category basis and ageing policy as defined by the Company.

m) Cash Flow Statement

Cash Flows are reported using indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

n) Non-Current assets held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell. Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value.

The Company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are not depreciated or amortised.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

o) Provisions (other than employee benefits) and contingent liabilities

Provisions are recognised in the Balance Sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Constructive obligation is an obligation that derives from an entity's actions where:

i. by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and

ii. as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle an obligation or a reliable estimate of the amount cannot be made.

The Company does not recognise a Contingent Liability but discloses its existence in the Financial Statements.

p) Income taxes

Income tax comprises current and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the Statement of Profit and Loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

q) Revenue recognition

The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115, Revenue from Contracts with Customers as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is effective for accounting periods beginning on or after 1 April 2018.The core principle of the new standard is that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled.

The company derives revenue primarily from sale of refractories and installation & maintenance services. Revenue is recognised when the customer obtains the control of the goods & services as per the terms & condition of the contracts. Company determines at contract inception whether each performance obligation will be satisfied (i.e. Control will be transferred) over time or at a point in time.

- Revenue from material supply is recognised on transfer of control over the product.
- Revenues from service contracts is recognised on completion of performance obligation.

Interest Income

Interest income is accrued on a time proportion basis by reference to the principle outstanding and the effective interest rate applicable.

Dividend Income

Dividend income from investments is recognised when the right to receive payment has been established.

Rental Income

Rental income is recognised on a straight line basis over the term of the relevant arrangements.

Commission Income

Commission income is recognised when the services have been rendered.

Export incentives

Export incentives under the Duty Drawback Scheme are recognized on the basis of credits given in the bank or on receipt of duty credit scrips.

r) Government Grants

Government grants related to expenditure on property, plant and equipment are deducted from the cost of the property, plant and equipment in calculating the carrying amount of the asset.

s) Foreign currency transactions and translation

The financial statements of the Company are presented in Indian Rupees (Rs), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the entity’s functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the Statement of Profit and Loss for the period.

Exchange differences arising on translation or settlement of long-term foreign currency monetary items is accounted in the Statement of Profit and Loss for the period.

t) Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

u) Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

25 Contingent Liabilities

Contingent liabilities in respect of –	As at 31 March 2019	As at 31 March 2018
Claims against the Company not acknowledged as debts in respect of –		
– Income tax matters	20,59,59,575	20,59,59,575
– Sales tax / value added tax / entry tax matters	11,35,14,487	10,14,54,358
– Excise duty matters	4,00,13,670	–
– Other matters	1,78,07,203	1,88,41,203

In respect of above, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above.

In the ordinary course of business, the Company faces claims and assertions by various parties. The following is a description of claims and assertions where a potential loss is possible but not probable. There are claims which the Company does not believe to be of material nature, other than those described below:

Income Tax:

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These are mainly for transfer pricing issues and disallowance of expenses claimed by the Company as deductions. Most of these disputes and/or dis–allowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years. As at March 31, 2019, there are matters and/or disputes pending in appeal amounting to ₹ 20,59,59,575 (Previous Year: ₹ 20,59,59,575).

Sales tax /value added tax/ entry tax/ Excise duty matters

The Company has demands that are being contested by the Company in different years amounting to ₹ 15,35,28,157 (Previous Year: ₹ 10,14,54,358). These are mainly for non submission of concessional forms.

Demand by Mining Officer:

Demand Notice has been raised by the Mining Officer, Cuttack Circle, Odisha, amounting to ₹ 1.29 Crores for excess production of fireclay over the quantity permitted under the scheme of mining for the period 2003–04 to 2006–07. The demand notice has been raised under Section 21(5) of the Mines and Minerals (Development and Regulations) Act (MMDR). However, the Act specifies that demand can be raised only when the land is occupied without lawful authority. The Company is of the view that, Section 21(5) of the MMDR Act is not applicable to it, as the mining has been carried out within the confines of the sanctioned mining lease area. Accordingly, the Company has filed a revision petition before the Mines Tribunal against the demand notice. The impugned order has been set aside and the matter has been remanded back to Govt. of Odisha to re-estimate the claim.

Other Claims

Other civil cases for which the Company may contingently be liable aggregate to ₹ 49,07,203 (Previous Year: ₹ 59,41,203).

26 Water Rate Dispute

The Company has been drawing water from Lilhari Nullha, a natural water stream. Up to 1994, as per the Orissa Irrigation Act, the water rate was payable for drawing water from irrigation work. Natural water streams like Lilhari Nullha were not covered in the definition of irrigation work, as given in Section 4(9) of the Act. Definition of ‘government water source’ was inserted in Section 4(6-a) of the Act in 1994, which covers natural water sources like Lilhari Nullha, and the Company has been paying water rate since then. However, the Government of Odisha demanded an amount of ₹ 57,77,600 towards water rate and penalty for the period prior to 1994 which has been stayed by the Hon’ble High Court of Odisha. Water Resources Department, Government of Odisha, has been charging monthly compounded interest @ 2% on the disputed amount and the total interest charged up to 31 March 2019 is ₹ 51,75,71,093. The total disputed demand, together with interest as on 31 March 2019 is ₹ 52,33,48,693. During the current year, Hon’ble High Court of Odisha has stayed charging of monthly compound interest of 2% and passed an order that compound interest @ 2% will not be allowed to charge until further orders.

27 Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances paid ₹ 21,46,16,738 (Previous Year: ₹ 5,02,89,889).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

28 Standards issued but not yet effective

Ind AS 116, Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019 replacing the existing Ind AS 17, Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and low value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed detailed assessment. The impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

As per the initial estimate, no significant impact is expected in the financial statements of the Company on applying Ind AS 116 both as lessee and as lessor.

Transition:

The Company plans to apply Ind AS 116 initially from 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116, if any, will be recognised as an adjustment to the opening balance of retained earnings, as at 1 April 2019, with no restatement of comparative information.

Further, the MCA has also notified certain amendment to Ind AS which are effective from 1 April 2019. This pertains to Ind AS 12, 19, 23, 28 and 103. The Company dose not expect any impact from this amendments.

29 Employee Benefits

In line with the disclosure requirements under Ind AS 19 (Employee Benefits), the relevant details with respect to employee benefits are given here below:

(1) Defined Contribution Plan

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognized in relation to the schemes represents the value of contributions payable during the period by Company at rates specified by the rules of those plans.

a) Provident Fund and Employees Pension Fund

In accordance with the prevailing Indian law, eligible employees of the Company are entitled to receive benefits in respect of Provident Fund, a defined contribution plan, in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

As per the provisions of the Provident Fund and Miscellaneous Provisions Act, 1952 contribution to Provident Fund is made to an irrevocable trust set up by the Company and contribution to pension fund is deposited with the Regional Provident Fund Commissioner.

The rules of the Company's provident fund administered by a trust, require that if the Board of the Trustee are unable to pay interest at the rate declared by the Government for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company, making the interest shortfall a defined benefit obligation.

b) Superannuation Fund

The Company has a superannuation plan. Employees who are members of the superannuation plan are entitled to benefits depending on the contribution made by Company and rate of interest declared by the superannuation trust.

A separate irrevocable trust is maintained for employees covered and entitled for this benefit. The Company contributes 15% of basic salary, of the eligible employees' to the trust every year. Such contributions are recognized as an expense when incurred. The Company has no further obligation beyond this contribution.

c) Other funds

The Company contributes to the Employees State Insurance scheme as per the provisions of Employees State Insurance Act, 1948 and to Her Majesty's Revenue and Customs, UK as per provisions laid down by the UK Government for the social security and welfare of the employees.

d) Expenses recognized in respect of above

The Company has recognized, in the Statement of Profit and Loss account for the year ended 31 March 2019, an amount of ₹ 7,96,74,006 (Previous Year: ₹ 7,22,18,845) being expenses under the defined contribution plans, as given below:

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

Benefit (Contribution to)	April 2018 to March 2019	April 2017 to March 2018
Company's Provident Fund contribution to trust	2,93,89,578	2,62,54,475
Superannuation Fund	3,19,07,019	2,92,53,941
Employee Pension Scheme	1,71,86,459	1,58,84,098
Employee state insurance scheme	61,070	57,615
Her Majesty's Revenue and Customs, UK	11,29,880	7,68,716
	7,96,74,006	**7,22,18,845**

(2) Defined Benefit Plans

The Company operates post retirement defined benefit plans as follows:

a) Funded

(i) Post Retirement Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides lump-sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company is exposed to actuarial risk and investment risk with respect to this plan.

b) Unfunded:

(i) Post Retirement Medical Benefits

The Company has a Post-Retirement Medical Benefit Scheme (PRMB), under which the retired employees and their spouses are eligible for free medical benefits in the Company's hospital during their lifetime upto a ceiling fixed by the Company. The liability for the same is recognized annually on the basis of actuarial valuation. The Company is exposed to inflation risk with respect to this plan.

(ii) Pension to Directors

The Company has Ex-MD Pension Scheme, under which the retired managing director gets a monthly pension. The liability for the same is recognized annually on the basis of actuarial valuation. The Company is exposed to the increase in the pension amount in each 3 years.

c) i) **Details of the Post Retirement Gratuity plan are as follows:**	April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
I. Change in present value of defined benefit obligation during the year		
1. Present Value of defined benefit obligation as at the beginning of the year	25,97,49,040	22,55,24,290
2. Current Service Cost	1,47,26,730	1,39,50,310
3. Interest Cost on the defined benefit obligation	1,82,14,570	1,45,80,840
4. Actuarial losses – Experience	1,67,21,670	4,48,65,030
5. Actuarial (gains)/ losses – Financial Assumptions	2,93,31,063	(47,18,240)
6. Benefits paid from plan assets	(3,41,90,506)	(3,44,53,190)
7. Closing Present Value of defined benefit obligation	**30,45,52,567**	**25,97,49,040**
II. Change in fair value of plan assets during the year		
1. Fair Value of assets at the beginning of the year	22,28,93,200	19,14,11,590
2. Interest Income on Plan Assets	1,80,75,390	1,39,42,950
3. Employer contributions	7,00,00,000	5,00,00,000
4. Return on plan assets greater than discount rate	–	19,91,850
5. Benefits paid	(3,41,90,506)	(3,44,53,190)
6. Fair Value of Plan assets at the end of current year	**27,67,78,084**	**22,28,93,200**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

III.	**Net liability recognized in the balance sheet**		
	1. Fair value of plan assets	27,67,78,084	22,28,93,200
	2. Present value of obligation	30,45,52,567	25,97,49,040
	3. Amount recognized in the balance sheet	**2,77,74,483**	**3,68,55,840**
IV.	**Expense recognized in the statement of profit and loss for the year**		
	1. Current service cost	1,47,26,730	1,39,50,310
	2. Net interest on net defined benefit liability	1,39,180	6,37,890
	3. Total expenses included in employee benefits expense	**1,48,65,910**	**1,45,88,200**
V.	**Recognized in other comprehensive income for the year**		
	1. Actuarial loss due to defined benefit obligation experience	1,67,21,670	4,48,65,030
	2. Actuarial (gain)/ loss due to defined benefit obligation assumption changes	2,93,31,063	(47,18,240)
	3. Return on plan assets greater than discount rate	–	(19,91,850)
	4. Actuarial loss recognized in other comprehensive income	**4,60,52,733**	**3,81,54,940**
VI.	**Maturity profile of defined benefit obligation**		
	1. Within the next 12 months (next annual reporting period)	4,62,32,050	4,45,07,680
	2. Between 2 and 5 years	13,09,33,070	11,59,98,900
	3. Between 6 and 10 years	16,15,74,250	13,67,86,330
VII.	**Quantitative sensitivity analysis for significant assumption is as below**		
	1. Increase/ (decrease) on present value of defined benefits obligation at the end of the year		
	(i) One percentage point increase in discount rate	(1,99,55,590)	(1,50,33,740)
	(ii) One percentage point decrease in discount rate	2,30,35,800	1,71,87,630
	(i) One percentage point increase in rate of salary increase	2,28,22,860	1,73,27,270
	(ii) One percentage point decrease in rate of salary increase	(2,01,41,980)	(1,54,09,920)

2. Sensitivity Analysis Method

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

VIII. Investment Details

The full amount has been invested in the Cash Accumulation Scheme of Life Insurance Corporation of India.

		April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
IX.	**Assumptions**		
	a. Discount rate (per annum)	**7.50%**	7.50%
	b. Rate of escalation in salary (per annum)	**7.50%**	6.00%

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

ii) **Details of non-funded post retirement defined benefit obligations are as follows:**

Description	April 2018 to March 2019 ₹		April 2017 to March 2018 ₹	
	Medical	**Ex-MD Pension**	**Medical**	**Ex-MD Pension**
I. Reconciliation of opening and closing balances of obligation				
1. Present Value of defined benefit obligation as at the beginning of the year	6,78,56,820	4,14,98,220	7,30,95,270	5,05,74,900
2. Current Service Cost	17,91,960	–	13,50,320	–
3. Interest Cost on the defined benefit obligation	49,13,218	29,96,385	49,68,970	34,25,080
4. Actuarial (gains)/losses - Experience	(22,53,602)	20,11,860	(36,64,280)	(73,79,520)
5. Actuarial gains -Financial Assumptions	–	–	(36,73,460)	(18,31,840)
6. Benefits paid directly by the Company	(46,94,433)	(31,17,000)	(42,20,000)	(32,90,400)
7. Closing Present Value of defined benefit obligation	**6,76,13,963**	**4,33,89,465**	**6,78,56,820**	**4,14,98,220**
II. Expense recognized in the statement of profit and loss for the year				
1. Current service cost	17,91,960	–	13,50,320	–
2. Net interest on net defined benefit liability	49,13,218	29,96,385	49,68,970	34,25,080
3. Total expenses included in employee benefits expense	**67,05,178**	**29,96,385**	**63,19,290**	**34,25,080**
III. Recognized in other comprehensive income for the year				
1. Actuarial (gain)/ loss due to defined benefit obligation experience	(22,53,602)	20,11,860	(36,64,280)	(73,79,520)
2. Actuarial gain due to defined benefit obligation assumption changes	–	–	(36,73,460)	(18,31,840)
3. Actuarial (gains)/ losses recognized in other comprehensive income	**(22,53,602)**	**20,11,860**	**(73,37,740)**	**(92,11,360)**
IV. Assumptions				
a. Discount rate (per annum) at the beginning of the year	7.50%	7.50%	7.00%	7.00%
b. Discount rate (per annum) at the end of the year	7.50%	7.50%	7.50%	7.50%
c. Rate of pension increase	–	–	–	8.00%
d. Medical costs inflation rate	4.00%	–	4.00%	–
e. Average Medical Cost (Rs./ person)	1,660	–	1,660	–
V. Quantitative sensitivity analysis for significant assumption is as below				
Increase/ (decrease) on present value of defined benefits obligation at the end of the year				
(i) One percentage point increase in discount rate	(63,05,330)	(34,30,680)	(64,03,590)	(33,40,480)
(ii) One percentage point decrease in discount rate	75,95,920	39,48,090	77,18,040	38,54,130
(i) One percentage point increase in medical inflation rate	77,95,370	–	79,20,730	–
(ii) One percentage point decrease in medical inflation rate	(65,56,050)	–	(66,58,080)	–
(i) One percentage point increase in pension rate	–	38,89,810	–	38,06,650
(ii) One percentage point decrease in pension rate	–	(34,45,630)	–	(33,62,300)
VI. Maturity profile of defined benefit obligation				
1. Within the next 12 months (next annual reporting period)	46,56,330	30,22,690	43,53,980	22,56,150
2. Between 2 and 5 years	2,05,63,830	1,31,02,220	1,92,28,580	1,00,86,020
3. Between 6 and 10 years & beyond	3,06,84,170	5,99,52,010	2,86,91,790	2,91,13,330

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

d) Risk exposure

Through its defined benefit plans, the Company is exposed to discount rate risk, salary growth risk, inflation risk, pension increment risk and demographic risks of mortality and attrition rates.

30 Income Taxes

a. A reconciliation of the tax expense to the amount computed by applying the statutory income tax rate to the profit before taxes is summarized below:

	April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
Particulars		
Profit before tax	129,95,44,001	72,45,56,329
Less: Expenses recognized in other comprehensive income	4,58,10,991	2,16,05,840
Adjusted Profit before tax (A)	125,37,33,010	70,29,50,489
Tax rate (B)	34.944%	34.608%
Tax expense (A*B)	43,81,04,463	24,32,77,105
Add: Tax effect of expenses that are not deductible for tax purposes: CSR Expenses	36,57,458	28,27,020
Add: Taxation for earlier years	12,63,553	–
Less: Tax effect of Income exempt from tax: Dividend Income	(22,714)	(19,034)
Add: Additional tax expense (deferred tax expense) due to change in tax rate	–	11,86,144
Less: Other differences	(67,02,294)	(6,77,667)
Income tax expense charged to the Statement of Profit and Loss	**43,63,00,466**	**24,65,93,568**
Tax expense recognized in profit and loss	45,23,93,133	25,42,18,195
Income tax expenses recognized in Other Comprehensive Income	(1,60,92,667)	(76,24,627)
Income tax expense charged to the Statement of Profit and Loss	**43,63,00,466**	**24,65,93,568**

b. The tax effect of significant temporary differences that resulted in deferred tax liability are as follows:

	Balance sheet		Statement of profit and loss		Other comprehensive income	
Deductible temporary difference	As at 31 March 2019 ₹	As at 31 March 2018 ₹	April 2018 to March 2019 ₹	April 2017 to March 2018 ₹	April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
(i) Expense/ provision allowed on payment basis	11,05,58,930	9,50,27,758	(5,61,495)	(108,04,507)	1,60,92,667	1,33,51,940
(ii) Unpaid Royalty	1,25,44,084	1,60,60,480	(35,16,396)	90,61,688	–	–
(iii) Friendly departure scheme	28,80,077	36,08,987	(7,28,910)	(10,19,555)	–	–
(iv) Others	38,79,673	–	38,79,673	–	–	–
Total (A)	**12,98,62,764**	**11,46,97,225**	**(9,27,128)**	**(27,62,374)**	**1,60,92,667**	**1,33,51,940**
Taxable temporary difference						
Property, Plant and Equipment	22,15,98,696	23,80,56,221	(1,64,57,525)	82,20,337	–	–
Total (B)	**22,15,98,696**	**23,80,56,221**	**(1,64,57,525)**	**82,20,337**	**–**	**–**
Deferred Tax liability (B–A)	**9,17,35,932**	**12,33,58,996**	**(1,55,30,397)**	**1,09,82,711**	**(1,60,92,667)**	**(1,33,51,940)**

Net impact in Statement of Profit and Loss / Other Comprehensive Income *

* The total income tax expenses recognised in the Statement of Profit and Loss under Other Comprehensive income is inclusive of deferred tax release ₹ 1,60,92,667 (Previous year ₹ 1,33,51,940) and current tax ₹ Nil (Previous year ₹ 57,27,313).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

c. **Reconciliation of deferred tax liability**

Particulars	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Opening balance as at 1 April	12,33,58,996	12,57,28,225
Less: Deferred tax release during the year	(3,16,23,064)	(23,69,229)
Closing balance as at 31 March	**9,17,35,932**	**12,33,58,996**

30 A The Company's significant leasing arrangements are in respect of operating lease for premises(residential, office, godowns, etc). These leasing arrangements which are cancellable, range between 11 months to 10 years, generally, and are usually renewable by mutual consent or mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss.There are no restrictions imposed by lease arrangements and there are no purchase options or contingent rents.

Rent income includes sub-lease payments of ₹ 1,73,35,163 (previous year – ₹ 2,00,82,302) for the year relating to sub–lease agreements entered into by the Company. There are no restrictions imposed by lease arrangements and there are no contingent rents recognised as income for the period. These lease arrangements inter alia include escalation clause/option for renewal.

30 B **Reconciliation of Liabilities from Financing activities as stated in the Statement of Cash Flows are as follows–:**

Particulars	Balance as at 1 April 2018	Cash Flows	Non-Cash Changes	Balance as at 31 March 2019
Borrowings	162,63,53,706	56,37,74,574	–	219,01,28,280
Total Liabilities from financing activities	**162,63,53,706**	**56,37,74,574**	**–**	**219,01,28,280**

31 Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 24(j) to the financial statements.

(a) **Financial assets and liabilities**

The following table presents carrying amount and fair value of each category of financial asset and liabilities.

Particulars	Amortised cost ₹	Fair value through other comprehensive income ₹	Derivative instruments in hedging relationship ₹	Total Carrying Value ₹	Total Fair Value ₹
As at 31 March 2019					
Financial assets					
Trade receivables	218,54,29,201	–	–	218,54,29,201	218,54,29,201
Investments	–	1,15,94,500	–	1,15,94,500	1,15,94,500
Cash and bank balances	11,78,50,685	–	–	11,78,50,685	11,78,50,685
Loans and deposits	8,36,58,861	–	–	8,36,58,861	8,36,58,861
Other financial assets	3,47,68,006	–	–	3,47,68,006	3,47,68,006
Total	**242,17,06,753**	**1,15,94,500**	**–**	**243,33,01,253**	**243,33,01,253**
Financial liabilities					
Borrowings	219,01,28,280	–	–	219,01,28,280	219,01,28,280
Trade payables	208,34,44,921	–	–	208,34,44,921	208,34,44,921
Other financial liabilities	11,46,00,782	–	70,09,881	12,16,10,663	12,16,10,663
Total	**438,81,73,983**	**–**	**70,09,881**	**439,51,83,864**	**439,51,83,864**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

Particulars	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Total Carrying Value	Total Fair Value
	₹	₹	₹	₹	₹
As at 31 March 2018					
Financial assets					
Trade receivables	209,67,93,844	–	–	209,67,93,844	209,67,93,844
Investments	–	94,30,500	–	94,30,500	94,30,500
Cash and bank balances	3,59,77,441	–	–	3,59,77,441	3,59,77,441
Loans and deposits	6,15,48,786	–	–	6,15,48,786	6,15,48,786
Other financial assets	52,65,476	–	13,03,453	65,68,929	65,68,929
Total	**219,95,85,547**	**94,30,500**	**13,03,453**	**221,03,19,500**	**221,03,19,500**
Financial liabilities					
Borrowings	162,63,53,706	–	–	162,63,53,706	162,63,53,706
Trade payables	193,65,28,421	–	–	193,65,28,421	193,65,28,421
Other financial liabilities	92,55,073	–	–	92,55,073	92,55,073
Total	**357,21,37,200**	**–**	**–**	**357,21,37,200**	**357,21,37,200**

(b) **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–

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price 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).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity–specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

Particulars	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
	₹	₹	₹	₹
As at 31.03.2019				
Financial assets				
Investment – Equity share (HDFC Bank)	1,15,94,500	1,15,94,500	–	–
Financial liabilities				
Derivative liabilities – forward cover	70,09,881	70,09,881	–	–
As at 31 March 2018				
Financial assets				
Investment - Equity share (HDFC Bank)	94,30,500	94,30,500	–	–
Derivative assets – forward cover	13,03,453	13,03,453	–	–

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

(c) Financial Risk Management Policies And Objectives:

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables, loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowings.

Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variables interest rates. Any movement in the reference rates could have an impact on the Company's cash flow as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash and cash equivalents to manage its liquidity risk.

The non–derivative financial liabilities of the Company are all payable within 12 months. (refer note 12,13 and 14)

Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

Financial assets are provided for when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for provision as per provisioning policy of the Company. Where loans or receivables have been provided, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the Statement of Profit and Loss.

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for trade receivables.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

(d) **Foreign Currency exposure as at 31 March 2019**

₹

Particulars	USD	EUR	JPY	GBP	Others	Total
Financial Assets						
Trade Receivables	60,37,83,937	4,80,24,143	–	5,45,79,670	26,42,810	70,90,30,560
Bank balance in Current account	–	–	–	9,38,598	–	9,38,598
Other Assets	94,35,557	5,12,541	–	–	36,695	99,84,793
Financial Liabilities						
Trade Payables	(36,18,98,736)	(11,79,42,924)	(4,61,03,412)	(2,20,146)	(25,00,209)	(52,86,65,427)
Loan in Foreign Currency	(43,75,87,835)	(5,41,30,251)	–	(24,85,297)	–	(49,42,03,383)
Advance from Customers	(36,62,064)	–	–	–	–	(36,62,064)
Net Exposure to Foreign Currency Risk	**(18,99,29,141)**	**(12,35,36,491)**	**(4,61,03,412)**	**5,28,12,825**	**1,79,296**	**(30,65,76,923)**

Foreign Currency exposure as at 31 March 2018

Particulars	USD	EUR	JPY	GBP	Others	Total
Financial Assets						
Trade Receivables	56,62,55,348	5,97,39,163	–	6,87,91,019	2,41,56,952	71,89,42,482
Bank balance in Current account	–	–	–	2,38,768	–	2,38,768
Other Assets	98,36,144	1,02,31,067	–	–	1,68,58,200	3,69,25,411
Financial Liabilities						
Trade Payables	(29,65,94,891)	(2,56,36,635)	(3,32,34,957)	(9,98,040)	(3,04,14,313)	(38,68,78,836)
Loan in Foreign Currency	(56,92,03,752)	(12,13,67,801)	–	(699,40,015)	–	(76,05,11,568)
Advance from Customers	(34,16,006)	–	–	–	–	(34,16,006)
Net Exposure to Foreign Currency Risk	**(29,31,23,157)**	**(7,70,34,206)**	**(3,32,34,957)**	**(19,08,268)**	**1,06,00,839**	**(39,46,99,749)**

(e) **1% increase or decrease in foreign currency exchange rates will have the following impact on profit before tax**

₹

Particulars	**April 2018 to March 2019**		**April 2017 to March 2018**	
	1% Increase	**1% decrease**	**1% Increase**	**1% decrease**
USD	(18,99,291)	18,99,291	(29,31,232)	29,31,232
EUR	(12,35,365)	12,35,365	(7,70,342)	7,70,342
JPY	(4,61,034)	4,61,034	(3,32,350)	3,32,350
GBP	5,28,128	(5,28,128)	(19,083)	19,083
Others	1,793	(1,793)	1,06,008	(1,06,008)
Increase / (decrease) in profit	**(30,65,769)**	**30,65,769**	(39,46,999)	39,46,999

(f) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation.

The exposure of the Company's floating debt interest obligation and its sensitive analysis are as follows:

	April 2018 to March 2019	**April 2017 to March 2018**
Company's debt obligation (Floating rates)	219,01,28,280	162,63,53,706

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

Sensitivity analysis assuming the amount of the liability outstanding at the year end was outstanding for the whole year:

If interest rate had been 25 basis point higher/ lower and all other variables held constant, the company's profit before tax for the ended 31 March 2019 would decrease/ increase by ₹ 54,75,321 (Previous year: ₹ 40,65,884). This is mainly attributable to the company's exposure to interest rates on its floating rate borrowings.

(g) Securities price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31 March 2019 is ₹ 1,15,94,500 (Previous year: ₹ 94,30,500). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

32 Capital management

The Company's capital management is intended to safeguard its ability to continue as a going concern so that to create value for shareholders and benefits for other stakeholders by facilitating the achievement of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current and earmarked balances).

The table below summarises the capital, net debt and net debt equity ratio of the Company.

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Total borrowings	219,01,28,280	162 ,63,53,706
Less: Cash and bank balances	15,26,18,691	4,12,42,917
Net Debt	**203,75,09,589**	158,51,10,789
Equity	418,32,69,450	352,99,66,879
Total Capital (Equity + Net Debt)	**622,07,79,039**	511,50,77,668
Net Debt to Equity Ratio	**0.49**	**0.45**

33 Note on Revenue disaggregation

	India ₹	Out side India ₹	Total ₹
Sale of products	1207,58,52,663 *944,53,12,336*	278,53,97,981 *199,86,46,910*	1486,12,50,644 *1144,39,59,246*
Income from sale of services	69,00,24,826 *28,58,80,498*	12,77,38,168 *3,05,69,316*	81,77,62,994 *31,64,49,814*
Other operating revenue	24,28,74,335 *14,18,73,626*	– –	24,28,74,335 *14,18,73,626*
Total revenue from operations	**1300,87,51,824** *987,30,66,460*	**291,31,36,149** *202,92,16,226*	**1592,18,87,973** *1190,22,82,686*

Figures in italics relates to previous year.

Revenue Reconciliation	April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
Total Revenue	1596,24,69,031	1192,95,44,259
Less: variable consideration (Cash Discount)	4,05,81,058	2,72,61,573
Total revenue from operations	**1592,18,87,973**	**1190,22,82,686**

- The Company's performance obligations are satisfied on delivery of product or service to the customer. Delivery of product completes when the products have been shipped or delivered to the specific location, of the customer, as the case may be. Delivery of service completes on receipt of confirmation from customer.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

- The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payments by the customer exceeds one year and hence, there are no significant financing component included in such contracts.

34 Related Party Disclosures

a) List of related parties of TRL Krosaki Refractories Limited

Sl No	Name	Country of Incorporation	% of Equity Interest	
			As at 31 March 2019	As at 31 March 2018
i)	**Parent Entity (Holding company)**			
	Krosaki Harima Corporation	Japan	77.62	51
ii)	**Associate Companies**			
	TRL Krosaki Asia Pte Limited	Singapore	37	37
	Almora Magnesite Limited	India	39	39
iii)	**Investors Holding more than 20% (Refer Note 2 below)**			
	Tata Steel Limited (till 31 December 2018)	India	—	26.62
iv)	**Entity having significant influence over holding Company**			
	Nippon Steel Corporation (Formerly known as Nippon Steel & Sumitomo Metal)	Japan		
v)	**Fellow Subsidiaries**			
	TRL Krosaki China Limited (formerly know as TRL China Limited)	China		
	Krosaki Harima Europe B.V.	Netherland		
	Krosaki Magnesita Refractories, LLC (KMR)	Brazil		
vi)	**Associate of Krosaki Harima Corporation**			
	IFGL Refractories Limited (IFGL) (Formerly known as IFGL Exports Limited)	India		
vii)	**Subsidiaries of Tata Steels Limited (till 31 December 2018)**			
	Tata Steel BSL Limited (formerly known as Bhushan Steel Limited)	India		
	Tata Metaliks Limited	India		
	Tata Sponge Iron Limited	India		
	Natsteel Holdings Pte Limited	Singapore		
	Tata Steel UK Limited	United Kingdom		
	The Siam Construction Steel Co. Limited	Thailand		
viii)	**Joint Venture of Tata Steel (till 31 December 2018)**			
	Tata BlueScope Steel Limited	India		
	TKM Global Logistics Limited	India		
	Mjunction Services Limited	India		

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

ix) **Key Managerial Personnel**

(i) **Directors**

Mr. H. M. Nerurkar (Chairman)

Mr. P.B. Panda (Managing Director)

Mr. Sudhansu Pathak

Mr. V.S.N. Murty (upto 31 December 2018)

Mr. Hiroshi Odawara (upto 1 April 2018)

Mr.Takashi Matsunaga (upto 1 April 2018)

Mr. Junichi Sakane (upto 31 January 2019)

Mr. Sudhir Krishnaji Joshi

Sunanda Lahiri

Mr. Kotaro Kuroda

Mr. Kiyotaka Oshikawa

Mr. Toshikazu Takasu

Mr. Sadayoshi Tateishi

Mr.Takeshi Yoshida (w.e.f. 1 April 2018)

Mr. Hisatake Okumura (w.e.f. 1 April 2018)

Mr. A. K. Rath

Mr. H. P. Singh

(ii) **Other than Directors**

Mr. C.S. Das (Executive Vice President & CFO) (upto 31 May 2018)

Mr. M.V. Rao (Sr. Vice President (Finance) & CFO) (w.e.f. 1 June 2018)

Mr. Arabinda Debta (Dy. GM & Company Secretary)

x) **Relative of Key Managerial Personnel**

Mr. Dinabandhu Panda

xi) **Employees' Benefit Plans**

TRL Krosaki Refractories Limited Provident Fund

TRL Krosaki Refractories Limited Superannuation Fund

TRL Krosaki Refractories Limited Gratuity Fund

Note:

(1) The list contains those related parties with whom the Company has transactions during the current or previous year

(2) Krosaki Harima Corporation acquired 26.62% shares of the Company from Tata Steel Limited on 31 December 2018.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

b) Transactions with Related Parties

Particulars	Holding Company	Subsidiaries & Associates of the Holding company	Associates of the Company	Tata Steel, it's Subsidiaries and Joint Ventures (Refer Note b below)	Key Managerial Personnel and relative
Purchase of Raw Materials and Components	17,38,46,972 *18,22,04,000*	57,68,32,292 *13,52,94,528*	1,58,07,913 *1,60,06,212*	23,60,51,798 *14,00,09,994*	– –
Sales, Services and Other Income	18,39,80,595 *3,05,14,927*	17,20,81,439 *8,56,08,475*	86,57,407 –	282,93,81,721 *280,90,56,478*	– –
Receiving of Services	– *1,93,450*	– –	– –	1,75,96,678 *2,00,12,798*	– –
Royalty paid	7,38,76,523 *5,10,67,165*	– –	– –	– –	– –
Dividend paid	7,03,49,400 *6,71,51,700*	– –	– –	3,67,21,502 *3,50,52,243*	1,650 *630*
Outstanding Balance –Debtors	1,01,46,832 *1,16,65,418*	7,44,31,395 *11,97,80,507*	20,67,690 –	– *34,76,40,384*	– –
Loans and advances given	– *1,10,928*	– –	– –	– *1,16,68,599*	3,00,000 –
Loans and advances recovered	– –	– –	– –	– –	35,000 –
Outstanding Loan Balance	–	– –	–	–	2,65,000
Creditors	11,41,20,746 *12,78,77,423*	1,16,98,089 *2,84,77,580*	14,60,416 –	*8,63,988*	– –
Loans and Advances Received	– –	6,78,450 –	– –	– –	– –
Short term employee benefits	– –	– –	– –	– –	3,09,55,535 *2,91,44,679*
Post employment benefits (Refer Note c below)	– –	– –	– –	– –	29,21,454 *27,47,196*
Other long term employee benefits (Refer Note c below)	– –	– –	– –	– –	– –
Commission paid	– –	– –	– –	– –	28,07,000 *27,70,000*
Sitting Fees (Refer Note f below)	– –	– –	– –	– –	22,60,000 *19,45,000*

Transactions presented above are inclusive of goods and services tax (GST).

Terms and conditions of transactions with related parties

(a) All related party transactions entered during the year were in ordinary course of the business and are at arm's length basis for the year ended 31 March 2019 and the Company has not recorded any impairment of receivables relating to amounts owed by related parties (Previous Year: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates

(b) Transactions with Tata Steel Limited and it's subsidiaries and joint ventures are upto 31 December 2018.

(c) As the liabilities for defined benefit plans are provided on actuarial basis for the Company as whole, the amounts pertaining to key managerial personnel and relatives are not included.

(d) During the year, the Company has contributed ₹13,12,96,597 (Previous Year: ₹ 10,55,08,416) to the post employment benefit plans to the Trusts managed by the Company.

(e) Figures in italics represent comparative figures of the previous years.

(f) Sitting fees of all nominated directors has been paid to respective nominee companies.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

35 Earnings per Share (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by the average number of shares outstanding during the year. The basic and diluted earnings per share has been calculated below-

		April 2018 to March 2019	April 2017 to March 2018
a)	Profit after Tax	84,71,50,868	47,03,38,134
b)	Profit attributable to Equity Share Holders	84,71,50,868	47,03,38,134
c)	Weighted average number of Equity Shares outstanding during the year	2,09,00,000	2,09,00,000
d)	Nominal Value per share	10	10
e)	Basic / diluted Earning per Equity Share	40.53	22.50

36 In terms of Indian Accounting Standard (Ind AS) 108 on 'Operating Segment' notified in the Companies Act, 2013, segment information has been presented in the Consolidated Financial Statements, prepared pursuant to Indian Accounting Standard (Ind AS) 110 on 'Consolidated Financial Statements' and Indian Accounting Standard (Ind AS) 28 on 'Investments in Associates and Joint Ventures' notified in the Act, included in the Annual Report for the year.

37 Previous years figures have been regrouped and/or rearranged wherever considered necessary to conform to current year's classification.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715

Kolkata, April 17, 2019

For and on behalf of the Board of Directors

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
M. V. RAO
Sr. VP (Finance) &
CFO

sd/-
A. DEBTA
Dy. GM & Company Secretary
(FCS : 6546)

Kolkata, April 17, 2019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TRL KROSAKI REFRACTORIES LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of TRL Krosaki Refractories Limited (hereinafter referred to as "the Company") and its associates, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associates as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information obtained at the date of this auditor's report is Directors Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Company including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the Company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the Company and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its associates is responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company as well as associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its associates to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of Company. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Company 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.

Other Matters

The consolidated financial statements include the Company's share of net profit (and other comprehensive income) of ₹ 3,47,48,924 for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of two associates whose financial statements / financial information have not been audited by us or by other auditors. These unaudited financial statements / financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration on separate financial statements and the other information of associates, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on 31 March 2019 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31 March 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration on separate financial statements and other information of the associates, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Company and its associates. Refer Note 25 to the consolidated financial statements;

   ii. The Company and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019;

   iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company and its associates during the year ended 31 March 2019; and

   iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

   In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

sd/-

Seema Mohnot
Partner
Membership No.060715

Place: Kolkata
Date: 17 April 2019

Annexure - A to the Independent Auditors' report on the consolidated financial statements TRL Krosaki Refractories Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of TRL Krosaki Refractories Limited (hereinafter referred to as "the Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of the Company as of that date.

In our opinion, the Company has in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements 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 Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

Meaning of Internal Financial controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

sd/-

Seema Mohnot
Partner
Membership No.060715

Place: Kolkata
Date: 17 April 2019

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

Particulars	Note	As at 31 March 2019 ₹	As at 31 March 2018 ₹
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	01	202,44,37,730	194,76,69,739
(b) Capital work-in-progress	01	19,14,80,946	5,24,26,028
(c) Intangible assets	01	3,26,80,817	3,91,42,378
(d) Equity accounted investments	02	36,78,13,101	33,30,64,177
(e) Financial assets			
(i) Investments	03	1,15,94,500	94,30,500
(ii) Loans and deposits	04	5,79,14,485	4,30,11,772
(iii) Other financial assets	05	3,22,61,298	8,00,000
(f) Income tax assets (net)		9,55,96,004	10,55,10,584
(g) Other non-current assets	06	19,45,05,909	17,58,97,382
Total Non-current assets		**300,82,84,790**	**270,69,52,560**
(2) Current assets			
(a) Inventories	08	359,54,47,592	265,25,73,248
(b) Financial assets			
(i) Trade receivables	07	218,54,29,201	209,67,93,844
(ii) Cash and cash equivalents	09	11,55,20,315	76,45,735
(iii) Other balances with bank	10	23,30,370	2,83,31,706
(iv) Loans and deposits	04	2,57,44,376	1,85,37,014
(v) Other financial assets	05	25,06,708	57,68,929
(c) Other current assets	06	59,14,48,569	46,76,96,391
(d) Assets held for sale		8,61,82,870	8,61,82,870
Total Current assets		**660,46,10,001**	**536,35,29,737**
TOTAL ASSETS		**961,28,94,791**	**807,04,82,297**
EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity share capital	11	20,90,00,000	20,90,00,000
(b) Other equity		419,00,33,630	350,79,70,481
Total Equity		**439,90,33,630**	**371,69,70,481**
(2) LIABILITIES			
(i) Non-current liabilities			
(a) Provisions	15	28,52,31,951	28,71,51,976
(b) Deferred tax liabilities (net)	31	9,77,24,278	12,33,58,996
Total Non-current liabilities		**38,29,56,229**	**41,05,10,972**
(ii) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	219,01,28,280	162,63,53,706
(ii) Trade payables			
a) Dues of micro enterprises and small enterprises	13	28,10,866	2,82,49,518
b) Dues of creditors other than micro enterprises and small enterprises	13	208,06,34,055	190,82,78,903
(iii) Other financial liabilities	14	12,16,10,663	92,55,073
(b) Provisions	15	8,30,60,553	7,09,48,802
(c) Income tax liabilities (net)		7,65,94,895	6,06,52,894
(d) Other current liabilities	16	27,60,65,620	23,92,61,948
Total Current liabilities		**483,09,04,932**	**394,30,00,844**
Total Liabilities		**521,38,61,161**	**435,35,11,816**
TOTAL EQUITY AND LIABILITIES		**961,28,94,791**	**807,04,82,297**
Notes forming part of financial statements	(1-38)		

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715

Kolkata, April 17, 2019

For and on behalf of the Board of Directors

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
M. V. RAO
Sr. VP (Finance) & CFO

sd/-
A. DEBTA
Dy. GM & Company Secretary
(FCS : 6546)

Kolkata, April 17, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

		Note	April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
I	Revenue from operations	17	1592,18,87,973	1190,22,82,686
II	Other income	18	2,10,42,051	1,95,02,400
III	**Total Income (I+II)**		**1594,29,30,024**	**1192,17,85,086**
IV	**EXPENSES**			
	(a) Cost of materials consumed	19	693,34,40,348	540,14,26,626
	(b) Purchases of stock-in-trade		237,73,81,589	118,24,54,814
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(33,85,35,456)	(7,21,08,671)
	(d) Employee benefits expenses	21	113,56,46,569	90,96,99,435
	(e) Finance costs	22	15,72,10,328	13,83,20,808
	(f) Depreciation and amortisation expenses	01	31,85,72,263	20,50,67,789
	(g) Other expenses	23	405,96,70,382	343,23,67,956
	Total Expenses (IV)		**1464,33,86,023**	**1119,72,28,757**
V	**Share of profit of equity accounted investees**		3,47,48,924	8,31,53,842
VI	**Profit before tax (III-IV+V)**		**133,42,92,925**	**80,77,10,171**
VII	**Tax Expense**			
	(a) Current tax		46,66,59,977	24,32,35,484
	(b) Taxation for earlier years		12,63,553	—
	(c) Deferred tax		(95,42,051)	1,09,82,711
	Total tax expense		**45,83,81,479**	**25,42,18,195**
VIII	**Profit for the year (VI-VII)**		**87,59,11,446**	**55,34,91,976**
IX	**Other Comprehensive Income / (loss)**			
	(i) Items that will not be reclassified subsequently to the statement of profit and loss			
	(a) Remeasurement of defined benefit plans		(4,58,10,991)	(2,16,05,840)
	(b) Fair value changes of investments in equity shares		21,64,000	22,30,500
	(ii) Income tax on items that will not be reclassified subsequently to the statement of profit and loss		1,60,92,667	76,24,627
	Total Other comprehensive income/(loss) for the year (net of income tax)		**(2,75,54,324)**	**(1,17,50,713)**
X	**Total Comprehensive Income for the year (VIII+IX)**		**84,83,57,122**	**54,17,41,263**
XI	**Earnings per equity share**			
	Basic and Diluted [Face value of Rs.10 each] (PY:Face value of Rs.10 each)	37	41.91	26.48
	Notes forming part of financial statements	(1-38)		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715

Kolkata, April 17, 2019

For and on behalf of the Board of Directors

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
M. V. RAO
Sr. VP (Finance) & CFO

sd/-
A. DEBTA
Dy. GM & Company Secretary
(FCS : 6546)

Kolkata, April 17, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(A) EQUITY SHARE CAPITAL

(Refer Note 11)

As at 31 March 2019 ₹

Particulars	Balance as at 1 April 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
Equity Share Capital	20,90,00,000	—	20,90,00,000

As at 31 March 2018 ₹

Particulars	Balance as at 1 April 2017	Changes in equity share capital during the year	Balance as at 31 March 2018
Equity Share Capital	20,90,00,000	—	20,90,00,000

(B) OTHER EQUITY

(Refer Note 11)

As at 31 March 2019 ₹

Particulars	Reserve & Surplus			Items of Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Security Premium Reserve	Investment Revaluation Reserve	
Balance as at 1 April 2018	**120,73,16,056**	**142,49,94,100**	**75,73,04,560**	**11,83,55,765**	**350,79,70,481**
Profit for the year	87,59,11,446	–	–	–	**87,59,11,446**
Dividend (Including dividend distribution tax)	(16,62,93,973)	–	–	–	**(16,62,93,973)**
Fair value gain on equity instrument	–	–	–	21,64,000	**21,64,000**
Remeasurement loss on defined benefit plans	(2,97,18,324)	–	–	–	**(2,97,18,324)**
Balance as at 31 March 2019	**188,72,15,205**	**142,49,94,100**	**75,73,04,560**	**12,05,19,765**	**419,00,33,630**

As at 31 March 2018 ₹

Particulars	Reserve & Surplus			Items of Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Security Premium Reserve	Investment Revaluation Reserve	
Balance as at 1 April 2017	82,62,80,672	142,49,94,100	75,73,04,560	11,61,25,265	**312,47,04,597**
Profit for the year	55,34,91,976	–	–	–	**55,34,91,976**
Dividend (Including dividend distribution tax)	(15,84,75,379)	–	–	–	**(15,84,75,379)**
Fair value gain on equity instrument	–	–	–	22,30,500	**22,30,500**
Remeasurement loss on defined benefit plans	(1,39,81,213)	–	–	–	**(1,39,81,213)**
Balance as at 31 March 2018	**120,73,16,056**	**142,49,94,100**	**75,73,04,560**	**11,83,55,765**	**350,79,70,481**

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715

Kolkata, April 17, 2019

For and on behalf of the Board of Directors

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
P. B. PANDA
Managing Director
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sd/-
M. V. RAO
Sr. VP (Finance) & CFO

sd/-
A. DEBTA
Dy. GM & Company Secretary
(FCS : 6546)

Kolkata, April 17, 2019

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2019

			April 2018 - March 2019 ₹	April 2017 - March 2018 ₹
A.	**Cash Flow from Operating activities:**			
	Profit before tax		133,42,92,925	80,77,10,171
	Adjustments for:			
	Share of profit from associates		(3,47,48,924)	(8,31,53,842)
	Depreciation and amortisation expenses		31,85,72,263	20,50,67,789
	Credit balances written back		(1,36,14,802)	(1,39,34,325)
	Property, plant and equipment written off		1,89,57,147	-
	Dividend income		(65,000)	(55,000)
	Net gain on sale of property, plant and equipment		(12,00,865)	(10,14,831)
	Interest income		(61,61,384)	(44,98,244)
	Finance costs		15,72,10,328	13,83,20,808
	Unrealised gain on foreign exchange fluctuation		(39,22,184)	(69,56,710)
	Operating profit before working capital changes		**176,93,19,504**	**104,14,85,816**
	Adjustments for:			
	(Increase)/ decrease in non-current / current financial and other assets		(26,11,77,304)	54,44,29,909
	Increase in inventories		(94,28,74,344)	(87,62,59,968)
	Increase in non-current / current financial and other liabilities / provisions		17,71,83,011	58,42,89,726
	Cash generated from operations		**74,24,50,867**	**129,39,45,483**
	Income tax paid (net of refunds)		(44,20,66,949)	(24,82,95,107)
	Net Cash from Operating Activities	**A**	**30,03,83,918**	**104,56,50,376**
B.	**Cash Flow from Investing Activities:**			
	Acquisitions of property, plant and equipment		(44,61,59,677)	(25,42,22,782)
	Proceeds on sale of property, plant and equipment		15,69,954	13,54,683
	Fixed deposits with bank		(51,61,298)	(8,00,000)
	Interest received		81,20,152	22,58,419
	Dividend received		65,000	55,000
	Net Cash used in Investing Activities	**B**	**(44,15,65,869)**	**(25,13,54,680)**
C.	**Cash Flow from Financing Activities:**			
	Proceeds from borrowings		78,18,83,342	64,53,20,071
	Repayment of borrowings		(21,81,08,768)	(117,27,72,064)
	Proceeds from government grant		91,12,034	16,42,876
	Interest paid		(15,75,36,104)	(13,93,80,909)
	Dividend paid (including dividend distribution tax)		(16,62,93,973)	(15,84,75,379)
	Net Cash provided by / (used in) Financing Activities	**C**	**24,90,56,531**	**(82,36,65,405)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)			10,78,74,580	(2,93,69,709)
Cash and Cash equivalents as at 1 April 2018 (Refer Note-9)			**76,45,735**	**3,70,15,444**
Cash and Cash equivalents as at 31 March 2019 (Refer Note-9)			**11,55,20,315**	**76,45,735**

Note:

i) Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.

ii) Figures in brackets represent cash outflows.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715

Kolkata, April 17, 2019

For and on behalf of the Board of Directors

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
M. V. RAO
Sr. VP (Finance) &
CFO

sd/-
A. DEBTA
Dy. GM & Company Secretary
(FCS : 6546)

Kolkata, April 17, 2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 01

Property, Plant and Equipment

Description	Cost / (Deemed Cost) as at 1 April 2018	Additions	Deductions	Gross Block as at 31 March 2019	Accumulated Depreciation as at 1 April 2018	Depreciation for the Year: Additions	Depreciation for the Year: Deductions/ Deductions	Total Depreciation as at 31 March 2019	Net Block as at 31 March 2019
	₹	₹	₹	₹	₹	₹	₹	₹	₹
A. TANGIBLE ASSETS									
Freehold Land	18,67,412 (8,80,50,282)	– –	– (8,61,82,870)*	18,67,412 (18,67,412)	– –	– –	– –	– –	18,67,412 (18,67,412)
Buildings and Roads	59,96,25,145 (54,36,72,279)	12,56,27,529 (5,59,52,866)	1,71,154 –	72,50,81,520 (59,96,25,145)	5,57,70,956 (3,69,86,858)	11,85,54,510 (1,87,84,098)	1,71,154 –	17,41,54,312 (5,57,70,956)	55,09,27,208 (54,38,54,189)
Plant and Machinery	166,31,29,607 (154,26,35,823)	22,10,94,207 (13,58,92,359)	6,70,19,948 (1,53,98,575)	181,72,03,866 (166,31,29,607)	36,63,63,848 (24,14,57,278)	15,40,73,343 (14,03,05,143)	4,83,20,293 (1,53,98,573)	47,21,16,898 (36,63,63,848)	134,50,86,968 (129,67,65,759)
Railway Siding	1,34,48,476 (1,34,48,476)	– –	– –	1,34,48,476 (1,34,48,476)	43,34,922 (28,89,948)	14,44,974 (14,44,974)	– –	57,79,896 (43,34,922)	76,68,580 (91,13,554)
Furniture and Fixture	10,41,70,400 (9,17,19,028)	1,23,16,993 (1,24,51,372)	1,07,79,755 –	10,57,07,638 (10,41,70,400)	5,09,30,141 (3,47,04,386)	1,36,58,446 (1,62,25,755)	1,04,62,272 –	5,41,26,315 (5,09,30,141)	5,15,81,323 (5,32,40,259)
Office Equipments	5,32,83,227 (2,95,39,432)	3,09,34,190 (2,38,61,635)	10,09,939 (1,17,840)	8,32,07,478 (5,32,83,227)	2,93,76,159 (1,48,07,279)	1,28,69,663 (1,46,35,832)	9,77,643 (66,952)	4,12,68,179 (2,93,76,159)	4,19,39,299 (2,39,07,068)
Vehicles	2,02,15,024 (1,56,50,745)	1,22,59,720 (1,03,87,394)	66,05,557 (58,23,115)	2,58,69,187 (2,02,15,024)	12,93,526 (25,09,759)	55,37,476 (43,17,920)	63,28,755 (55,34,153)	5,02,247 (12,93,526)	2,53,66,940 (1,89,21,498)
Total Tangible Assets	**245,57,39,291** (232,47,16,065)	**40,22,32,639** (23,85,45,626)	**8,55,86,353** (10,75,22,400)	**277,23,85,577** (245,57,39,291)	**50,80,69,552** (33,33,55,508)	**30,61,38,412** (19,57,13,722)	**6,62,60,117** (2,09,99,678)	**74,79,47,847** (50,80,69,552)	**202,44,37,730** (194,76,69,739)
B. INTANGIBLE ASSETS									
Development of Mines	2,88,33,293 (2,88,33,293)	– –	– –	2,88,33,293 (2,88,33,293)	1,33,41,274 (88,94,182)	44,47,091 (44,47,092)	– –	1,77,88,365 (1,33,41,274)	1,10,44,928 (1,54,92,019)
Software	3,71,51,441 (3,40,78,005)	59,72,290 (30,73,436)	– –	4,31,23,731 (3,71,51,441)	1,35,01,082 (85,94,107)	79,86,760 (49,06,975)	– –	2,14,87,842 (1,35,01,082)	2,16,35,889 (2,36,50,359)
Total Intangible Assets	**6,59,84,734** (6,29,11,298)	**59,72,290** (30,73,436)	**–** –	**7,19,57,024** (6,59,84,734)	**2,68,42,356** (1,74,88,289)	**1,24,33,851** (93,54,067)	**–** –	**3,92,76,207** (2,68,42,356)	**3,26,80,817** (3,91,42,378)
Total (A+B) As at 31 March 2018	**252,17,24,025** (238,76,27,363)	**40,82,04,929** (24,16,19,062)	**8,55,86,353** (10,75,22,400)	**284,43,42,601** (252,17,24,025)	**53,49,11,908** (35,08,43,797)	**31,85,72,263** (20,50,67,789)	**6,62,60,117** (2,09,99,678)	**78,72,24,054** (53,49,11,908)	**205,71,18,547** (198,68,12,117)
C. CAPITAL WORK IN PROGRESS									
Buildings, Plant and Machinery, etc.	**5,24,26,028** (5,05,24,327)	**54,72,59,847** (24,35,20,763)	**40,82,04,929** (24,16,19,062)	**19,14,80,946** (5,24,26,028)	**–** –	**–** –	**–** –	**–** –	**19,14,80,946** (5,24,26,028)
Total Assets									**224,85,99,493** (203,92,38,145)

Note: i) Figures in brackets relate to the previous year.

(ii) Development of mines represent expenditure incurred in relation to restoration obligations as per applicable regulations.

(iii) Property, Plant and Equipment including Capital Work in Progress were tested for impairment during the year . No indicators of impairment were identified during the current year.

(iv) *Land at Vizag and Salem Plant amounting to ₹ 8,61,82,870/– was classified as assets held for sale

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	No. of equity shares	As at 31 March 2019 Non-current ₹	As at 31 March 2018 Non-current ₹
NOTE: 02 Investment in Associates			
Non-Current			
Investments in Associate Companies carried at cost			
Investment in Equity Instrument (Unquoted)			
a) TRL Krosaki Asia Pte Limited (Face value of SG$ 1 each, fully paid-up)	48,07,584	24,71,96,840	24,71,96,840
Add: Accumulated Profit		8,71,11,794	5,97,05,535
Carrying amount of Investment		**33,43,08,634**	**30,69,02,375**
b) Almora Magnesite Limited (Face value of ₹ 100 each, fully paid-up)	77,990	77,99,000	77,99,000
Add: Accumulated Profit		2,57,05,467	1,83,62,802
Carrying amount of Investment		**3,35,04,467**	**2,61,61,802**
Total Equity accounted investments		**36,78,13,101**	**33,30,64,177**
The carrying value of unquoted investments		36,78,13,101	33,30,64,177
NOTE: 03 Investments			
Non-Current			
a) Investment designated at fair value through Other Comprehensive Income			
Investment in Equity Instrument (Quoted)			
HDFC Bank Limited (Fair Value) (Face Value of ₹ 2 each fully paid up)	5,000	1,15,94,500	94,30,500
b) Investment in Equity Instrument (Unquoted)			
Tata Construction and Projects Limited* (Face Value of ₹ 10 each fully paid up)	1,44,202	18,42,020	18,42,020
Less: impairment in value of investment		(18,42,020)	(18,42,020)
Total Investments		**1,15,94,500**	**94,30,500**
The carrying value and market value of quoted investments are as below:			
Carrying value		1,15,94,500	94,30,500
Market Value		1,15,94,500	94,30,500
Aggregate amount of impairment in value of investment		18,42,020	18,42,020

*Company is in liquidation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

04 Loans and deposits	As at 31 March 2019		₹	As at 31 March 2018		₹
Unsecured, considered good	Non-current	Current	Total	Non-current	Current	Total
(a) Security deposits	3,69,34,903	1,60,01,827	**5,29,36,730**	3,31,96,403	1,26,31,041	**4,58,27,444**
(b) Loans to employees	2,09,79,582	97,42,549	**3,07,22,131**	98,15,369	59,05,973	**1,57,21,342**
Total Loans	**5,79,14,485**	**2,57,44,376**	**8,36,58,861**	**4,30,11,772**	**1,85,37,014**	**6,15,48,786**

05 Other financial assets	As at 31 March 2019		₹	As at 31 March 2018		₹
Unsecured, considered good	Non–current	Current	Total	Non–current	Current	Total
(a) Interest accrued on deposits	–	25,06,708	**25,06,708**	–	44,65,476	**44,65,476**
(b) Derivative assets	–	–	**–**	–	13,03,453	**13,03,453**
(c) Earmarked balance with bank	3,22,61,298	–	**3,22,61,298**	8,00,000	–	**8,00,000**
Total Other financial assets	**3,22,61,298**	**25,06,708**	**3,47,68,006**	**8,00,000**	**57,68,929**	**65,68,929**

Earmarked balance with bank represent deposits not due for realisation within 12 months from the balance sheet date. These are primarily placed as margin money against issue of bank guarantees.

06 Other assets	As at 31 March 2019		₹	As at 31 March 2018		₹
Unsecured, considered good unless otherwise stated	Non current	Current	Total	Non current	Current	Total
(a) Capital advances	44,83,105	–	**44,83,105**	93,22,488	–	**93,22,488**
(b) Advance with public bodies *	18,33,72,146	47,58,78,139	**65,92,50,285**	15,77,82,457	33,54,04,470	**49,31,86,927**
(c) Other advances (Unsecured, considered good)**	66,50,658	11,55,70,430	**12,22,21,088**	87,92,437	13,22,91,921	**14,10,84,358**
(d) Other advances (Unsecured, considered doubtful)	1,03,13,821	–	**1,03,13,821**	68,80,219	–	**68,80,219**
Other assets	**20,48,19,730**	**59,14,48,569**	**79,62,68,299**	**18,27,77,601**	**46,76,96,391**	**65,04,73,992**
Less: Provision for doubtful advances	1,03,13,821	–	**1,03,13,821**	68,80,219	–	**68,80,219**
Total Other assets	**19,45,05,909**	**59,14,48,569**	**78,59,54,478**	**17,58,97,382**	**46,76,96,391**	**64,35,93,773**

*Advance with public bodies primarily relate to duty credit entitlements and amounts paid under protest in respect of demands from regulatory authorities.

** Other advances include advances against supply of goods and services and advances paid to employees.

07 Trade receivables	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Unsecured		
(a) Unsecured, considered good	229,25,93,857	213,64,75,900
(b) Credit Impaired	6,37,07,225	3,41,01,225
Gross Trade Receivables	**235,63,01,082**	**217,05,77,125**
Less: Allowance for credit losses	17,08,71,881	7,37,83,281
Net Trade receivables	**218,54,29,201**	**209,67,93,844**

There are no receivables which have significant increase in credit risk.

The Company's exposure to customers contributing more than 10% of the outstanding receivables as at March 31, 2019 is ₹72,03,55,179 (Previous year: ₹48,69,01,125)

The trade receivables from related parties amounting to ₹8,66,45,918 (Previous year: ₹47,90,86,309) are included in Net Trade Receivables.

There are no outstanding debts due from directors or other officers of the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The details of movement in allowances for credit losses are as below:

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Balance at the beginning of the year	7,37,83,281	6,62,35,031
Additions during the year	9,70,88,600	75,48,250
Amount utilised during the year	-	-
Balance at the end of the year	**17,08,71,881**	**7,37,83,281**

08 Inventories

(a) Raw materials	219,55,23,852	162,98,92,779
(b) Work-in-progress	24,04,39,963	18,81,31,865
(c) Finished goods	76,76,72,374	55,51,94,710
(d) Stock-in-trade	18,54,42,095	11,16,92,401
(e) Stores and spares	14,86,13,584	11,54,73,253
(f) Loose tools	36,74,336	29,30,488
(g) Fuel	5,40,81,388	4,92,57,752
Total Inventories	**359,54,47,592**	**265,25,73,248**

The value of inventories stated above is after impairment of ₹ 1,09,61,387 (Previous year: ₹ 98,02,800) for write-downs to net realisable value and provision for slow moving and obsolete item is ₹ 83,47,346 (Previous year : ₹ 5,38,43,593).

Included above, goods in transit, finished goods of ₹ 3,73,68,835 (Previous year: Nil)

The inventories have been hypothecated as security against certain bank borrowings (Refer note-12)

09 Cash and cash equivalents

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
(a) Cash on hand	79,612	2,17,565
(b) Balances with banks	11,54,40,703	74,28,170
Total Cash and cash equivalents	**11,55,20,315**	**76,45,735**

10 Other balances with bank

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
(a) Fixed deposits held as margin money *	17,00,000	2,80,00,000
(b) Unclaimed dividend**	6,30,370	3,31,706
Total Other balances with Bank	**23,30,370**	**2,83,31,706**

* Fixed deposits held as margin money against issue of bank guarantees.

** Not available for use of the Company.

11 Equity Share Capital

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Authorised :		
2,50,00,000 Equity Shares of ₹10 each (Previous year: 2,50,00,000 Equity Shares of ₹ 10 each)	25,00,00,000	25,00,00,000
	25,00,00,000	**25,00,00,000**
Issued, Subscribed and Fully Paid-up:		
2,09,00,000 Equity Shares of ₹ 10 each (Previous year: 2,09,00,000 Equity Shares of ₹ 10 each)	20,90,00,000	20,90,00,000
Total Equity Share Capital	**20,90,00,000**	**20,90,00,000**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

11 Equity Share Capital (Cont.)

a) Rights, preference and restrictions attached to equity shares

i) The Company has only one class of shares referred to as equity shares having par value of ₹ 10 each. Holder of equity shares is entitled to one vote per share.

ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of Share Capital	As at 31 March 2019 Number	As at 31 March 2018 Number	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Opening Balance	2,09,00,000	2,09,00,000	20,90,00,000	20,90,00,000
Closing Balance	**2,09,00,000**	**2,09,00,000**	**20,90,00,000**	**20,90,00,000**

c) Shares held by holding company	As at 31 March 2019 Number	As at 31 March 2018 Number	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Krosaki Harima Corporation- Japan				
Opening Balance	1,06,59,000	1,06,59,000	10,65,90,000	10,65,90,000
Addition during the year*	55,63,864	–	5,56,38,640	–
Closing Balance	**1,62,22,864**	**1,06,59,000**	**16,22,28,640**	**10,65,90,000**

* On 31 December 2018 , Krosaki Harima Corporation acquired 26.62% share of the Company from Tata Steel Limited.

d) Share holders holding more than 5% shares

Name of the Share holders	As at 31 March 2019		As at 31 March 2018	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Krrosaki Harima Corporation- Japan (Holding company)	1,62,22,864	77.62	1,06,59,000	51.00
Tata Steel Limited	–	–	55,63,864	26.62
Steel Authority of India Limited	22,03,150	10.54	22,03,150	10.54

e) Other Equity

1) General Reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Balance at the beginning of the year	142,49,94,100	142,49,94,100
Balance at the end of the year	**142,49,94,100**	**142,49,94,100**

2) Securities premium : Securities premium is used to record the premium on issue of shares. The securities premium is utilised in accordance with the provisions of the Companies Act, 2013. There is no movement in securities premium during the current and previous year.

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Balance at the beginning of the year	75,73,04,560	75,73,04,560
Balance at the end of the period	**75,73,04,560**	**75,73,04,560**

3) Investment revaluation reserve: The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in investment revaluation reserve.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

11 Equity Share Capital (Contnd.)

The details of movement in investment revaluation reserve are as below:

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Balance at the beginning of the year	11,83,55,765	11 ,61,25,265
Other comprehensive income recognised during the year	21,64,000	22,30,500
Balance at the end of the year	**12,05,19,765**	**11,83,55,765**

4) Dividends

The following dividends were declared and paid by the Company during the year

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
₹ 6.60 per equity shares (Previous year: ₹ 6.30 per share)	13,79,40,000	13,16,70,000
Dividend distribution tax (DDT) on dividend to equity shareholders	2,83,53,973	2,68,05,379
	16,62,93,973	**15,84,75,379**

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the board of directors subject to the approval by the shareholders at the annual general meeting. These dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
₹ 12.20 per equity shares (Previous year: ₹ 6.60)	25,49,80,000	13,79,40,000

5) Remeasurement on defined benefit plans

Remeasurement gain/ (loss) on defined benefit plans includes actuarial gain / (loss) arising on defined benefit plans of Company (net of income taxes).

12 Borrowings

	As at 31 March 2019		As at 31 March 2018	
	Current ₹	Total ₹	Current ₹	Total ₹
A. Secured Borrowings				
From banks*				
(i) Cash Credit (repayable on demand)	15,95,48,851	**15,95,48,851**	16,58,42,137	**16,58,42,137**
(ii) Packing Credits**	64,34,18,645	**64,34,18,645**	72,79,77,646	**72,79,77,646**
Total Secured Borrowings	**80,29,67,496**	**80,29,67,496**	**89,38,19,783**	**89,38,19,783**
B. Unsecured Borrowings				
From banks				
(i) Working Capital demand loans	135,00,00,000	**135,00,00,000**	70,00,00,000	**70,00,00,000**
(ii) Packing Credits**	3,71,60,784	**3,71,60,784**	3,25,33,923	**3,25,33,923**
Total Unsecured Borrowings	**138,71,60,784**	**138,71,60,784**	**73,25,33,923**	**73,25,33,923**
Total Borrowings	**219,01,28,280**	**219,01,28,280**	**162,63,53,706**	**162,63,53,706**

*Secured by hypothecation of stock of raw materials, stores and consumables, stock-in-process, finished goods, receivables and other current assets, both present and future, by way of pari-passu first charge and second charge over property,plant and equipment.

** Packing credits are repayable within maximum tenure of 180 days.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

13 Trade Payables

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
(a) **Dues of micro enterprises and small enterprises**		
Creditors for supplies of micro and small enterprises	28,10,866	2,82,49,518

* The amounts due to Micro and Small Enterprises, as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)", have been determined to the extent that such parties have been identified on the basis of information available with the Company. The details are tabulated below:

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
1. The principal amount remaining unpaid to supplier as at the end of the year	28,10,866	2,82,49,518
2. The interest due thereon remaining unpaid to suppliers as at the end of the year	–	–
3. The amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the suppliers beyond the appointed day during the year.	–	–
4. The amount of interest due and payable for the period (i.e. principal has been paid but interest under MSMED Act, 2006 not paid)	–	–
5. The amount of interest accrued and remaining unpaid at the end of the year.	–	–
6. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure u/s 23.	–	–
(b) **Dues of creditors other than micro enterprises and small enterprises**		
(i) Creditors for supplies / services other than micro and small enterprises	168,46,25,391	158,65,30,455
(ii) Creditors for accrued wages and salaries	9,42,75,793	6,91,98,031
(iii) Acceptances	30,17,32,871	25,25,50,417
Total dues of creditors other than micro enterprises and small enterprises	**208,06,34,055**	**190,82,78,903**

14 Other financial liabilities

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
(a) Interest accrued but not due on borrowings	11,827	3,37,603
(b) Unpaid dividends	6,30,370	3,31,706
(c) Derivative liabilities	70,09,881	–
(d) Creditors for capital goods	11,39,58,585	85,85,764
Total Other financial liabilities	**12,16,10,663**	**92,55,073**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

15 Provisions

	As at 31 March 2019			As at 31 March 2018		
	Non current	Current	Total	Non current	Current	Total
	₹	₹	₹	₹	₹	₹
(a) Provision for employee benefits*	14,61,94,100	7,13,39,640	**21,75,33,740**	10,75,86,130	6,34,68,450	**17,10,54,580**
(b) Provision for retirement benefits	13,13,73,236	74,04,675	**13,87,77,911**	13,98,35,510	63,75,370	**14,62,10,880**
(c) Provision for employee separation compensation	13,41,916	11,24,357	**24,66,273**	28,73,577	11,04,982	**39,78,559**
(d) Other provisions	63,22,699	31,91,881	**95,14,580**	3,68,56,759	–	**3,68,56,759**
Total Provisions	**28,52,31,951**	**8,30,60,553**	**36,82,92,504**	**28,71,51,976**	**7,09,48,802**	**35,81,00,778**

* Provision for employee benefits includes provision for compensated absence, bonus and employee incentives.

**The other provisions include provisions for Octroi, holding tax, license fees and water cess.

The details of movement in other provisions is as below:

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Balance at the beginning of the year	3,68,56,759	3,36,64,881
Add : Provision recognised during the year	31,91,879	31,91,878
Less : Amount utilised during the year	3,05,34,058	–
Balance at the end of the year	**95,14,580**	**3,68,56,759**

16 Other Liabilities

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
(a) Advances received from customers	3,67,51,255	6,06,88,320
(b) Employee recoveries and employer contributions	1,30,36,165	1,16,38,497
(c) Statutory dues *	22,62,78,200	16,69,35,131
Total Other liabilities	**27,60,65,620**	**23,92,61,948**

*Statutory dues primarily include payables in respect of Goods and Services Tax (GST) and tax deducted at source (TDS).

17 Revenue from Operations

	April 2018 to March 2019	April 2017 to March 2018
(a) Sale of products *	1486,12,50,644	1144,39,59,246
(b) Income from sale of services	81,77,62,994	31,64,49,814
(c) Other operating revenue	24,28,74,335	14,18,73,626
Total Revenue from operations	**1592,18,87,973**	**1190,22,82,686**

* Sale of products upto 30 June 2017 includes excise duty. Goods and Services Tax (GST) was introduced w.e.f 1 July 2017 and sale of products w.e.f 1 July 2017 does not include GST.

18 Other income

	April 2018 to March 2019	April 2017 to March 2018
(a) Dividend income	65,000	55,000
(b) Net gain on sale of property, plant and equipment	12,00,865	10,14,831
(c) Credit balances written back	1,36,14,802	1,39,34,325
(d) Interest income	61,61,384	44,98,244
Total Other income	**2,10,42,051**	**1,95,02,400**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
19 Cost of materials consumed		
Opening stock	162,98,92,779	84,34,16,377
Add: Purchases	749,90,71,421	618,79,03,028
	912,89,64,200	703,13,19,405
Less: Closing stock	219,55,23,852	162,98,92,779
Cost of materials consumed	**693,34,40,348**	**540,14,26,626**
20 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year		
Work–in–progress	24,04,39,963	18,81,31,865
Finished goods	76,76,72,374	55,51,94,710
Stock–in–trade	18,54,42,095	11,16,92,401
Total Inventories at the end of the year	**119,35,54,432**	**85,50,18,976**
Inventories at the beginning of the year		
Work–in–progress	18,81,31,865	13,75,11,262
Finished goods	55,51,94,710	54,00,06,751
Stock–in–trade	11,16,92,401	10,53,92,292
Total Inventories at the beginning of the year	**85,50,18,976**	**78,29,10,305**
Total Changes in stock of finished goods, work–in–progress and stock–in–trade	**33,85,35,456**	**7,21,08,671**
21 Employee benefits expenses		
(a) Salaries, wages and bonus	96,28,69,967	76,24,64,641
(b) Employee separation compensation	19,79,745	7,68,267
(c) Contribution to provident and other funds	9,75,36,301	9,01,78,447
(d) Staff welfare expenses	7,32,60,556	5,62,88,080
Total Employee benefits expenses	**113,56,46,569**	**90,96,99,435**
22 Finance costs		
(a) Interest expense		
(1) Interest on fixed loans	8,65,65,462	8,51,73,119
(2) Interest on other loans	6,84,18,686	5,08,39,832
(b) Other borrowing costs	22,26,180	23,07,857
Total Finance costs	**15,72,10,328**	**13,83,20,808**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

23. Other expenses

		April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
(a)	Stores and spares consumed	33,96,90,204	24,17,73,376
(b)	Repairs to buildings	23,68,42,324	17,85,57,368
(c)	Repairs to machinery	28,02,59,595	20,94,16,758
(d)	Contractors charges for refractories management	25,29,13,907	18,62,75,601
(e)	Fuel consumed	91,91,85,181	73,29,78,281
(f)	Purchase of power	23,84,76,535	23,10,85,236
(g)	Conversion and processing charges	20,68,94,696	16,86,84,906
(h)	Freight and handling charges	77,22,40,275	71,96,76,474
(i)	Rent	4,57,72,949	3,88,21,170
(j)	Royalty	7,38,76,523	5,10,67,165
(k)	Rates and taxes	1,59,59,937	4,96,16,570
(l)	Insurance charges	53,57,001	57,13,599
(m)	Commission expenses	13,72,84,257	8,71,10,641
(n)	Excise duties*	—	15,48,61,383
(o)	Net loss on foreign currency transactions	6,80,88,835	3,02,36,978
(p)	Legal and other professional costs	13,55,77,906	11,92,73,934
(q)	Travelling expenses	17,26,43,225	12,30,42,372
(r)	Others	15,86,07,032	10,41,76,144
Total Other expenses		**405,96,70,382**	**343,23,67,956**

* There is no excise duty on implemention of GST Act with effect from 1 July 2017.

Note:

Other expenses includes:

		April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
(i)	Payment to Auditors :		
	a) Services as Auditors [including for audit in terms of Section 44AB of the Income Tax Act, 1961 ₹ 2,00,000 (Previous Year ₹ 2,00,000)]	25,00,000	25,00,000
	b) Fees for other services	11,38,842	13,33,919
	c) Out-of pocket expenses	1,56,131	3,71,575
		37,94,973	**42,05,494**
(ii)	Cost audit fees [Including expenses ₹ 8,345 (Previous year: ₹ 7,133)]	1,18,345	1,17,133

(iii) Revenue expenditure charged to statement of profit and loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year is ₹ 1,04,66,626 (fully paid) [Previous year: ₹ 81,68,688 (fully paid)].

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities as per section 135 of the Companies Act,2013 was ₹ 99,90,426 (Previous year ₹ 54,68,006).

No capital expenditure on Corporate Social Responsibility (CSR) has been incurred during the year and in previous year.

(iv) Property, plant and equipment amounting to ₹ 1,89,57,147 written off during the year (Previous Year: ₹ Nil).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Note 24: ACCOUNTING POLICIES

1) Company Information

TRLKrosaki Refractories Limited ("the Company") is a public limited company incorporated under the provisions of Companies Act, 2013 and domiciled in India with its registered office situated at Belpahar, Jharsuguda District, Odisha, India.

The Company is primarily engaged in the business of manufacturing of wide range of refractories like Basic, Dolomite, High Alumina, Monolithic, Silica, Flow Control and Tap Hole Clay and providing refractories engineering and management services.

The financial statements as at 31 March 2019 present the financial position of the Company.

The functional and presentation currency of the Company is Indian Rupee ('Rs'), which is the currency of the primary economic environment in which the Company operates.

The consolidated financial statements as at March 31, 2019 present the financial position of the Company as well as its interests in associate companies using equity method.

As at 31 March 2019, Krosaki Harima Corporation owns 77.62% of the equity shares of the Company, and has the ability to influence the Company's operations. Nippon Steel Corporation is having significant influence over Krosaki Harima Corporation.

The list of Associates, which are included in the consolidation and the Company's holding therein are as under:

Particulars	Ownership in %		Country of Incorporation
	As at March 31, 2019	As at March 31, 2018	
Almora Magnesite Limited	38.995%	38.995%	India
TRL Krosaki Asia Pte. Ltd.	37%	37%	Singapore

2) Significant Accounting Policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

a) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS ") as notified by the Ministry of Corporate Affairs pursuant to Section133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, and other provisions of the Act , as amended from time to time.

The financial statements of the Company for the year ended 31 March 2019 were approved for issue in accordance with the resolution of the Board of Directors on 17 April 2019.

b) Basis of Preparation

The financial statements have been prepared under the historical cost convention,with the exception of certain assets and liabilities that are required to be carried at fair values by Ind-AS.

Fair value is the price that would be received to sell asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the Company's share of profits of associates that are consolidated using the equity method of consolidation. Unrealised gains from the transaction with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

d) Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in the estimates are made as management becomes aware of such changes. The changes in estimates are recognised in the period in which the estimates are revised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Significant judgements and estimates relate to the following-

i. carrying values of assets and liabilities include useful lives of tangible and intangible assets

ii. impairment of property, plant and equipment

iii. provision for employee benefits and other provisions

iv. commitments and contingencies and measurement of fair values.

e) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss, as incurred. When a replacement occurs, the carrying amount of the replaced part is de- recognised. Property, plant and equipment are stated at cost/deemed cost, less accumulated depreciation and impairment, if any. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as a part of cost of qualifying asset. Deemed cost represents the carrying value of the property, plant and equipment recognized as at 1 April 2015 measured as per the previous GAAP

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying value of such item, and is recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital Work-in-Progress”.

f) Intangible assets

Development of mines and software costs are recognized in the Balance Sheet as intangible assets when it is probable that associated future economic benefits will flow to the company and its cost can be measured reliably. These are initially measured at cost and subsequently at cost less accumulated amortization and impairment, if any. All other costs on development of mines and software are expensed in the Statement of Profit and Loss as and when incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

g) Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortisation is provided under the straight line method, based on the estimated useful life, as determined by technical evaluation of the useful life of the assets, in terms of Schedule II to the Companies Act, 2013.

Assets individually costing up to ₹ 25,000 are fully depreciated or amortized in the year of acquisition. Freehold Land is not depreciated.

The charge of depreciation or amortization commences from the date the assets are available for their intended use. Depreciation on assets under construction commences only when the assets are ready for their intended use. No further charge is provided in respect of assets that are fully written down but are still in use.

The estimated useful lives of assets and residual values are reviewed periodically and, adjusted if appropriate at the end of reporting period.

As the estimated useful life of some of the assets is significantly different from the useful life given in the Schedule II to Companies Act, 2013, the useful life of the assets has been assessed based on the number of years for which the assets have already been put to use and the estimated minimum balance period for which the assets can be use din the Company. The residual values are not more than 5% of the original cost of the asset.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Sl No	Class of Assets	Estimated Useful Life (in years)
I	**Buildings and Roads**	
	Roads	10
	Factory Buildings and Reservoir	30
	Other Buildings (RCC Structure)	60
II	**Plant and Machinery**	
	Grinder	8 to 15
	Mixture, Press Drying Chambers, Shuttle Kiln	10 to 15
	Gas Producer, Kiln and Shaft Kiln	25
	Kiln Car	10
	Workshop Equipment	10 to 15
	Research and development equipment	10
	Other Equipment	5 to 15
III	**Railway Siding**	15
IV	**Furniture and Fixture and Office Equipment**	
	Furniture fittings, office equipment, computer, cinema and audio visual equipment	5
	Hospital canteen equipment, electric fittings	10
V	**Vehicles**	
	Motor car, Jeep, motor cycle	5
	Motor Lorry and mobile equipment	8
VI	**Intangible Assets**	
	Software	10
	Development of mines	10 years or lease period whichever is less

h) Impairment:

At each Balance Sheet date, the Company reviews the carrying value of its property, plant and equipment and intangible asset to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount of an asset (or a cash generating unit)is the higher of fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognized in the Statement of Profit and Loss as and when the carrying value of an asset exceeds its recoverable amount.

An impairment loss is recognized in prior accounting periods is reviewed at each Balance Sheet date to assess whether there is any indication that the impairment loss recognized may no longer exist or may be decreased.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying value does not exceed the carrying value 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 in the Statement of Profit and Loss immediately.

i) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The Company as lessee

Operating lease payments, as per terms of the agreement, are recognised as an expense in the Statement of Profit and Loss on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Company as lessor

Rental income from operating leases is recognised in the Statement of Profit and Loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished.

j) Investment in associates :

Investments in associates are carried at cost/deemed cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required, immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the Statement of Profit and Loss.

k) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the Statement of Profit and Loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

i. Financial assets

Cash and bank balances

Cash and bank balances consist of:

Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than 3 months from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

Other balances with bank- which includes balances and deposits with banks having maturity of more than three months but less than 12 months and are restricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:

These financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

The Company in respect of certain equity instruments which are not held for trading, has made an irrevocable election to present subsequent changes in the fair value of such equity instruments in other comprehensive income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

Loss allowance for financial asset measured at amortised cost is deducted from gross carrying amount of asset.

De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

ii. **Financial liabilities and equity instruments**

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

A financial liability is classified at fair value through profit and loss account, if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans, overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company’s accounting policy for borrowing costs.

Offsetting

Financial assets and financial liabilities are off set and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or they expire.

Derivative financial instruments and hedge accounting

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange. The instruments are confined principally to forward foreign exchange contracts. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/ firm contractual commitments.

Derivatives are initially accounted for and measured at fair value onthe date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The fair values for forward currency contracts are marked to market at the end of each reporting period. The Company adopts hedge accounting for forward foreign exchange contracts wherever possible. At the inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item or transaction and the nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the Statement of Profit and Loss.

When hedge accounting is applied, the Company treats the hedge relationship in relation to foreign currency exposure as fair value hedges of recognised assets and liabilities. Changes in fair value of the hedged assets and liabilities, attributable to the risk being hedged, are recognised in the Statement of Profit and Loss and compensate for the effective portion of the symmetrical changes in the fair value of the derivatives.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the Statement of Profit and Loss for the period.

l) Employee benefits

The Company's retirement benefit obligation are subject to a number of judgement including discount rates, inflation and salary growth. Significant judgement is required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's Balance Sheet and the Statement of Profit and Loss. The Company sets these judgement based on previous experience and third party actuarial advice.

Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed employee benefit schemes are dealt with as payments to defined contribution schemes, as the Company has no further defined benefit obligation beyond the monthly contribution.

Defined benefit plans

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end Balance Sheet date. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in Other Comprehensive Income. The service cost and net interest on the net defined benefit liability / (asset) is recognised as an expense within employment costs.

Past service cost is recognised as an expense, when the plan amendment or curtailment occurs, or when any related restructuring cost or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined-benefit obligation, as reduced by the fair value of plan assets.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized based on actuarial valuation at the present value of the obligation as on the reporting date.

Employee Separation Scheme

Compensation to employees who have opted for retirement under the Friendly Departure Scheme of the Company is charged off in the year in which the employee is relieved from the services of the Company.

Post-Retirement Medical Benefit:

The company has a policy to give medical benefit to the retired employees at its own hospital at Belpahar not exceeding the amount of expense defined in its medical policy. The obligation of this service is measured and recognized based on actuarial valuation at the present value of the obligation as on the reporting date. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in Other Comprehensive Income. The service cost and net interest on the net defined benefit liability / (asset) is recognised as an expense within employment costs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Pension to Directors:

Pension payable to directors after their retirement as per the contractual agreement are recognized based on actuarial valuation at the present value of the obligation as on the reporting date. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in Other Comprehensive Income. The service cost and net interest on the net defined benefit liability / (asset) is recognised as an expense within employment costs.

m) Inventories

i. **Raw materials, Stores and Spares, Loose Tools and Fuel:**

These are valued at weighted average cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined or the cost of the finished products has exceeded its net realisable value.

ii. **Finished goods:** These are valued at lower of cost and net realisable value. Costs are calculated at full absorption cost basis which includes cost of direct materials and labour and aproportion of manufacturing overheads based on the normal operating capacity. Cost of inventories is generally ascertained on weighted average basis.

iii. **Work in Progress :** These are valued at cost. Costs are calculated at full absorption cost basis which includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

iv. **Stock-in-trade:** These are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to completion and the estimated costs necessary to sell them.

Provisions are made to cover slow moving and obsolete items based on historical experience of utilization on a product category basis and ageing policy as defined by the Company .

n) Cash Flow Statement

Cash Flows are reported using indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

o) Non-Current assets held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell. Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value.

The Company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are not depreciated or amortised.

p) Provisions (other than employee benefits) and contingent liabilities

Provisions are recognised in the Balance Sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Constructive obligation is an obligation that derives from an entity's actions where:

i. by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and

ii. as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

probable that an outflow of resources will be required to settle an obligation or a reliable estimate of the amount cannot be made.

The Company does not recognise a Contingent Liability but discloses its existence in the Financial Statements.

q) Income taxes

Income tax comprises current and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the Statement of Profit and Loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

r) Revenue recognition

The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115, Revenue from Contracts with Customers as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is effective for accounting periods beginning on or after 1 April 2018.The core principle of the new standard is that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled.

The company derives revenue primarily from sale of refractories and installation & maintenance services. Revenue is recognised when the customer obtains the control of the goods & services as per the terms & condition of the contracts. Company determines at contract inception whether each performance obligation will be satisfied (i.e. Control will be transferred) over time or at a point in time.

- Revenue from material supply is recognised on transfer of control over the product.
- Revenues from service contracts is recognised on completion of performance obligation.

Interest Income

Interest income is accrued on a time proportion basis by reference to the principle outstanding and the effective interest rate applicable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Dividend Income

Dividend income from investments is recognised when the right to receive payment has been established.

Rental Income

Rental income is recognised on a straight line basis over the term of the relevant arrangements.

Commission Income

Commission income is recognised when the services have been rendered.

Export incentives

Export incentives under the Duty Drawback Scheme are recognized on the basis of credits given in the bank or on receipt of duty credit scrips.

s) Government Grants

Government grants related to expenditure on property, plant and equipment are deducted from the cost of the property, plant and equipment in calculating the carrying amount of the asset.

t) Foreign currency transactions and translation

The financial statements of the Company are presented in Indian Rupees (Rs), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the Statement of Profit and Loss for the period.

Exchange differences arising on translation or settlement of long-term foreign currency monetary items is accounted in the Statement of Profit and Loss for the period.

u) Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

v) Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

25 Contingent Liabilities

Contingent liabilities in respect of -

		As at 31 March 2019	As at 31 March 2018
			₹
Claims against the Company not acknowledged as debts in respect of -			
-	Income tax matters	20,59,59,575	20,59,59,575
-	Sales tax / value added tax / entry tax matters	11,35,14,487	10,14,54,358
-	Excise duty matters	4,00,13,670	-
-	Other matters	1,78,07,203	1,88,41,203

In respect of above, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above.

In the ordinary course of business, the Company faces claims and assertions by various parties. The following is a description of claims and assertions where a potential loss is possible but not probable. There are claims which the Company does not believe to be of material nature, other than those described below:

Income Tax:

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These are mainly for transfer pricing issues and disallowance of expenses claimed by the Company as deductions. Most of these disputes and/or dis-allowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years. As at March 31, 2019, there are matters and/or disputes pending in appeal amounting to ₹ 20,59,59,575 (Previous Year: ₹ 20,59,59,575).

Sales tax /value added tax/ entry tax/ Excise duty matters

The Company has demands that are being contested by the Company in different years amounting to ₹ 15,35,28,157 (Previous Year: ₹ 10,14,54,358). These are mainly for non submission of concessional forms.

Demand by Mining Officer:

Demand Notice has been raised by the Mining Officer, Cuttack Circle, Odisha, amounting to ₹ 1.29 Crores for excess production of fireclay over the quantity permitted under the scheme of mining for the period 2003-04 to 2006-07. The demand notice has been raised under Section 21(5) of the Mines and Minerals (Development and Regulations) Act (MMDR). However, the Act specifies that demand can be raised only when the land is occupied without lawful authority. The Company is of the view that, Section 21(5) of the MMDR Act is not applicable to it, as the mining has been carried out within the confines of the sanctioned mining lease area. Accordingly, the Company has filed a revision petition before the Mines Tribunal against the demand notice. The impugned order has been set aside and the matter has been remanded back to Govt. of Odisha to re-estimate the claim.

Other Claims

Other civil cases for which the Company may contingently be liable aggregate to ₹ 49,07,203 (Previous Year: ₹ 59,41,203).

26 Water Rate Dispute

The Company has been drawing water from Lilhari Nullha, a natural water stream. Up to 1994, as per the Orissa Irrigation Act, the water rate was payable for drawing water from irrigation work. Natural water streams like Lilhari Nullha were not covered in the definition of irrigation work, as given in Section 4(9) of the Act. Definition of 'government water source' was inserted in Section 4(6-a) of the Act in 1994, which covers natural water sources like Lilhari Nullha, and the Company has been paying water rate since then. However, the Government of Odisha demanded an amount of ₹ 57,77,600 towards water rate and penalty for the period prior to 1994 which has been stayed by the Hon'ble High Court of Odisha. Water Resources Department, Government of Odisha, has been charging monthly compounded interest @ 2% on the disputed amount and the total interest charged up to 31 March 2019 is ₹ 51,75,71,093. The total disputed demand, together with interest as on 31 March 2019 is ₹ 52,33,48,693. During the current year, Hon'ble High Court of Odisha has stayed charging of monthly compound interest of 2% and passed an order that compound interest @ 2% will not be allowed to charge until further orders.

27 Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances paid ₹ 21,46,16,738 (Previous Year: ₹ 5,02,89,889).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

28 The Company is engaged in the business of manufacturing, trading and sale of a range of refractories and is having its manufacturing facilities located in India. The performance of the Company is assessed and reviewed by the Chief Operating Decision Maker ('CODM') as a single operating segment and accordingly manufacture and sale of refractories is the only operating segment.

There is only one customer contributing more than 10% of total revenues of the company.

The Company is domiciled in India, however also sells its products outside India. Revenue from geographic segments based on location of customer is (a) Domestic ₹ 1300,87,51,824 (Previous Year: ₹ 987,30,66,459) and (b) Rest of the world: ₹ 291,31,36,149 (Previous Year: ₹ 202,92,16,226).

Non-current assets from geographic segments based on location of customer is (a) Domestic ₹ 258,91,65,977 (Previous Year: ₹ 236,11,96,102) and (b) Rest of the world: Nil (Previous Year: Nil).

29 Standards issued but not yet effective

Ind AS 116, Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019 replacing the existing Ind AS 17, Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and low value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed detailed assessment. The impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

As per the initial estimate, no significant impact is expected in the financial statements of the Company on applying Ind AS 116 both as lessee and as lessor.

Transition:

The Company plans to apply Ind AS 116 initially from 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116, if any, will be recognised as an adjustment to the opening balance of retained earnings, as at 1 April 2019, with no restatement of comparative information.

Further, the MCA has also notified certain amendment to Ind AS which are effective from 1 April 2019. This pertains to Ind AS 12, 19, 23, 28 and 103. The Company dose not expect any impact from this amendments.

30 Employee Benefits

In line with the disclosure requirements under Ind AS 19 (Employee Benefits), the relevant details with respect to employee benefits are given here below:

(1) Defined Contribution Plan

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognized in relation to the schemes represents the value of contributions payable during the period by Company at rates specified by the rules of those plans.

a) Provident Fund and Employees Pension Fund

In accordance with the prevailing Indian law, eligible employees of the Company are entitled to receive benefits in respect of Provident Fund, a defined contribution plan, in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

As per the provisions of the Provident Fund and Miscellaneous Provisions Act, 1952 contribution to Provident Fund is made to an irrevocable trust set up by the Company and contribution to pension fund is deposited with the Regional Provident Fund Commissioner.

The rules of the Company's provident fund administered by a trust, require that if the Board of the Trustee are unable to pay interest at the rate declared by the Government for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company, making the interest shortfall a defined benefit obligation.

b) Superannuation Fund

The Company has a superannuation plan. Employees who are members of the superannuation plan are entitled to benefits depending on the contribution made by Company and rate of interest declared by the superannuation trust.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

A separate irrevocable trust is maintained for employees covered and entitled for this benefit. The Company contributes 15% of basic salary, of the eligible employees' to the trust every year. Such contributions are recognized as an expense when incurred. The Company has no further obligation beyond this contribution.

c) **Other funds**

The Company contributes to the Employees State Insurance scheme as per the provisions of Employees State Insurance Act , 1948 and to Her Majesty's Revenue and Customs, UK as per provisions laid down by the UK Government for the social security and welfare of the employees.

d) **Expenses recognized in respect of above**

The Company has recognized, in the Statement of Profit and Loss account for the year ended 31 March 2019, an amount of ₹ 7,96,74,006 (Previous Year: ₹ 7,22,18,845) being expenses under the defined contribution plans, as given below:

Benefit (Contribution to)	**April 2018 to March 2019 ₹**	April 2017 to March 2018 ₹
Company's Provident Fund contribution to trust	2,93,89,578	2,62,54,475
Superannuation Fund	3,19,07,019	2,92,53,941
Employee Pension Scheme	1,71,86,459	1,58,84,098
Employee state insurance scheme	61,070	57,615
Her Majesty's Revenue and Customs, UK	11,29,880	7,68,716
	7,96,74,006	**7,22,18,845**

(2) **Defined Benefit Plans**

The Company operates post retirement defined benefit plans as follows:

a) **Funded**

(i) **Post Retirement Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides lump-sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company is exposed to actuarial risk and investment risk with respect to this plan.

b) **Unfunded:**

(i) **Post Retirement Medical Benefits**

The Company has a Post-Retirement Medical Benefit Scheme (PRMB), under which the retired employees and their spouses are eligible for free medical benefits in the Company's hospital during their lifetime upto a ceiling fixed by the Company. The liability for the same is recognized annually on the basis of actuarial valuation. The Company is exposed to inflation risk with respect to this plan.

(ii) **Pension to Directors**

The Company has Ex-MD Pension Scheme, under which the retired managing director gets a monthly pension. The liability for the same is recognized annually on the basis of actuarial valuation. The Company is exposed to the increase in the pension amount in each 3 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

c) i) **Details of the Post Retirement Gratuity plan are as follows:**

		April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
I.	**Change in present value of defined benefit obligation during the year**		
	1. Present Value of defined benefit obligation as at the beginning of the year	25,97,49,040	22,55,24,290
	2. Current Service Cost	1,47,26,730	1,39,50,310
	3. Interest Cost on the defined benefit obligation	1,82,14,570	1,45,80,840
	4. Actuarial losses - Experience	1,67,21,670	4,48,65,030
	5. Actuarial (gains)/ losses - Financial Assumptions	2,93,31,063	(47,18,240)
	6. Benefits paid from plan assets	(3,41,90,506)	(3,44,53,190)
	7. Closing Present Value of defined benefit obligation	**30,45,52,567**	**25,97,49,040**
II.	**Change in fair value of plan assets during the year**		
	1. Fair Value of assets at the beginning of the year	22,28,93,200	19,14,11,590
	2. Interest Income on Plan Assets	1,80,75,390	1,39,42,950
	3. Employer contributions	7,00,00,000	5,00,00,000
	4. Return on plan assets greater than discount rate	—	1,991,850
	5. Benefits paid	(3,41,90,506)	(3,44,53,190)
	6. Fair Value of Plan assets at the end of current year	**27,67,78,084**	**22,28,93,200**
III.	**Net liability recognized in the balance sheet**		
	1. Fair value of plan assets	27,67,78,084	22,28,93,200
	2. Present value of obligation	30,45,52,567	25,97,49,040
	3. Amount recognized in the balance sheet	**2,77,74,483**	**3,68,55,840**
IV.	**Expense recognized in the statement of profit and loss for the year**		
	1. Current service cost	1,47,26,730	1,39,50,310
	2. Net interest on net defined benefit liability	1,39,180	6,37,890
	3. Total expenses included in employee benefits expense	**1,48,65,910**	**1,45,88,200**
V.	**Recognized in other comprehensive income for the year**		
	1. Actuarial loss due to defined benefit obligation experience	1,67,21,670	4,48,65,030
	2. Actuarial (gain)/ loss due to defined benefit obligation assumption changes	2,93,31,063	(47,18,240)
	3. Return on plan assets greater than discount rate	—	(19,91,850)
	4. Actuarial loss recognized in other comprehensive income	**4,60,52,733**	**3,81,54,940**
VI.	**Maturity profile of defined benefit obligation**		
	1. Within the next 12 months (next annual reporting period)	4,62,32,050	4,45,07,680
	2. Between 2 and 5 years	13,09,33,070	11,59,98,900
	3. Between 6 and 10 years	16,15,74,250	13,67,86,330
VII.	**Quantitative sensitivity analysis for significant assumption is as below**		
	1. Increase/ (decrease) on present value of defined benefits obligation at the end of the year		
	(i) One percentage point increase in discount rate	(1,99,55,590)	(1,50,33,740)
	(ii) One percentage point decrease in discount rate	2,30,35,800	1,71,87,630
	(i) One percentage point increase in rate of salary increase	2,28,22,860	1,73,27,270
	(ii) One percentage point decrease in rate of salary increase	(2,01,41,980)	(1,54,09,920)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

2. **Sensitivity Analysis Method**

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

VIII. **Investment Details**

The full amount has been invested in the Cash Accumulation Scheme of Life Insurance Corporation of India.

		April 2018 to March 2019	April 2017 to March 2018
IX.	**Assumptions**		
a.	Discount rate (per annum)	7.50%	7.50%
b.	Rate of escalation in salary (per annum)	7.50%	6.00%

ii) **Details of non-funded post retirement defined benefit obligations are as follows:**

Description		Current Year ₹		Previous Year ₹	
		Medical	Ex-MD Pension	Medical	Ex-MD Pension
I	**Reconciliation of opening and closing balances of obligation**				
	1. Present Value of defined benefit obligation as at the beginning of the year	6,78,56,820	4,14,98,220	7,30,95,270	5,05,74,900
	2. Current Service Cost	17,91,960	—	13,50,320	—
	3. Interest Cost on the defined benefit obligation	49,13,218	29,96,385	49,68,970	34,25,080
	4. Actuarial (gains)/ losses - Experience	(22,53,602)	20,11,860	(36,64,280)	(73,79,520)
	5. Actuarial gains- Financial Assumptions	—	—	(36,73,460)	(18,31,840)
	6. Benefits paid directly by the Company	(46,94,433)	(31,17,000)	(42,20,000)	(32,90,400)
	7. Closing Present Value of defined benefit obligation	**6,76,13,963**	**4,33,89,465**	**6,78,56,820**	**4,14,98,220**
II.	**Expense recognized in the statement of profit and loss for the year**				
	1. Current service cost	17,91,960	—	13,50,320	—
	2. Net interest on net defined benefit liability	49,13,218	29,96,385	49,68,970	34,25,080
	3. Total expenses included in employee benefits expense	**67,05,178**	**29,96,385**	**63,19,290**	**34,25,080**
III.	**Recognized in other comprehensive income for the year**				
	1. Actuarial (gain)/ loss due to defined benefit obligation experience	(22,53,602)	20,11,860	(36,64,280)	(73,79,520)
	2. Actuarial gain due to defined benefit obligation assumption changes	—	—	(36,73,460)	(18,31,840)
	3. Actuarial (gains)/ losses recognized in other comprehensive income	**(22,53,602)**	**20,11,860**	**(73,37,740)**	**(92,11,360)**
IV.	**Assumptions**				
	a. Discount rate (per annum) at the beginning of the year	7.50%	7.50%	7.00%	7.00%
	b. Discount rate (per annum) at the end of the year	7.50%	7.50%	7.50%	7.50%
	c. Rate of pension increase	—	—	—	8.00%
	d. Medical costs inflation rate	4.00%	—	4.00%	—
	e. Average Medical Cost (Rs./ person)	1,660	—	1,660	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

Description	Current Year ₹		Previous Year ₹	
	Medical	Ex-MD Pension	Medical	Ex-MD Pension
V. Quantitative sensitivity analysis for significant assumption is as below				
Increase/ (decrease) on present value of defined benefits obligation at the end of the year				
(i) One percentage point increase in discount rate	(63,05,330)	(34,30,680)	(64,03,590)	(33,40,480)
(ii) One percentage point decrease in discount rate	75,95,920	39,48,090	77,18,040	38,54,130
(i) One percentage point increase in medical inflation rate	77,95,370	—	79,20,730	—
(ii) One percentage point decrease in medical inflation rate	(65,56,050)	—	(66,58,080)	—
(i) One percentage point increase in pension rate	—	38,89,810	—	38,06,650
(ii) One percentage point decrease in pension rate	—	(34,45,630)	—	(33,62,300)
VI. Maturity profile of defined benefit obligation				
1. Within the next 12 months (next annual reporting period)	46,56,330	30,22,690	43,53,980	22,56,150
2. Between 2 and 5 years	2,05,63,830	1,31,02,220	1,92,28,580	1,00,86,020
3. Between 6 and 10 years & beyond	3,06,84,170	5,99,52,010	2,86,91,790	2,91,13,330

d) Risk exposure

Through its defined benefit plans, the Company is exposed to discount rate risk, salary growth risk, inflation risk, pension increment risk and demographic risks of mortality and attrition rates.

31 Income Taxes

a. A reconciliation of the tax expense to the amount computed by applying the statutory income tax rate to the profit before taxes is summarized below:

Particulars	April 2018 to March 2019	April 2017 to March 2018
Profit before tax	133,42,92,925	80,77,10,171
Less: (Profit) of associate Company	(3,47,48,924)	(8,31,53,842)
Less: Expenses recognized in other comprehensive income	4,58,10,991	2,16,05,840
Adjusted Profit before tax (A)	125,37,33,010	70,29,50,489
Tax rate (B)	34.944%	34.608%
Tax expense (A*B)	43,81,04,463	24,32,77,105
Add: Tax effect of expenses that are not deductible for tax purposes: CSR Expenses	36,57,458	28,27,020
Add: Taxation for earlier years	12,63,553	—
Less: Tax effect of Income exempt from tax: Dividend Income	(22,714)	(19,034)
Add: Additional tax expense (deferred tax expense) due to change in tax rate	—	11,86,144
Less: Other differences	(7,13,948)	(6,77,667)
Income tax expense charged to the Statement of Profit and Loss	**44,22,88,812**	**24,65,93,568**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

Particulars	April 2018 to March 2019	April 2017 to March 2018
Tax expense recognized in profit and loss	45,83,81,479	25,42,18,195
Income tax expenses recognized in Other Comprehensive Income	(1,60,92,667)	(76,24,627)
Income tax expense charged to the Statement of Profit and Loss	**44,22,88,812**	**24,65,93,568**

b. The tax effect of significant temporary differences that resulted in deferred tax liability are as follows:

	Balance sheet		Statement of profit and loss		Other comprehensive incom	
	As at 31.03.2019 ₹	As at 31.03.2018 ₹	April '18 to March '19 ₹	April '17 to March '18 ₹	April '18 to March '19 ₹	April '17 to March '18 ₹
Deductible temporary difference						
(i) Expense/ provision allowed on payment basis	11,05,58,930	9,50,27,758	(5,61,495)	(108,04,507)	1,60,92,667	1,33,51,940
(ii) Unpaid Royalty	1,25,44,084	1,60,60,480	(35,16,396)	90,61,688	—	—
(iii) Friendly departure scheme	28,80,077	36,08,987	(7,28,910)	(10,19,555)	—	—
(iv) Others	38,79,673	—	38,79,673	—	—	—
Total (A)	**12,98,62,764**	**11,46,97,225**	**(9,27,128)**	**(27,62,374)**	**1,60,92,667**	**1,33,51,940**
Taxable temporary difference						
Property, Plant and Equipment	22,15,98,696	23,80,56,221	(1,64,57,525)	82,20,337		
Deffered tax liability on share of profit of associate	59,88,346	—	59,88,346	—	—	—
Total (B)	**22,75,87,042**	**23,80,56,221**	**(1,04,69,179)**	**82,20,337**	**—**	**—**
Deferred Tax liability (B-A)	**9,77,24,278**	**12,33,58,996**	**(95,42,051)**	**1,09,82,711**	**(1,60,92,667)**	**(1,33,51,940)**

Net impact in Statement of Profit and Loss / Other Comprehensive Income *

* The total income tax expenses recognised in the Statement of Profit and Loss under Other Comprehensive income is inclusive of deferred tax release ₹ 1,60,92,667 (Previous year ₹ 1,33,51,940) and current tax ₹ Nil (Previous year ₹ 57,27,313).

c. Reconciliation of deferred tax liability

Particulars	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Opening balance as at 1 April	12,33,58,996	12,57,28,225
Less: Deferred tax release during the year	(2,56,34,718)	(23,69,229)
Closing balance as at 31 March	**9,77,24,278**	**12,33,58,996**

31 A The Company's significant leasing arrangements are in respect of operating lease for premises(residential, office, godowns etc). These leasing arrangements which are cancellable ,range between 11 months to 10 years, generally, and are usually renewable by mutual consent or mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss. There are no restrictions imposed by lease arrangements and there are no purchase options or contingent rents.

Rent income includes sub-lease payments of ₹ 1,73,35,163 (previous year - ₹ 2,00,82,302) for the year relating to sub-lease agreements entered into by the Company. There are no restrictions imposed by lease arrangements and there are no contingent rents recognised as income for the period. These lease arrangements inter alia include escalation clause/option for renewal.

31 B Reconciliation of Liabilities from Financing activities as stated in the Statement of Cash Flows are as follows-:

Particulars	Balance as at 1 April 2018	Cash Flows	Non-Cash Changes	Balance as at 31 March 2019
Borrowings	162,63,53,706	56,37,74,574	-	219,01,28,280
Total Liabilities from financing activities	**162,63,53,706**	**56,37,74,574**	**-**	**219,01,28,280**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

32 FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 24(k) to the financial statements.

(a) Financial Instruments by Category

The following table presents carrying amount and fair value of each category of financial asset and liabilities.

As at 31 March 2019

Particulars	Amortised cost ₹	Fair value through other comprehensive income ₹	Derivative instruments in hedging relationship ₹	Total Carrying Value ₹	Total Fair Value ₹
Financial assets					
Trade receivables	**218,54,29,201**	**—**	**—**	**218,54,29,201**	**218,54,29,201**
Investments	**—**	**1,15,94,500**	**—**	**1,15,94,500**	**1,15,94,500**
Cash and bank balances	**11,78,50,685**	**—**	**—**	**11,78,50,685**	**11,78,50,685**
Loans and deposits	**8,36,58,861**	**—**	**—**	**8,36,58,861**	**8,36,58,861**
Other financial assets	**3,47,68,006**	**—**	**—**	**3,47,68,006**	**3,47,68,006**
Total	**242,17,06,753**	**1,15,94,500**	**—**	**243,33,01,253**	**243,33,01,253**
Financial liabilities					
Borrowings	**219,01,28,280**	**—**	**—**	**219,01,28,280**	**219,01,28,280**
Trade payables	**208,34,44,921**	**—**	**—**	**208,34,44,921**	**208,34,44,921**
Other financial liabilities	**11,46,00,782**	**—**	**70,09,881**	**12,16,10,663**	**12,16,10,663**
Total	**438,81,73,983**	**—**	**70,09,881**	**439,51,83,864**	**439,51,83,864**

As at 31 March 2018

Particulars	Amortised cost ₹	Fair value through other comprehensive income ₹	Derivative instruments in hedging relationship ₹	Total Carrying Value ₹	Total Fair Value ₹
Financial assets					
Trade receivables	209,67,93,844	—	—	209,67,93,844	209,67,93,844
Investments	—	94,30,500	—	94,30,500	94,30,500
Cash and bank balances	3,59,77,441	—	—	3,59,77,441	3,59,77,441
Loans and deposits	6,15,48,786	—	—	6,15,48,786	6,15,48,786
Other financial assets	52,65,476	—	13,03,453	65,68,929	65,68,929
Total	**219,95,85,547**	**94,30,500**	**13,03,453**	**221,03,19,500**	**221,03,19,500**
Financial liabilities					
Borrowings	162,63,53,706	—	—	162,63,53,706	162,63,53,706
Trade payables	193,65,28,421	—	—	193,65,28,421	193,65,28,421
Other financial liabilities	92,55,073	—	—	92,55,073	92,55,073
Total	**357,21,37,200**	**—**	**—**	**357,21,37,200**	**357,21,37,200**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

(b) 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–

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price 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).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

Particulars	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
	₹	₹	₹	₹
As at 31.03.2019				
Financial assets				
Investment - Equity share (HDFC Bank)	1,15,94,500	1,15,94,500	—	—
Financial liabilities				
Derivative liabilities - forward cover	70,09,881	70,09,881	—	—
As at 31 March 2018				
Financial assets				
Investment - Equity share (HDFC Bank)	94,30,500	94,30,500	—	—
Derivative assets - forward cover	13,03,453	13,03,453	—	—

(c) Financial Risk Management Policies And Objectives:

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables, loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowings.

Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variables interest rates. Any movement in the reference rates could have an impact on the Company's cash flow as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash and cash equivalents to manage its liquidity risk.

The non derivative financial liabilities of the Company are all payable within 12 months. (refer note 12,13 and 14)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

Financial assets are provided for when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for provision as per provisioning policy of the Company. Where loans or receivables have been provided, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the Statement of Profit and Loss.

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for trade receivables.

(d) Foreign Currency exposure as at 31 March 2019 ₹

Particulars	USD	EUR	JPY	GBP	Others	Total
Financial Assets						
Trade Receivables	60,37,83,937	4,80,24,143	—	5,45,79,670	26,42,810	70,90,30,560
Bank balance in Current account	—	—	—	9,38,598	—	9,38,598
Other Assets	94,35,557	5,12,541	—	—	36,695	99,84,793
Financial Liabilities						
Trade Payables	(36,18,98,736)	(11,79,42,924)	(4,61,03,412)	(2,20,146)	(25,00,209)	(52,86,65,427)
Loan in Foreign Currency	(43,75,87,835)	(5,41,30,251)	—	(24,85,297)	—	(49,42,03,383)
Advance from Customers	(36,62,064)	—	—	—	—	(36,62,064)
Net Exposure to Foreign Currency Risk	**(18,99,29,141)**	**(12,35,36,491)**	**(4,61,03,412)**	**5,28,12,825**	**1,79,296**	**(30,65,76,923)**

Foreign Currency exposure as at 31 March 2018 ₹

Particulars	USD	EUR	JPY	GBP	Others	Total
Financial Assets						
Trade Receivables	56,62,55,348	5,97,39,163	—	6,87,91,019	2,41,56,952	71,89,42,482
Bank balance in Current account	—	—	—	2,38,768	—	2,38,768
Other Assets	98,36,144	1,02,31,067	—	—	1,68,58,200	3,69,25,411
Financial Liabilities						
Trade Payables	(29,65,94,891)	(2,56,36,635)	(3,32,34,957)	(9,98,040)	(3,04,14,313)	(38,68,78,836)
Loan in Foreign Currency	(56,92,03,752)	(12,13,67,801)	—	(699,40,015)	—	(76,05,11,568)
Advance from Customers	(34,16,006)	—	—	—	—	(34,16,006)
Net Exposure to Foreign Currency Risk	(29,31,23,157)	(7,70,34,206)	(3,32,34,957)	(19,08,268)	1,06,00,839	(39,46,99,749)

(e) Sensitivity Analysis

1% increase or decrease in foreign currency exchange rates will have the following impact on profit before tax

₹

Particulars	April 2018 to March 2019		April 2017 to March 2018	
	1% Increase	1% decrease	1% Increase	1% decrease
USD	(18,99,291)	18,99,291	(29,31,232)	29,31,232
EUR	(12,35,365)	12,35,365	(7,70,342)	7,70,342
JPY	(4,61,034)	4,61,034	(3,32,350)	3,32,350
GBP	5,28,128	(5,28,128)	(19,083)	19,083
Others	1,793	(1,793)	1,06,008	(1,06,008)
Increase / (decrease) in profit	**(30,65,769)**	**30,65,769**	(39,46,999)	39,46,999

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

(f) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation.

The exposure of the Company's floating debt interest obligation and its sensitive analysis are as follows:

	April 2018 to March 2019	April 2017 to March 2018
Company's debt obligation (Floating rates)	219,01,28,280	162,63,53,706

Sensitivity analysis assuming the amount of the liability outstanding at the year end was outstanding for the whole year:

If interest rate had been 25 basis point higher/ lower and all other variables held constant, the company's profit before tax for the ended 31 March 2019 would decrease/ increase by ₹ 54,75,321 (Previous year: ₹ 40,65,884). This is mainly artibutable to the company's exposure to interest rates on its floating rate borrowings.

(g) Securities price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31 March 2019 is ₹ 1,15,94,500 (Previous year: ₹ 94,30,500). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

33 Capital management

The Company's capital management is intended to safeguard its ability to continue as a going concern so that to create value for shareholders and benefits for other stakeholders by facilitating the achievement of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current and earmarked balances).

The table below summarises the capital, net debt and net debt equity ratio of the Company.

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
Total borrowings	219,01,28,280	162 ,63,53,706
Less: Cash and bank balances	15,26,18,691	4,12,42,917
Net Debt	**203,75,09,589**	158,51,10,789
Equity	439,90,33,630	371,69,70,481
Total Capital (Equity + Net Debt)	**643,65,43,219**	530,20,81,270
Net Debt to Equity Ratio	**0.46**	**0.43**

34 Note on Revenue disggregation

	India ₹	Out side India ₹	Total ₹
Sale of products	1207,58,52,663 *944,53,12,336*	278,53,97,981 *199,86,46,910*	1486,12,50,644 *1144,39,59,246*
Income from sale of services	69,00,24,826 *28,58,80,498*	12,77,38,168 *30,569,316*	81,77,62,994 *31,64,49,814*
Other operating revenue	24,28,74,335 *14,18,73,626*	— —	24,28,74,335 *14,18,73,626*
Total revenue from operations	**1300,87,51,824** *987,30,66,460*	**291,31,36,149** *202,92,16,226*	**1592,18,87,973** *1190,22,82,686*

Figures in italics relates to previous year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

Revenue Reconciliation	April 2018 to March 2019 ₹	April 2017 to March 2018 ₹
Total Revenue	1596,24,69,031	1192,95,44,259
Less: variable consideration (Cash Discount)	4,05,81,058	2,72,61,573
Total revenue from operations	**1592,18,87,973**	**1190,22,82,686**

- The Company's performance obligations are satisfied on delivery of product or service to the customer. Delivery of product completes when the products have been shipped or delivered to the specific location, of the customer, as the case may be. Delivery of service completes on receipt of confirmation from customer.
- The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payments by the customer exceeds one year and hence, there are no significant financing component included in such contracts.

35 Related Party Disclosures

a) List of related parties of TRL Krosaki Refractories Limited

Sl No.	Name	Country of Incorporation	% of Equity Interest As at 31 March 2019	% of Equity Interest As at 31 March 2018
i)	**Parent Entity (Holding Company)**			
	Krosaki Harima Corporation	Japan	77.62	51
ii)	**Associate Companies**			
	TRL Krosaki Asia Pte Limited	Singapore	37	37
	Almora Magnesite Limited	India	39	39
iii)	**Investors Holding more than 20% (Refer Note 2 below)**			
	Tata Steel Limited (till 31 December 2018)	India	—	26.62
iv)	**Entity having significant influence over holding Company**			
	Nippon Steel Corporation (Formerly known as Nippon Steel & Sumitomo Metal)	Japan		
v)	**Fellow Subsidiaries**			
	TRL Krosaki China Limited (formerly know as TRL China Limited)	China		
	Krosaki Harima Europe B.V.	Netherland		
	Krosaki Magnesita Refractories, LLC (KMR)	Brazil		
vi)	**Associate of Krosaki Harima Corporation**			
	IFGL Refractories Limited (IFGL) (Formerly known as IFGL Exports Limited)	India		
vii)	**Subsidiaries of Tata Steels Limited (till 31 December 2018)**			
	Tata Steel BSL Limited (formerly known as Bhushan Steel Limited)	India		
	Tata Metaliks Limited	India		
	Tata Sponge Iron Limited	India		
	Natsteel Holdings Pte Limited	Singapore		
	Tata Steel UK Limited	United Kingdom		
	The Siam Construction Steel Co. Limited	Thailand		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

viii) Joint Venture of Tata Steel (till 31 December 2018)

Tata BlueScope Steel Limited	India
TKM Global Logistics Limited	India
Mjunction Services Limited	India

ix) Key Managerial Personnel

(i) Directors

Mr. H.M. Nerurkar (Chairman)

Mr. P.B. Panda (Managing Director)

Mr. Sudhansu Pathak

Mr. V.S.N. Murty (upto 31 December 2018)

Mr. Hiroshi Odawara (upto 1 April 2018)

Mr. Takashi Matsunaga (upto 1 April 2018)

Mr. Junichi Sakane (upto 31 January 2019)

Mr. Sudhir Krishnaji Joshi

Sunanda Lahiri

Mr. Kotaro Kuroda

Mr. Kiyotaka Oshikawa

Mr. Toshikazu Takasu

Mr. Sadayoshi Tateishi

Mr.Takeshi Yoshida (w.e.f. 1 April 2018)

Mr. Hisatake Okumura (w.e.f. 1 April 2018)

Mr. A. K. Rath

Mr. H. P. Singh

(ii) Other than Directors

Mr. C.S. Das (Executive Vice President & CFO) (upto 31 May 2018)

Mr. M.V. Rao (Sr. Vice President (Finance) & CFO) (w.e.f. 1 June 2018)

Mr. Arabinda Debta (Dy. GM & Company Secretary)

x) Relative of Key Managerial Personnel

Mr. Dinabandhu Panda

xi) Employees' Benefit Plans

TRL Krosaki Refractories Limited Provident Fund

TRL Krosaki Refractories Limited Superannuation Fund

TRL Krosaki Refractories Limited Gratuity Fund

Note:

(1) The list contains those related parties with whom the Company has transactions during the current or previous year

(2) Krosaki Harima Corporation acquired 26.62% shares of the Company from Tata Steel Limited on 31 December 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

b) Transactions with Related Parties

Particulars	Holding Company	Subsidiaries & Associates of the Holding company	Associates of the Company	Tata Steel, it's Subsidiaries and Joint Ventures (Refer Note b below)	Key Managerial Personnel and relative
Purchase of Raw Materials and Components	17,38,46,972 *18,22,04,000*	57,68,32,292 *13,52,94,528*	1,58,07,913 *1,60,06,212*	23,60,51,798 *14,00,09,994*	— —
Sales, Services and Other Income	18,39,80,595 *3,05,14,927*	17,20,81,439 *8,56,08,475*	86,57,407 —	282,93,81,721 *280,90,56,478*	— —
Receiving of Services	— *1,93,450*	— —	— —	1,75,96,678 *2,00,12,798*	— —
Royalty paid	7,38,76,523 *5,10,67,165*	— —	— —	— —	— —
Dividend paid	7,03,49,400 *6,71,51,700*	— —	— —	3,67,21,502 *3,50,52,243*	1,650 *630*
Outstanding Balance -Debtors	1,01,46,832 *1,16,65,418*	7,44,31,395 *11,97,80,507*	20,67,690 —	— *34,76,40,384*	— —
Loans and advances given	— *1,10,928*	— —	— —	— *1,16,68,599*	3,00,000 —
Loans and advances recovered	—	—	— —	—	35,000
Outstanding Loan Balance	—	—	—	—	2,65,000 —
Creditors	11,41,20,746 *12,78,77,423*	1,16,98,089 *2,84,77,580*	14,60,416 —	— *8,63,988*	— —
Loans and Advances Received	— —	6,78,450 —	— —	— —	— —
Short term employee benefits	— —	— —	— —	— —	3,09,55,535 *2,91,44,679*
Post employment benefits (Refer Note c below)	— —	— —	— —	— —	29,21,454 *27,47,196*
Other long term employee benefits (Refer Note c below)	—	—	—	—	—
Commission paid	— —	— —	— —	— —	28,07,000 *27,70,000*
Sitting Fees (Refer Note f below)	— —	— —	— —	— —	22,60,000 *19,45,000*

Transactions presented above are inclusive of goods and services tax (GST).

Terms and conditions of transactions with related parties

(a) All related party transactions entered during the year were in ordinary course of the business and are at arm's length basis for the year ended 31 March 2019 and the Company has not recorded any impairment of receivables relating to amounts owed by related parties (Previous Year: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates

(b) Transactions with Tata Steel Limited and it's subsidiaries and joint ventures are upto 31 December 2018.

(c) As the liabilities for defined benefit plans are provided on actuarial basis for the Company as whole, the amounts pertaining to key managerial personnel and relatives are not included.

(d) During the year, the Company has contributed ₹ 13,12,96,597 (Previous Year: ₹ 10,55,08,416) to the post employment benefit plans to the Trusts managed by the Company.

(e) Figures in italics represent comparative figures of the previous years.

(f) Sitting fees of all nominated directors has been paid to respective nominee companies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹, except otherwise stated)

36 Additional Information as per Part II of Schedule III, Companies Act, 2013

Name of the Entity	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹	As % of consolidated profit and loss	Amount ₹	As % of consolidated comprehensive income	Amount ₹	As % of total comprehensive income	Amount ₹
Parent: TRL Krosaki Refractories Limited	94.96%	417,72,81,104	96.03%	84,11,62,522	100.00%	(2,75,54,324)	95.90%	81,36,08,198
Associate (Foreign): TRL Krosaki Asia Pte. Ltd.	4.46%	19,60,47,059	3.13%	2,74,06,259	0.00%	-	3.23%	2,74,06,259
Associate (Indian): Almora Magnisite Ltd	0.58%	2,57,05,467	0.84%	73,42,665	0.00%	-	0.87%	73,42,665
Total	**100.00%**	**439,90,33,630**	**100.00%**	**87,59,11,446**	**100.00%**	**(2,75,54,324)**	**100.00%**	**84,83,57,122**

37 Earnings per Share (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by the average number of shares outstanding during the year. The basic and diluted earnings per share has been calculated below .

		April 2018 to March 2019	April 2017 to March 2018
a)	Profit after Tax	87,59,11,446	55,34,91,976
b)	Profit attributable to Equity Share Holders	87,59,11,446	55,34,91,976
c)	Weighted average number of Equity Shares outstanding during the year	2,09,00,000	2,09,00,000
d)	Nominal Value per share	10	10
e)	Basic / diluted Earning per Equity Share	41.91	26.48

38 Previous years figures have been regrouped and/or rearranged wherever considered necessary to conform to current year's classification.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715

Kolkata, April 17, 2019

For and on behalf of the Board of Directors

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
M. V. RAO
Sr. VP (Finance) &
CFO

sd/-
A. DEBTA
Dy. GM & Company Secretary
(FCS : 6546)

Kolkata, April 17, 2019

Notes to Consolidated Financial Statements for the year ended 31 March 2019 (continued)

(Amount in ₹, except otherwise stated)

Form AOC-I

(Pursuant to sub-section (3) of section 129 of the Companies Act, 2013, related to associate and joint ventures)

Part "A": Subsidiaries NA

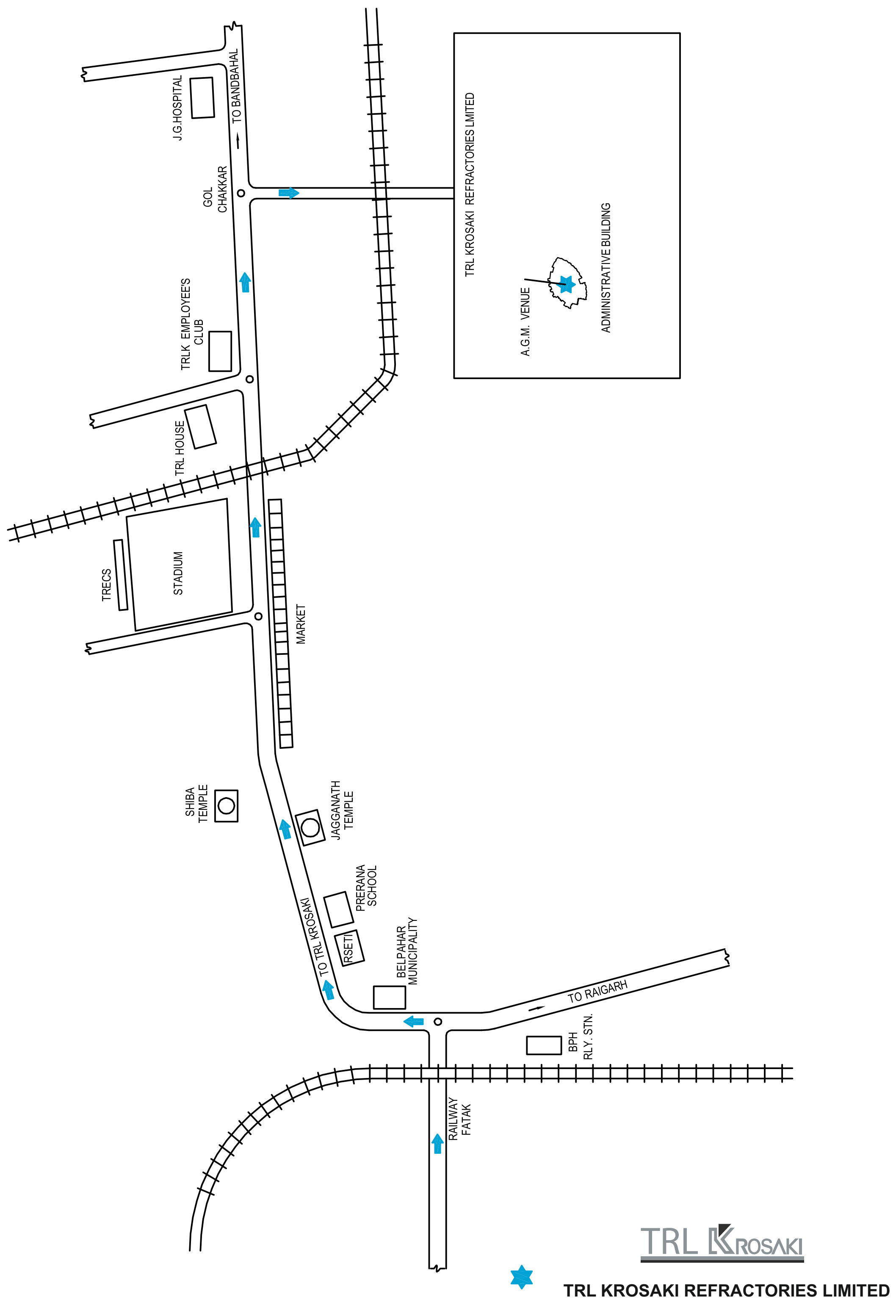
Part "B": Associates

	Name of Associates	TRL Krosaki Asia Pte Ltd	Almora Magnesite Limited
1.	Latest audited Balance Sheet Date	31st March,2019	31st March,2018
2.	Date on which the associate was associated or acquired	5th December,2016	30th March ,1973
3.	Reporting Currency	CNY	INR
4.	Share of Associate by the Company on the year end :		
	Number	48,07,584	77990
	Amount of Investment	13,82,61,575	77,99,000
	Extent of Holding (in percentage)	37%	38.995%
5.	Description of how there is significant influence	Controls more than 20% of the total share capital	Controls more than 20% of the total share capital
6.	Reason why the associate is not consolidated	NA	NA
7.	Networth attribute to share holding as per latest audited Balance Sheet	27,89,96,519	3,35,55,754
8.	Profit or Loss for the year :		
	i) Considered in Consolidation	2,74,06,259	73,42,665
	ii) Not Considered in Consolidation	-	-

Names of Associates or Joint Ventures which are yet to commence Operations : NIL

Names of Associates or Joint Ventures which have been liquidated or sold during the year : NIL

Route Map to the AGM Venue



TRL Krosaki Refractories Limited

Registered Office: Belpahar, Dist.: Jharsuguda, Odisha- 768218.
Tel.: +91 6645 258417, Corporate Identification No. :(CIN) - U26921OR1958PLC000349
Website: www.trlkrosaki.com , Email: arabinda@trlkrosaki.com

Attendance Slip

(To be presented at the entrance)

60th ANNUAL GENERAL MEETING ON WEDNESDAY, 25TH SEPTEMBER, 2019 AT 11:00 A.M. IST

At Registered Office: Belpahar, Dist.: Jharsuguda, Odisha- 768218.

Folio No. ________________________________ DP ID No. ____________________ Client ID No. _________________________

Name of the Member: ____ Signature: ___________________________

Name of the Proxyholder: ____ Signature: ___________________________

I hereby record my presence at the 60th Annual General Meeting of the Company held on Wednesday, 25th September, 2019 at 11.00 A.M. IST at Registered Office P.O. Belpahar, Dist.: Jharsuguda, Odisha-768218.

1. Only Members/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the annual report for reference at the meeting.

TRL Krosaki Refractories Limited

Registered Office: Belpahar, Dist.: Jharsuguda, Odisha- 768218.
Tel.: +91 6645 258417, Corporate Identification No. :(CIN) - U26921OR1958PLC000349
Website: www.trlkrosaki.com , Email: arabinda@trlkrosaki.com

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): ____

Registered Address: ____

E-mail Id: ____

Folio No. /Client ID No. ____________________________________ DP ID No. _____________________________________

I/We, being the member(s) of _________________________ Equity Shares of TRL Krosaki Refractories Limited, hereby appoint

1. Name: ____ E-mail Id: _____________________________________

   Address: ____

   ____ Signature: __________________________ or failing him

2. Name: ____ E-mail Id: _____________________________________

   Address: ____

   ____ Signature: __________________________ or failing him

3. Name: ____ E-mail Id: _____________________________________

   Address: ____

   ____ Signature: _____________________________________

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 60th Annual General Meeting of the Company to be held on Wednesday, 25th September, 2019 at 11.00 A.M. IST at Registered Office P.O. Belpahar, Dist.: Jharsuguda, Odisha-768218 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

**I wish the above proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolution	For	Against
Ordinary Business			
1	Consider and adopt the Audited Standalone Financial Statement for the financial year ended 31 March, 2019 and the Reports of the Board of Directors and Auditors thereon.		
2	Consider and adopt the Audited Consolidated Financial Statement for the financial year ended 31 March, 2019 and the Reports of the Auditors thereon.		
3	Declaration of dividend on Ordinary (equity) Shares for Financial Year 2018-19.		
4	Appointment of Director in place of Mr. Kiyotaka Oshikawa (DIN:03515516), who retires by rotation and being eligible, seeks re-appointment.		
5	Appointment of Director in place of Mr. H. M. Nerurkar (DIN: 00265887), who retires by rotation and being eligible, seeks re-appointment.		
6	Appointment of Director in place of Mr.A.K.Rath (DIN: 07596590), who retires by rotation.		
Special Business			
7.	Appointment of Mr.Sudhansu Pathak (DIN: 06545101) as a Director of the Company.		
8.	Revision in the terms of remuneration of Mr. P. B. Panda, Managing Director		
9.	Alteration of Articles of Association.		
10.	Ratification of Cost Auditors' Remunerations for Financial year 2018-19.		

Signed this ______________________day of ____________________2019

AFFIX Revenue Stamp of

Signature of Shareholder __________________________________Signature of Proxyholder(s)_____________________________

Notes:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company P.O. Belpahar, Dist.: Jharsuguda, Odisha-768218 not less than 48 hours before the commencement of the Meeting.

**2. This is only optional, please put a '✓' in the appropriate column against the resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

3. Appointing proxy does not prevent a member from attending in person if he/she so wishes.

4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated .

To,

TRL Krosaki Refractories Limited

Registered Office :
P.O. Belpahar,
Dist. Jharsuguda-768218
Odisha

Updation of Shareholders Information

I/We request you to record the following information against my/our Folio No.:

General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN:*	
CIN/Registration No.:* (applicable to Corporate Shareholders)	
Tel. No. with STD Code:	
Mobile No.:	
E-mail id:	

*Self-attested copy of the document(s) enclosed.

Bank Details:

IFSC: (11 digit)	
Bank A/c Type:	
Bank A/c No.: *	
Name of the Bank:	
Bank Branch Address:	

*A blank cancelled cheque is enclosed to enable verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained till I/We hold the securities under the above mentioned Folio Number.

Place:

Date:

____

Signature of Sole/First holder

To,

Depository Participant

____

____

____

Updation of Shareholders Information

I/We request you to record the following information against my/our Folio No./DP ID/Client ID:

General Information:

Folio No. / DP Id / Client Id :	
Name of the first named Shareholder:	
PAN:*	
CIN/Registration No.:* (applicable to Corporate Shareholders)	
Tel. No. with STD Code:	
Mobile No.:	
E-mail id:	

*Self-attested copy of the document(s) enclosed.

Bank Details:

IFSC: (11 digit)	
Bank A/c Type:	
Bank A/c No.: *	
Name of the Bank:	
Bank Branch Address:	

*A blank cancelled cheque is enclosed to enable verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained till I/We hold the securities under the above mentioned Folio No.

Place:

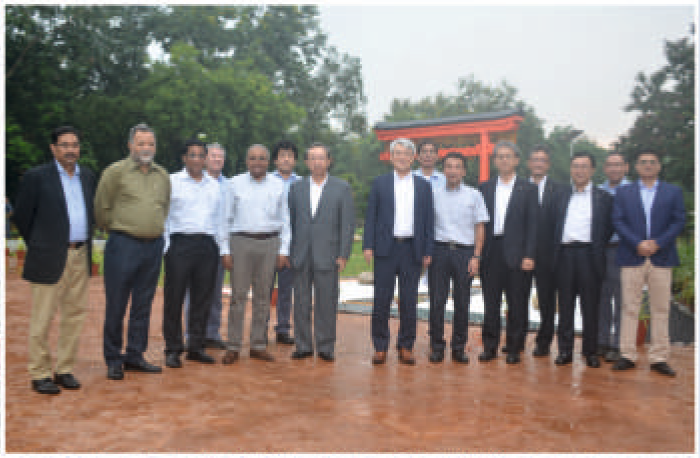
Date:

____

Signature of Sole/First holder

Note : Shareholders holding shares in physical mode and having Folio No(s) should provide the above information to TRL Krosaki Refractories Ltd. Shareholders holding Demat shares are required to update their details with the Depositary Participant.

Felicitation During Diamond Jubilee Function



Designed and Printed at Purnima Printers Pvt. Ltd., Ph. : 0657-2300148

TRL KROSAKI REFRACTORIES LIMITED

CIN : U26921OR1958PLC000349
Belpahar Jharsuguda Odisha 768 218
Visit us at: www.trlkrosaki.com