

**IFGL****REFRATORIES LIMITED****Head & Corporate Office :**

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6th January, 2021

National Stock Exchange of India Ltd
'Exchange Plaza', C-1, Block – G
Bandra – Kurla Complex
Bandra (E)
Mumbai 400 051

Dear Sirs,

Re: **Disclosure under Regulation 30 of SEBI LODR Regulations, 2015 made on 23rd July, 2020**
Code : IFGLEXPOR

This has reference to clarifications sought from time to time by you in connection with our above Disclosure and our replies thereto.

For the sake of convenience, better understanding of all and as desired by you, we hereby summarize details of our above Disclosure and reasons for which SEBI Circular No CIR/CFD/CMD1/114/2019 dated 18th October 2019 (SEBI Circular) is not applicable thereto.

CONTENT OF DISCLOSURE

As an abundant precaution and despite understanding of the Company Management that expression "material subsidiary" in SEBI Circular No CIR/CFD/CMD1/114/2019 of 18th October 2019 does not refer to "material subsidiary" incorporated outside India of a listed entity in India, it was informed that Grant Thornton UK LLP (Registration Number C001110317), Chartered Accountants have resigned on their own before the end of their term of office citing reason below and ceased to be Auditors on and from 22nd July 2020 of Company's UK Step down subsidiary, Monocon International Refractories Limited (a material subsidiary within the meaning of Regulation 24 read with Regulation 16 of SEBI LODR Regulations, 2015)

"Due to the decision of the Directors to submit to Companies House an addendum to the audited financial statements without our knowledge or approval"

Formerly known as **IFGL EXPORTS LIMITED****Registered Office & Kalunga Works :**

Sector 'B', Kalunga Industrial Estate

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REASONS FOR WHICH SEBI CIRCULAR NOT APPLICABLE

- i. Monocon International Refractories Ltd, Company's UK step down subsidiary, became "material subsidiary" within the meaning of Regulation 24 read with Regulation 16 of SEBI LODR Regulations, 2015 following the Board of Directors of the Company at their meeting held on Saturday, 18th July, 2020 approving stand-alone and consolidated audited financial statements for FY 2019-20 subject to approval by the Members at their ensuing Annual General Meeting scheduled to be held on Saturday, 26th September, 2020.
- ii. "Material Subsidiary" in SEBI Circular does not refer to "material subsidiary" incorporated outside India of a listed entity in India.
- iii. Resignation of GT as auditors of MIRL was not before completion of the audit of the financial results for the year. Resignation was also not wrt limited review / audit report as per SEBI Regulations and thus Paras 5 and 6 of SEBI Circular did not apply.
- iv. Since resignation of GT was not wrt limited review / audit report as per SEBI Regulations, there was no question of MIRL obtaining Information from GT in the format specified at Para 6. C (i) of SEBI Circular.
- v. Sub-clause (7A) of Clause A in Part A of Schedule III under Regulation 30(2) of SEBI Regulations require disclosure of resignation of the auditor of the listed entity only
- vi. Contents of SEBI Circular are to be read together with definition of "material subsidiary" given at Regulation 16(1)(c) of SEBI LODR Regulations and said definition cannot be read in isolation.
- vii. While Paras 2 to 4 of said SEBI Circular spell out obligations of listed entities in case of appointment and or resignation of its own Statutory Auditors, Paras 5 and 6 thereof deals with disclosure in case of resignation of Auditors of listed entities as well as material subsidiaries thereof in situations specified eg. Before completion of audit of financial results, with respect to limited reviews/audit reports. In our case, none of such conditions became applicable and thus, there was no need to comply sub-paras B and C of Para 6 thereof. Moresoever, disclosure under Sub-clause 7A under Clause A in Part A of Schedule



III under Regulation 30(2) of SEBI LODR Regulations is to be made in case of resignation of the Auditor of the listed entity only. Said sub-clause is reproduced herein below for your ready reference.

“(7A) – In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditors.”

- viii. Definition of ‘Material Subsidiary’ given at Regulation 16(1)(c) of SEBI LODR Regulations does not carve out exception about material subsidiary incorporated outside India of a listed entity in India. However, for the purpose of compliance of SEBI Circular definition of ‘Material Subsidiary’ cannot be read alone. Furthermore, in our case, Auditor of the material subsidiary incorporated outside India did not resign for the reason pertaining to Audit Report issued.

Thanking you,

Yours faithfully,
For IFGL Refractories Ltd.


(R Agarwal) 06/11/2021
Company Secretary