

Price Waterhouse Chartered Accountants LLP

For the kind attention of the Board of Directors

Orient Refractories Limited
C-604, Neelkanth Business Park,
Opp. Railway Station, Vidhyavihar (West),
Mumbai, Maharashtra-400086, India

Auditors' Certificate on Statement of Pre Scheme Net Worth and Post Scheme Notional Net Worth as at March 31, 2018

1. This certificate is issued in supercession of the earlier certificate dated August 24, 2018 issued in terms of our engagement letter dated August 24, 2018, pursuant to the observations' letter, dated September 6, 2018, received by Orient Refractories Limited from National Stock Exchange of India Limited.
2. The accompanying Statement of Pre Scheme Net Worth and Post Scheme Notional Net Worth of Orient Refractories Limited (the "Company") as at March 31, 2018 (hereinafter referred to as the "Statement") contains the details as required pursuant to compliance with the checklists, issued by BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and as available on their websites, regarding the documents required to be submitted by the Company for approval of the Scheme of Amalgamation, among the Company, RHI India Private Limited (the "Transferor Company 1") and RHI Clasil Private Limited (the "Transferor Company 2") and their respective Shareholders and Creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme") and as approved by the Board of Directors of respective companies in their meetings held on July 31, 2018 with appointed date being January 1, 2019, under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Statement has been initialed by us for identification purposes only.

Management's Responsibility for the Statement


3. The preparation of the Statement is the responsibility of the Management of the Company including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company complies with the requirements of the checklists, issued by BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), regarding the documents required to be submitted by the Company for approval of the Scheme under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (hereinafter collectively referred to as the "Guidelines") and provides all relevant information to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Auditors' Responsibility

5. Pursuant to the Guidelines, it is our responsibility to certify whether:

In respect of Pre Scheme Net Worth of the Company

- (a) the amount in the Statement as at March 31, 2018, that forms part of the Net Worth computation have been accurately extracted from the audited financial statements of the Company for the year ended March 31, 2018 duly approved by the Board of Directors in their meeting held on May 17, 2018 and other records maintained by the Company;

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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/NS00016 (ICAI registration number before conversion was 012754N)

- (b) the calculation of net-worth in the Statement is computed in accordance with the method determined by the management, as specified in the Statement.

In respect of Post Scheme Notional Net Worth of the Company

- (a) the amount in the Statement as at March 31, 2018, that forms part of the Notional Net Worth computation have been accurately extracted from the audited financial statements of the Company, the Transferor Company 1 and Transferor Company 2 respectively for the year ended March 31, 2018 duly approved by their Board of Directors in their meetings held on May 17, 2018, July 31, 2018 and July 31, 2018 respectively and other records maintained by the Company;
- (b) the calculation of Combined Notional Net Worth in the Statement is computed in accordance with the method determined by the management, as specified in the Statement.
6. The financial statements of the Company and Transferor Company 2 referred to in above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 17, 2018 and July 31, 2018 respectively. Our audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
7. We conducted our examination of the Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

9. Based on our examination, as above, we certify that:

In respect of Pre Scheme Net Worth of the Company

- (a) the amounts in the Statement as at March 31, 2018, that forms part of the Net Worth computation have been accurately extracted from the audited financial statements of the Company for the year ended March 31, 2018 duly approved by the Board of Directors in their meeting held on May 17, 2018 and other records maintained by the Company;
- (b) the calculation of net-worth in the Statement is computed in accordance with the method determined by the management, as specified in the Statement.

In respect of Post Scheme Notional Net Worth of the Company

- (a) the amounts in the Statement as at March 31, 2018, that forms part of the Notional Net Worth computation have been accurately extracted from the audited financial statements of the Company,



the Transferor Company 1 and Transferor Company 2 respectively for the year ended March 31, 2018 duly approved by their Board of Directors in their meetings held on May 17, 2018, July 31, 2018 and July 31, 2018 respectively and other records maintained by the Company;

- (b) the calculation of Combined Notional Net Worth in the Statement is computed in accordance with the method determined by the management, as specified in the Statement.

10. Emphasis of Matter

- (a) The financial statements of the Company for the year ended March 31, 2018 were prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Companies Act, 2013 (the "Ind AS"). Whereas the financial statements of the Transferor Company 1 and Transferor Company 2 for the year ended March 31, 2018 were prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006 (as amended) under Section 133 of the Companies Act, 2013 (the "I GAAP").
- (b) We draw your attention to Notes to the Statement regarding computation of Post Scheme Notional Net Worth of the Company as at March 31, 2018, it is computed as aggregate of Net Worth of the Company, the Transferor Company 1 and Transferor Company 2, assuming if amalgamation is effective as at such date. The Net Worth of the respective companies have been computed based on financial information extracted from the audited financial statements of the respective companies for the year ended March 31, 2018. These financial statements were prepared using different accounting principles and hence, these are not comparable. Had the financial statements prepared in accordance with the accounting policies followed by the Company, the Post Scheme Notional Net Worth of the Company as at March 31, 2018 and financial information used in its computation thereof could have been different.

Our opinion is not modified in respect of these matters.

Other Matter

11. The financial statements of the Transferor Company 1 for the year ended March 31, 2018, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide its report dated July 31, 2018, expressed an unmodified opinion on those financial statements. For the purpose of our work, we have been provided audited financial statements of these companies by the Company's management. Our opinion is not modified in respect of this matter.

Restriction on Use

12. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Guidelines. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.



13. The certificate is addressed to and provided to the Board of Directors of the Company solely to enable it to comply with the Guidelines and to submit the accompanying Statement to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Abhishek Rara
Membership Number: 077779

Place: **Mumbai**
Date: September 7, 2018

ORIENT REFRACTORIES LTD.

(AN RHI MAGNESITA COMPANY)



To,
The National Stock Exchange of India Limited and BSE Limited,
Mumbai.

Subject - Statement of Pre Scheme Net worth and Post Scheme Notional Net Worth as at March 31, 2018

Dear Sirs,

In accordance with the Scheme of Amalgamation among Orient Refractories Limited ("the Company" or "the Transferee Company"), RHI India Private Limited ("Transferor Company 1"), RHI Clasil Private Limited ("Transferor Company 2") (hereinafter referred to as the "Respective Companies") and their respective Shareholders and Creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme"), as approved by the Board of Directors of Respective Companies in their meetings held on July 31, 2018, the Transferor Company 1 and Transferor Company 2 are proposed to be merged with the Company.

According to checklists, issued by BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and as available on their websites, regarding the documents required to be submitted by the Company for approval of the Scheme under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we, the management of the Company, are required to submit Statement of Pre Scheme Net worth and Post Scheme Notional Network as at March 31, 2018 (the 'Statement'), together with auditors' certificate thereon. The appropriate date is considered as March 31, 2018, based on Company's discussions with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), which is basis for calculating the Pre and Post merger Notional Net Worth of the Company.

We have computed the Net Worth, as below, of the Company as at March 31, 2018 (the year-end for which latest audited financial statements of the Respective Companies).

Amount (in Rs.)

Statement of Net Worth		Pre Scheme of Amalgamation (based on standalone financial statements of the Company) As on March 31, 2018
Equity Share Capital 120,139,200 equity shares of face value of Rs 1 fully paid up	(A)	120,139,200
Securities Premium	(B)	
Other Equity / Free Reserves & Surplus General Reserve		833,756,000
Retained Earnings	(C)	2,274,228,000
Networth	D= (A+B+C)	3,228,123,200

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RHI MAGNESITA

ORIENT REFRACTORIES LTD.

(AN RHI MAGNESITA COMPANY)

Amount (in Rs.)

Statement of Notional Net Worth		Post Scheme of Amalgamation As on March 31, 2018
Net Worth of the Company (as above)	(D)	3,228,123,200
Share Capital of Transferor Company 1 (342,844 equity shares of face value of Rs 10 fully paid up)	(E)	3,428,440
Securities Premium of Transferor Company 1	(F)	649,397,376
Free Reserves of Transferor Company 1 - Surplus in the Statement of Profit and Loss	(G)	850,057,030
Net Worth of Transferor Company 1	(H) = (E)+(F) + (G)	1,502,882,846
Share Capital of Transferor Company 2 (18,400,000 equity shares of face value of Rs 10 fully paid up)	(I)	184,000,000
Free Reserves of Transferor Company 2 General Reserve	(J)	26,175,067
- Surplus in the Statement of Profit and Loss	(K)	177,528,524
Net Worth of Transferor Company 2	(L) = (I)+(J) + (K)	387,703,591
Combined Notional Net Worth (D) + (H) + (L)		5,118,709,637

Notes -

- Net-worth is defined as aggregate of equity share capital, share premium and other equity/ Free reserves & surplus (including but not limited to General Reserves, Surplus in the Statement of Profit and Loss), as reduced by miscellaneous expenditure, if any.
- The Notional Net-worth of the Company (Post Scheme of Amalgamation) as at March 31, 2018 is computed assuming the scenario if merger is effective as at such date. In such case, the Notional Net Worth is considered as aggregate of net-worth of respective companies as at March 31, 2018.
- The financial statements of the Company for the year ended March 31, 2018 were prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Companies Act, 2013 (the "Ind AS"). Whereas the financial statements of the Transferor Company 1 and Transferor Company 2 for the year ended March 31, 2018 were prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006 (as amended) under Section 133 of the Companies Act, 2013 and applicable to the Transferor Company 1 and Transferor Company 2 (the "I GAAP").

Works

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RHI MAGNESITA

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(AN RHI MAGNESITA COMPANY)



As mentioned above, the Post Scheme Notional Net Worth of the Company, as at March 31, 2018, has been computed as aggregate of Net Worth of the Company, the Transferor Company 1 and Transferor Company 2, assuming if amalgamation is effective as at such date. The Net Worth of the respective companies have been computed based on financial information retrieved from the audited financial statements of the respective companies for the year ended March 31, 2018. These financial statements were prepared using different accounting principles and hence, these are not comparable.

For Orient Refractories Limited


Authorized Signatory



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RHI MAGNESITA