



# Orient Refractories Limited

(An RHI Magnesita Company)



15 April 2019

Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001.

Department of Corporate Services  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra (East), Mumbai – 400 051

STOCK CODE: 534076

STOCK CODE: ORIENTREF

Dear Sirs,

## Sub: Notice of the National Company Law Tribunal convened meetings

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that pursuant to an order of the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT") dated 29 March 2019, a meeting of the equity shareholders and the unsecured creditors of Orient Refractories Limited (the "**Company**") will be held at Kohinoor Continental, Andheri-Kurla Road, J.B. Nagar, Andheri (East), Mumbai – 400 059, India on Friday, the 17<sup>th</sup> day of May, 2019 at 12:00 noon and 06:00 p.m. respectively for the purpose of considering, and if thought fit, approving with or without modification, the proposed arrangement embodied in the Composite Scheme of Amalgamation of RHI India Private Limited, RHI Clasil Private Limited, Orient Refractories Limited and their respective members (the "**Scheme**") under Sections 230 to 232 of the Companies Act, 2013.

The Company is providing Postal Ballot / E-voting facility to enable the shareholders to vote on the resolutions proposed in the notice of the aforesaid NCLT Convened meeting of the equity shareholders. The Company has engaged National Securities Depository Limited ("**NSDL**") for the purpose of providing e- voting facility to all its shareholders. The e-voting facility can be availed by logging on to NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

Postal Ballot / E-voting in connection with the resolutions proposed in the notice will commence on and from 09.00 a.m. on Wednesday, 17 April 2019 and will end at 05.00 p.m. on Thursday, 16 May 2019. The Company is also providing facility for voting by way of polling papers at the venue of the meeting for the members attending the meeting who may not have cast their vote by postal ballot or e-voting. Equity shareholders as at the cut-off date, i.e. 5 April 2019, only shall be entitled to vote on the Scheme.

The Company has on, 12 April 2019, completed the dispatch of notice along with the postal ballot form with instructions and a self-addressed postage prepaid Business Reply Envelope to those members whose e-mail IDs are not registered as well as to members who have requested for a physical copy of the notice, at their registered address. Further, the notice has been sent electronically to those members who have registered their e-mail IDs. The Company has also completed the dispatch of the notices to the unsecured creditors on 12 April 2019.

In case of the meeting of the unsecured creditors of the Company, the voting shall be carried out through polling paper at the venue of the meeting.

We are enclosing herewith the copies of the notices of the aforesaid meetings. The said notices are also available on the Company's website <https://www.orientrefractories.com/scheme.htm>.

Kindly take the same on record.

Thanking You,  
Yours faithfully  
For **Orient Refractories Limited**

Sanjay Kumar  
Company Secretary  
ACS-17021

Encl.: As above

**Orient Refractories Limited**

CIN: L28113MH2010PLC312871

C-604, Neelkanth Business Park,

Opp. Railway Station, Vidhyavihar (West),

Mumbai, MAHARASHTRA-400086

T:+91 22 660 90 600, F:-+91 22 660 90 601

[info@orlindia.com](mailto:info@orlindia.com); [www.orientrefractories.com](http://www.orientrefractories.com)

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(An RHI Magnesita Company)

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Mumbai, MAHARASHTRA-400086

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**NOTICE TO THE UNSECURED CREDITORS  
OF ORIENT REFRACTORIES LIMITED**

*PURSUANT TO THE ORDER DATED 29 MARCH 2019 OF THE  
HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH*

**MEETING:**

<b>Day</b>	Friday
<b>Date</b>	17 <sup>th</sup> day of May 2019
<b>Time</b>	6:00 p.m.
<b>Venue</b>	Kohinoor Continental, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai – 400 059, India

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**  
**CA(CAA) NO. 1556/MB/2018**

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230-232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Orient Refractories Limited;

And

In the matter of the Composite Scheme of Amalgamation of RHI India Private Limited, RHI Clasil Private Limited and Orient Refractories Limited and their respective shareholders.

**Orient Refractories Limited,**

a company incorporated under the provisions of the }  
Companies Act, 1956 and having its registered office at }  
C-604, Neelkanth Business Park, Opp. Railway Station }  
Vidhyavihar (West), Mumbai – 400 086. }

**...Applicant Company**

**NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF THE COMPANY PURSUANT TO THE ORDER  
DATED 29 MARCH 2019 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**

To,

**All the unsecured creditors of Orient Refractories Limited (the *Applicant Company*):**

**NOTICE** is hereby given that by an order dated 29 March, 2019 (the **Order**), the Hon'ble National Company Law Tribunal, Mumbai bench (**NCLT**) has directed that a meeting of the unsecured creditors of the Applicant Company shall be held for the purposes of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Composite Scheme of Amalgamation of RHI India Private Limited, RHI Clasil Private Limited and Orient Refractories Limited and their respective shareholders (the **Scheme**).

In pursuance of the said Order, and as directed therein, further notice is hereby given that a meeting of the unsecured creditors of the Applicant Company will be held at Kohinoor Continental, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai – 400 059, India on Friday, the 17th day of May, 2019 at 6:00 p.m., at which time and place you are requested to attend. At the meeting, the following resolution will be considered and, if thought fit, passed, with or without modification(s):

***“RESOLVED THAT*** pursuant to the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017, the observation letters issued by each of the National Stock Exchange of India Limited and the BSE Limited, both dated 12 October 2018 and subject to the provisions of the memorandum and articles of association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Mumbai bench (**NCLT**) and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or any other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (the **Board**, which term shall be deemed to mean and include one or more committee(s) constituted / to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Composite Scheme of Amalgamation of RHI India Private Limited, RHI Clasil Private Limited and Orient Refractories Limited and their respective shareholders (**Scheme**) placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** all the directors, Mr. Sanjeev Bhardwaj, the Chief Financial Officer, and Mr. Sanjay Kumar, the Company Secretary, (together, the **Authorised Persons**) be and are hereby authorised jointly and severally to do all such acts, deeds, matters and things, as they may, in their absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution



*and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and / or conditions, if any, which may be required or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purposes of resolving any questions or doubts or difficulties that may arise including passing such accounting entries and / or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Authorised Persons may deem fit and proper.”*

**TAKE FURTHER NOTICE** that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at C-604, Neelkanth Business Park, Opp. Railway Station Vidhyavihar (West), Mumbai – 400 086, not later than 48 (forty-eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

Copies of the Scheme and the explanatory statement, under Sections 230(3), 232(1), 232(2) and 102 of the Act read with Rule 6 of the Rules along with the enclosures as indicated in the index, can be obtained free of charge at the registered office of the Applicant Company at C-604, Neelkanth Business Park, Opp. Railway Station Vidhyavihar (West), Mumbai – 400 086.

The NCLT has appointed Mr. KRCV Seshachalam, and in his absence Dr. Vijay Sharma, Director, to be the Chairman of the meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of the NCLT.

A copy of the explanatory statement, under Sections 230(3), 232(1), 232(2) and 102 of the Act read with Rule 6 of the Rules along with the enclosures as indicated in the index, are enclosed.

Sd/-  
KRCV Seshachalam  
Chairman appointed for the meeting

Dated this 1st day of April, 2019

**Registered Office:**

C-604, Neelkanth Business Park,  
Opp. Railway Station  
Vidhyavihar (West),  
Mumbai – 400 086.

**Notes:**

1. All alterations made in the form of proxy should be initialed.
2. Only unsecured creditors of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be an unsecured creditor of the Applicant Company) or in the case of a body corporate, by a representative authorised under Section 113 of the Act, at the meeting of the unsecured creditors of the Applicant Company. The authorised representative of a body corporate which is a unsecured creditor of the Applicant Company may attend and vote at the meeting of the unsecured creditors of the Applicant Company provided a copy of the resolution of the board of directors or other governing body of the body corporate authorising such representative to attend and vote at the meeting of the unsecured creditors of the Applicant Company, duly certified to be a true copy by a director, the manager, the secretary or other authorised officer of such body corporate, is deposited at the registered office of the Applicant Company not later than 48 (forty-eight) hours before the scheduled time of the commencement of the meeting of the unsecured creditors of the Applicant Company.
3. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.
4. Unsecured creditors, that were unsecured creditors of the Applicant Company as on the 31st day of October 2018, being the cut off date, will be entitled to exercise their right to vote on the above resolution.
5. The quorum of the meeting of the unsecured creditors of the Applicant Company shall be 5 (five) unsecured creditors of the Applicant Company, present in person.
6. An unsecured creditor or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
7. During the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a unsecured creditors would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company

8. The documents referred to in the accompanying explanatory statement shall be open for inspection by the unsecured creditors at the registered office of the Applicant Company between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting.
9. Mr. Suyash Mohan Guru, an Advocate, has been appointed as the scrutiniser to conduct the voting process through ballot / poll paper at the venue of the meeting in a fair and transparent manner.
10. The scrutiniser will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the unsecured creditors of the Applicant Company through ballot / poll paper at the venue of the meeting. The scrutiniser's decision on the validity of the vote shall be final. The results of votes cast through ballot / poll paper at the venue of the meeting will be announced on or before the 20th day of May, 2019 at the registered office of the Applicant Company. The results, together with the scrutiniser's reports, will be displayed at the registered office of the Applicant Company, on the website of the Applicant Company, <https://www.orientrefractories.com/> besides being communicated to BSE Limited and National Stock Exchange of India Limited.
11. NCLT by its said Order has directed that a meeting of the unsecured creditors of the Applicant Company shall be convened and held at Kohinoor Continental, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai – 400 059, India on Friday, the 17th day of May, 2019 at 6:00 p.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Unsecured Creditors would be entitled to vote in the said meeting either in person or through proxy.
12. The Applicant Company has provided the facility of ballot / poll paper at the venue of the meeting.
13. In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the unsecured creditors of the Applicant Company, voting in person or by proxy, agree to the Scheme.
14. The notice, together with the documents accompanying the same, is being sent to all the unsecured creditors either by registered post or speed post / airmail or by courier service or electronically by e-mail. The notice will be displayed on the website of the Applicant Company, <https://www.orientrefractories.com/>.
15. The notice convening the meeting, the date of dispatch of notice and explanatory statement, amongst others, will be published through advertisement in: (i) 'Times of India, Mumbai' in English language; and (ii) 'Mumbai Lakshadeep' in Marathi language.
16. Any queries / grievances in relation to the Scheme may be addressed to Mr. Sanjay Kumar, Company Secretary of the Applicant Company through email to [cssanjay@orlindia.com](mailto:cssanjay@orlindia.com).

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH  
CA(CAA) NO. 1556/MB/2018**

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230-232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Orient Refractories Limited;

And

In the matter of the Composite Scheme of Amalgamation of RHI India Private Limited, RHI Clasil Private Limited and Orient Refractories Limited and their respective shareholders.

**Orient Refractories Limited,**

a company incorporated under the provisions of the }  
Companies Act, 1956 and having its registered office at }  
C-604, Neelkanth Business Park, Opp. Railway Station }  
Vidhyavihar (West), Mumbai – 400 086. }

...Applicant Company

**EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1), 232(2) AND 102 OF THE COMPANIES ACT, 2013 READ  
WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. Pursuant to the Order dated 29 March, 2019 passed by the National Company Law Tribunal, Mumbai bench (**NCLT**) in CA(CAA) No. 1556/MB/2018 (**Order**), a meeting of the unsecured creditors of Orient Refractories Limited (hereinafter referred to as **ORL** or **Applicant Company** or **Transferee Company**) is being convened at Kohinoor Continental, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai – 400 059, India on Friday, the 17th day of May, 2019 at 6:00 pm, for the purpose of considering, and if thought fit, approving, with or without modification(s), the Composite Scheme of Amalgamation of RHI India Private Limited (hereinafter referred to as **RHI India** or **Transferor Company 1**), RHI Clasil Private Limited (hereinafter referred to as **RHI Clasil** or **Transferor Company 2**) and ORL and their respective shareholders under Sections 230-232 of the Companies Act, 2013 together with Sections 13, 14, 61, 62, 66, 188 and other applicable provisions of the Companies Act, 2013 (the **Scheme**) (RHI India and RHI Clasil are together referred to as the **Transferor Companies** and the Transferor Companies and ORL are together referred to as the **Companies** or **Parties**). A copy of the Scheme, which has been, *inter alia*, approved by the audit committee and the board of directors of the Applicant Company at their meetings held on 31 July 2018, is enclosed as **Annexure 1**. Capitalised terms used herein but not defined shall have the meaning ascribed to them in the Scheme, unless otherwise stated.
2. In terms of the aforementioned Order, the quorum of the said meeting shall be 5 unsecured creditors present in person. Further, in terms of the Order, the NCLT has appointed Mr. KRCV Seshachalam, and in his absence Dr. Vijay Sharma, Director, as the Chairman of the meeting of the Applicant Company including any adjournment or adjournments thereof.
3. This statement is being furnished as required under Sections 230(3), 232(1), 232(2) and 102 of the Companies Act, 2013 (the **Act**) read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the **Rules**).
4. As stated, NCLT by its said Order has, *inter alia*, directed that a meeting of the unsecured creditors of the Applicant Company shall be convened and held at Kohinoor Continental, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai – 400 059, India on Friday, the 17th day of May, 2019 at 6:00 pm, for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Unsecured creditors will be entitled to vote in the said meeting either in person or through proxy.

The scrutiniser appointed for conducting the voting process through ballot / poll paper at the venue of the meeting will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the unsecured creditors of the Applicant Company through ballot / poll paper at the venue of the meeting. The scrutiniser's decision on the validity of the vote

shall be final. The results of votes cast through ballot / poll paper at the venue of the meeting will be announced on or before the 20th day of May, 2019 at the registered office of the Applicant Company. The results, together with the scrutiniser's reports, will be displayed at the registered office of the Applicant Company, on the website of the Applicant Company, <https://www.orientrefractories.com/> besides being communicated to BSE Limited and National Stock Exchange of India Limited.

5. In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be acted upon only if a majority of persons representing three fourths in value of the unsecured creditors of the Applicant Company, voting in person or by proxy agree to the Scheme.

#### **Particulars of ORL**

6. ORL was incorporated on 26 November 2010 under the provisions of the Companies Act, 1956. The registered office of ORL was previously situated at 804-A, Chiranjiv Tower 43, Nehru Place, New Delhi 110 019. An application for shifting of its registered office from New Delhi to the State of Maharashtra was filed with the Regional Director (Northern region), and the Regional Director passed an order on 30 July 2018 permitting the shifting of its registered office to the State of Maharashtra. A Certificate of Registration of Regional Director Order for Change of State was issued on 17 August 2018 by the Registrar of Companies, Mumbai with corporate identification number L28113MH2010PLC312871. The registered office of ORL is currently situated at C-604, Neelkanth Business Park, Opposite Railway Station, Vidhyavihar (West), Mumbai – 400 086 with effect from 17 August 2018. Except as stated above, there has been no change in the registered office of ORL. The permanent account number of ORL is AABCO3850A and its email ID is [cssanjay@orlindia.com](mailto:cssanjay@orlindia.com).
7. The equity shares of ORL are listed on the BSE Limited (**BSE**) and the National Stock Exchange of India Limited (**NSE**).
8. The objects for which ORL has been established are set out in its memorandum of association. Some of the main objects of ORL are as follows:

#### ***“III.(A) The objects to be pursued by the company on its incorporation are:***

- 1) *To carry on the business of manufacturers, producers, processors, importers, exporters, buyers, sellers of and dealers in all kinds of refractories, continuous casting refractories, monolithics, bricks, nozzles, well blocks, lances, castables and all kinds of refractory and other allied products and all types of refractories based on alumina or any other material of any kind, and all materials, goods and ingredients used or that could be used in the manufacture or processing of refractories, allied products, by-products and substitutes for all or any of them and to treat and utilise any waste arising from any such manufacture, production or process whether carried on by the Company or otherwise.*
- 2) *To carry on the business of manufacturers, producers, processors, importers, exporters, buyers, sellers of and dealers in all kinds of materials used for manufacture and application of refractories like calcined bauxite, fused grains, calcined materials, cement, etc. and to carry on the business of manufacturers, processors, importers, exporters, buyers, sellers of and dealers in all kinds of equipments, plants, machines, processes, systems, etc. for manufacture and application of refractories.*
- 3) *To explore, prospect, take on lease or on royalty basis or otherwise acquire mines, mining rights and lands or any interest therein and to quarry, mine, dress, reduce, draw, extract, purify, calcine, smelt, refine, manufacture, process, purchase or otherwise acquire, sell or otherwise dispose of or deal in all grades, types, qualities and descriptions of iron ore, ilmenite ore, rutile ore, tungsten ore, wolframite ore, molybdenum ore, copper ore, bauxite, nickel ore, cobalt ore, quartz, fluorspar, lime stone, dolomite, magnesite, coal, graphite, fire clay, kyanite, sillimanite, stone, bricks, crick earth and other refractory materials, etc.”*

#### **Clause III.(B).(1) of the memorandum of association of ORL permits ORL:**

- 1) *“To acquire and undertake the whole or any part or the business, goodwill and assets of any Person, firm or company carrying on or proposing to carry on any business which the Company is authorised to carry on and as part of the consideration for such acquisition, to undertake all or any of the liabilities of such person, firm or Company or to acquire an interest in, amalgamate with or enter into any arrangements for sharing profits or for co-operation or for mutual assistance with any such person, firm or company and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired by any shares, debentures, debenture-stock or securities, that may be agreed upon and to hold, and to retain and mortgage with any shares, debenture-stock or securities so received.”*

There has been no change in the main objects of ORL in the last five years.

9. ORL is primarily engaged in the business of manufacture and marketing of refractory products, systems and services and has various global partners for its international quality products.
10. The share capital of ORL as on 31 March 2019 is as under:

SHARE CAPITAL	AMOUNT (in Rupees)
<b>Authorised share capital</b>	
12,05,00,000 equity shares of Re. 1 each	12,05,00,000
<b>TOTAL</b>	<b>12,05,00,000</b>
<b>Issued, subscribed and paid-up capital</b>	
12,01,39,200 equity shares of Re. 1 each	12,01,39,200
<b>TOTAL</b>	<b>12,01,39,200</b>

There has been no change in authorised, issued, subscribed and paid-up equity share capital of ORL after 31 March 2019.

#### Particulars of RHI India

11. RHI India is a company incorporated on 15 June 2007 under the provisions of the Companies Act, 1956 having CIN U24119MH2007PTC171712 and permanent account number AADCR6670B. The registered office of RHI India is situated at Neelkanth Business Park, Room Number 604C, Opposite Railway Station, Vidhyavihar (West), Mumbai – 400 086. There has been no change in the registered office address of RHI India. The email ID of RHI India is jagdish.parikh@rhimagnesia.com.
12. The objects for which RHI India has been established are set out in its memorandum of association. The main objects of RHI India include:

**“III.A) The Main Objects to be pursued by the company on its incorporation are:**

- To carry on in India and elsewhere the business of purchase, sale, import, export, promotion, marketing, bartering, finishing, distribution and otherwise in acidic, basic, high alumina, high silica, high grog, natural and all other types, shapes and sizes of refractories, refractory products, ceramics, organic & inorganic chemicals, formulation and other related machinery equipment and items for use in all kinds of industries such as steel plants, furnaces, power houses, cement plants, glass plants etc.*
- To render support services in relation to the above including but not limited to customer care, sales support, after sales support, technical support and such other auxiliary and ancillary services as required”*

**Clause III.(B).(25) of the memorandum of association of RHI India permits RHI India:**

- 25) *“Subject to Section 391 - 394 of the Companies Act, 1956, to amalgamate with any company or companies having objects identical or in part similar to those of the Company or whose business is similar to the business of the Company, whether by sale or purchase (for shares or otherwise) of or of this or any such other company as aforesaid.”*

There has been no change in the main objects of RHI India in the last five years.

13. RHI India is primarily engaged in the business of purchase, sale, import, export and marketing of refractories, refractory products, chemicals, formulations, and related equipment required in industries such as steel plants, furnaces, power houses, and cement plants.
14. The share capital of RHI India as on 31 March 2019 is as under:

SHARE CAPITAL	AMOUNT (in Rupees)
<b>Authorised share capital</b>	
3,50,000 equity shares of Rs. 10 each	35,00,000
<b>TOTAL</b>	<b>35,00,000</b>
<b>Issued, subscribed and paid-up capital</b>	
3,42,844 equity shares of Rs. 10 each	34,28,440
<b>TOTAL</b>	<b>34,28,440</b>

There has been no change in authorised, issued, subscribed and paid-up equity share capital of RHI India after 31 March 2019.

#### Particulars of RHI Clasil

15. RHI Clasil is a company incorporated on 7 December 2005 under the provisions of the Companies Act, 1956 as Arsha Ceramics Private Limited with the Registrar of Companies, Hyderabad. RHI Clasil's name was changed: (a) from Arsha Ceramics

Private Limited to Clasil Refractories Private Limited on 17 April 2006; and (b) from Clasil Refractories Private Limited to RHI Clasil Private Limited on 12 January 2007. It got converted to a public company on 25 January 2007 and got re-converted to a private company on 17 July 2015. The permanent account number of RHI Clasil is AAFC4819H and its email ID is jyothi.dadheech@rhimaghesita.com.

16. The registered office of the RHI Clasil was previously situated at plot number 195, flat number 9, Srinilaya Apartments, Kavuri Hills, Madhapur, Hyderabad 500 081. An application for shifting of its registered office from the State of Telangana to the State of Maharashtra was filed with the Regional Director (South East Region), Hyderabad and the Regional Director passed an order on 11 May 2018 permitting the shifting of the registered office to the State of Maharashtra. A Certificate of Registration of Regional Director Order for Change of State was issued on 4 July 2018 by the Registrar of Companies, Mumbai with corporate identification number U26914MH2005PTC311526. The registered office of RHI Clasil is currently situated at 301-302, Orbit Plaza, New Prabhadevi Road, Prabhadevi, Mumbai – 400 025 with effect from 4 July 2018. Except as stated above, there has been no change in the registered office of RHI Clasil.
17. On 24 November 2006, a joint venture agreement was entered into between Clasil Refractories Private Limited (the name of RHI Clasil at the relevant time), RHI AG (now RHI Magnesita N.V.), Mr. R.S. Shah, Mr. RVS Raju and Dr. R.V. Raju (the **Clasil JVA**), pursuant to which, *inter alia*, RHI AG acquired a majority stake in Clasil Refractories Private Limited. The Clasil JVA was amended on 7 September 2015. The shareholders of RHI Clasil have, on 27 July 2018 and 27 August 2018, executed termination and release letters, pursuant to which, *inter alia*, the Clasil JVA and all rights and obligations of the shareholders thereunder shall automatically stand terminated with effect from the date on which the Scheme becomes effective.
18. The objects for which RHI Clasil has been established are set out in its memorandum of association. The main objects of RHI Clasil include:

**“III.A) The Main Objects to be pursued by the company on its incorporation are:**

- 1) *To carry on business as manufacturers, producers, processors, makers, inventors, convertors, refiners, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in ceramic wares, porcelain earthen wares, stone wares, sanitary wares, insulators, bricks, fire bricks, fire clay and other minerals and any product similar to and required for the aforesaid products.*
- 2) *To carry on the business as manufacturers, processors, dealers, distributors, importers, exporters, designers and developers or earthenware china fireclay, caneware, drain and water pipes, hollow and solid products for partitions and load bearing walls, ceiling blocks and roof bricks and allied bricks, tiles, terracotta, sanitary-ware, plain and art stone ware, glass colour and glazes.*
- 3) *To carry on business as manufacturers, producers, processors, makers, inventors, convertors, refiners, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in refractory and allied products.*
- 4) *To carry on the business as manufacturers, producers, processors, makers, converters, refiners, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents of all kinds of granite stones, raw, finished and semi-finished including random slabs, polished, decorative materials and monuments and all kinds of stones and stone products that may be directly or indirectly derived therefrom.”*

**Clause III.(B).(39) of the memorandum of association of RHI Clasil permits RHI Clasil:**

39) *“To merge or amalgamate with any other company or companies.”*

There has been no change in the main objects of RHI Clasil in the last five years.

19. RHI Clasil is primarily engaged in the business of manufacture and marketing of refractories and allied products.
20. The share capital of RHI Clasil as on 31 March 2019 is as under:

SHARE CAPITAL	AMOUNT (in Rupees)
<b>Authorised share capital</b>	
1,84,00,000 equity shares of Rs. 10 each	18,40,00,000
<b>TOTAL</b>	<b>18,40,00,000</b>
<b>Issued, subscribed and paid-up capital</b>	
1,84,00,000 equity shares of Rs. 10 each	18,40,00,000
<b>TOTAL</b>	<b>18,40,00,000</b>

There has been no change in authorised, issued, subscribed and paid-up equity share capital of RHI Clasil after 31 March 2019.

## Description of the Scheme

21. The Scheme, *inter alia*, provides for:

- i) amalgamation of RHI India with and into ORL;
- ii) transfer of the authorised share capital of RHI India to ORL and consequential increase in the authorised share capital of ORL;
- iii) issue and allotment of fully paid up equity shares of ORL to the equity shareholders of RHI India;
- iv) dissolution of RHI India without winding up;
- v) amalgamation of RHI Clasil with and into ORL;
- vi) transfer of the authorised share capital of RHI Clasil to ORL and consequential increase in the authorised share capital of ORL;
- vii) issue and allotment of fully paid up equity shares of ORL to the equity shareholders of RHI Clasil;
- viii) dissolution of RHI Clasil without winding up;
- ix) alteration of Clause I of the memorandum of association of ORL to change the name of ORL to “**RHI Magnesita India Limited**” or such other name which is available and approved by the Registrar of Companies;
- x) alteration of Clause V of the memorandum of association of ORL to reflect the increased authorised share capital of ORL;
- xi) the Scheme being conditional upon satisfaction or waiver (if applicable) of the conditions precedent enumerated in Clause 4.5 of the Scheme; and
- xii) various other matters consequential or incidental to or otherwise integrally connected with the above.

22. Rationale of the Scheme

- i) The management of each of the Parties is of the opinion that the Scheme will result in, *inter alia*, the following benefits:
  - a) simplification of the corporate structure and consolidation of the India businesses of the RHIM group;
  - b) establishing a comprehensive refractory product portfolio;
  - c) realising business efficiencies, *inter alia*, through optimum utilisation of resources due to pooling of management, expertise, technologies and other resources of the companies;
  - d) improved allocation of capital and optimisation of cash flows contributing to the overall growth prospects of the combined company;
  - e) creation of a larger asset base and facilitation of access to better financial resources; and
  - f) enhanced shareholder value pursuant to economies of scale and business efficiencies.
- ii) The proposed Scheme is in the interest of all Parties and their respective shareholders, employees, and creditors and there is no likelihood that the interests of any stakeholders in any of the Parties would be prejudiced as a result of the Scheme. The proposed Scheme will not impose any additional burden on the members of the Transferor Companies or the Transferee Company.

## Relationship among the Companies who are parties to the Scheme

23. All the three Companies are part of the RHI Magnesita group of companies. The Transferee Company is a subsidiary of Dutch US Holding B.V., which is ultimately owned by RHI Magnesita N.V., the Netherlands (**RHIM**). Two group companies of RHIM, being Dutch Brasil Holding B.V., the Netherlands and VRD Americas B.V., the Netherlands, hold 100% of Transferor Company 1. Further, Transferor Company 2 is a subsidiary of VRD Americas B.V., the Netherlands, which is ultimately owned by RHIM. However, it is clarified that the transaction will be undertaken on an arm's length basis pursuant to the valuation undertaken by Jain Jindal & Co., independent Chartered Accountants, and the fairness opinion issued by Keynote Corporate Services Limited, a SEBI registered merchant banker, on the valuation report.

## Corporate Approvals

24. The proposed Scheme was placed before the audit committee of ORL at its meeting held on 31 July 2018. The audit committee took into account: (i) the joint valuation report dated 31 July 2018, issued by Jain Jindal & Co., independent Chartered Accountants, setting out the recommended share exchange ratio (the **Joint Valuation Report**); and (ii) the fairness opinion dated 31 July 2018, issued by Keynote Corporate Services Limited, a SEBI registered merchant banker (the **Fairness Opinion**). A copy of the Joint Valuation Report is enclosed as **Annexure 2**. A copy of the Fairness Opinion is enclosed as **Annexure 3**. The audit committee of ORL, based on the aforesaid, *inter alia*, recommended the Scheme to the board of directors of ORL.

25. The Scheme, along with the Joint Valuation Report and the Fairness Opinion, was placed before the Board of Directors of ORL at its meeting held on 31 July 2018. The report of the audit committee of ORL was also placed before the board of directors of ORL. Based on the aforesaid, the board of directors of ORL approved the Scheme. The meeting of the board of directors of ORL, held on 31 July 2018, was attended by five directors (Mr. Erwin Jankovits, Mr. Parmod Sagar, Mr. Rama Shanker Bajoria, Mr. Reinhold Steiner and Dr. Vijay Sharma) in person. None of the directors of ORL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting.
26. Separately, the Joint Valuation Report was placed before the board of directors of RHI India, at its meeting held on 31 July 2018. Based on the aforesaid, the board of directors of RHI India approved the Scheme. The meeting of the board of directors of RHI India, held on 31 July 2018, was attended by both directors (Mr. Reinhold Steiner and Mr. Sanjeev Bhardwaj) in person. Neither of the directors of RHI India who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting.
27. Similarly, the Joint Valuation Report was placed before the board of directors of RHI Clasil, at its meeting held on 31 July 2018. Based on the aforesaid, the board of directors of RHI Clasil approved the Scheme. The meeting of the board of directors of RHI Clasil, held on 31 July 2018, was attended by all four directors (Dr. Rudraraju Venkata Raju, Mr. R.V. Suryanarayana Raju, Mr. George Mathew and Mr. Reinhold Steiner) in person. None of the directors of RHI Clasil who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting.

#### **Approvals and actions taken in relation to the Scheme**

28. NSE was chosen as the designated stock exchange by ORL for the purposes of coordinating with the SEBI, pursuant to the SEBI Circular. The Scheme was filed with NSE and BSE. Post filing the Scheme, as required by the SEBI Circular, ORL had filed complaint reports with NSE and BSE on 4 October 2018. These reports indicate that ORL received nil complaints. Copies of the complaint reports filed with NSE and BSE, dated 4 October 2018, are enclosed as **Annexure 4**.
29. ORL received observation letters regarding the Scheme from NSE and BSE, each dated 12 October 2018, conveying their no adverse observations for filing the Scheme with the NCLT pursuant to the letter dated 12 October 2018 addressed by the SEBI to NSE and BSE, which, *inter alia*, stated the following:

*"The Company to ensure disclosure with respect to the information pertaining to Mr. Vijay Sharma, being a director of BMM Ispat Ltd., which has been declared as a defaulter in relation to loans availed by the Company from Bank of India and Vijaya Bank under the heading "Action taken by SEBI/RBI" and the same is brought to the notice of the shareholders and Hon'ble NCLT.*

*The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."*

*Copies of the no adverse observation letters, both dated 12 October 2018, received from NSE and BSE are enclosed as **Annexure 5** and **Annexure 6** respectively.*

30. RHI India, RHI Clasil and ORL filed a joint application, CA(CAA) No. 1556/MB/2018, along with the annexures with the NCLT on 16 November 2018.
31. Pursuant to the observations of SEBI in its letters to NSE and BSE, each dated 12 October 2018, the Applicant Company brings it to your attention that:

Dr. Vijay Sharma is presently the Chairman on the board of directors of the Transferee Company. Dr. Vijay Sharma was the Managing Director of B.M.M. Ispat Limited (**BMM Ispat**), which has been declared as a defaulter in relation to loans availed by it from Bank of India and Vijaya Bank. 'Non-suit filed accounts – defaulters Rs.1 crore and above for quarter ended 30 June 2018' classifies BMM Ispat as a defaulter and Dr. Vijay Sharma's name appears as a director of BMM Ispat. Dr. Vijay Sharma has, vide his letter dated 10 October 2018, made the following submissions in this regard:

- (i) Dr. Vijay Sharma was the Managing Director of BMM Ispat from 20 April 2015 to 30 September 2016. He resigned from his directorship in BMM Ispat with effect from 1 October, 2016.
- (ii) Dr. Vijay Sharma has further clarified that as regards the loans from Bank of India and Vijaya Bank (as appearing in the list of 'non-suit filed accounts – defaulters Rs.1 crore and above for quarter ended 30 June 2018') there were no defaults made by BMM Ispat on its obligations under these loans during his tenure as Managing Director.
- (iii) Since the expiry of his tenure as director of BMM Ispat with effect from 1 October 2016, Dr. Vijay Sharma has not been associated with BMM Ispat in any capacity whatsoever.
- (iv) Further, Dr. Vijay Sharma has pointed out that the details of non-suit filed accounts are not available in the public domain and Dr. Vijay Sharma has confirmed that he has not received any notice or intimation from any bank / financial institution of his name being included in any list of defaulters, including as a director of BMM Ispat. Dr. Vijay Sharma was only informed of the same by way of the query from SEBI.

Please note that the above-mentioned disclosure has also been incorporated as Clause 4.11 of the Scheme and paragraph 33 of the joint petition filed by the Companies with the NCLT.



32. The Companies will obtain such other approvals / sanctions / no-objection(s) from regulatory or other governmental authorities in respect of the Scheme, as may be required in accordance with law.

### **Salient extracts of the Scheme**

33. Certain clauses of the Scheme are extracted below:

#### **1.1 Definitions**

- 1.1.3 **“Appointed Date”** means 1 January 2019 or such other date as may be fixed by the Tribunal.
- 1.1.5 **“Clasil Group”** refers to the shareholders of RHI Clasil other than VRD Americas B.V. and comprises: (i) RVS Raju; (ii) A.V. Narsimha Raju; (iii) Dr. R.V. Raju; (iv) K. Aruna Kumari; (v) K. Pavan Kumar; (vi) K. Pradeep Kumar; (vii) A. Srinivasa Raju; (viii) P. Gayathri; and (ix) R. Udaya Rekha.
- 1.1.6 **“Effective Date”** means the date on which the last of the approvals or events specified under clause 4.5 of the Scheme are obtained or have occurred.
- 1.1.13 **“RHIM Group”** means RHI Magnesita N.V. and its Affiliates.
- 1.1.17 **“SEBI Circular”** means the circular number CFD/DIL3/CIR/2017/21 dated 10 March 2017 along with the amendments thereto.
- 1.1.25 **“Undertaking”** shall mean all the undertaking and entire business of each of the Transferor Companies (including business, properties, assets, investments, goodwill and rights of whatever kind and nature, real or personal, tangible or intangible, that are owned, leased or licensed, liabilities, obligations and commitments of each of the Transferor Companies) on a going concern basis, and with the continuity of business of the Transferor Companies, which shall include (without limitation):
- (a) all assets wherever situated, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, leaseholds and other interests of whatsoever nature, wheresoever situated including all lands, buildings, offices, marketing offices, liaison offices, furniture, fixtures, office equipment, appliances, accessories, inventories together with all present and future liabilities (including contingent liabilities) and all cash and bank balances appertaining or relating to the Transferor Companies;
  - (b) all current assets, including sundry debtors, receivables, loans and advances, actionable claims, bills and credit notes of the Transferor Companies;
  - (c) all permits, rights, entitlements, registrations and other licences, approvals, permissions, consents from various authorities, including municipal (whether granted or pending), trademarks, patents, copyrights, software programs and data (whether proprietary or otherwise), all other intellectual property, goodwill, receivables, benefit of any deposits, assets, properties or other interests, financial assets including investments of all kinds, funds belonging to or utilised for the Transferor Companies, bank accounts, privileges, all other rights and benefits including any tax exemptions, deferrals and other benefits or privileges including any tax (direct or indirect) including advance tax paid or any tax deducted in respect of any income received, exemptions, tax credits, minimum alternate tax credits as per Section 115JAA of the Income Tax Act, any credit in respect of indirect taxes, tenancies in relation to office and / or residential properties for the employees, memberships, lease rights, powers and facilities of every kind, nature, and description whatsoever, rights to use and avail of telephones, internet, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements, letters of intent, memoranda of understanding, expressions of interest whether under agreements or otherwise and all other interests in connection with or relating to the Transferor Companies;
  - (d) all staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to their employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise;
  - (e) all trade secrets, confidential information, inventions, know-how, formulae, processes, procedures, research records, records of inventions, test information, market surveys and marketing know-how of the Transferor Companies;
  - (f) all patents (including all reissues, divisions, continuations and extensions thereof), patent applications, patent rights, trademarks, trademark registrations, trademark applications, service marks, trade names, business names, copyrights, copyright registrations, designs, design registrations, and all rights to any of the foregoing, of the Transferor Companies;

- (g) *all contracts, leases, subleases, licences, indentures, agreements, commitments and all other legally binding arrangements, whether oral or written, to which any of the Transferor Companies is a party or by which the Transferor Companies are bound;*
- (h) *all raw material, work-in-progress, finished goods, supplies, parts, spare parts and other inventories of the Transferor Companies (including in transit, on consignment or in the possession of any third party);*
- (i) *all partnership interests or any other equity interest in any corporation, company, limited liability company, partnership, joint venture, trust or other business association;*
- (j) *all rights in and to products sold or leased;*
- (k) *all credits, prepaid expenses, deferred charges, advance payments, security deposits and prepaid items that are paid / held;*
- (l) *all necessary records, files, papers, computer programmes, engineering and process information, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, customer credit information, customer pricing information, and other records, whether in physical or electronic form in connection with or relating to the Transferor Companies;*
- (m) *all books of accounts, ledgers, general, financial, accounting and personnel records, files, invoices, customers' and suppliers' lists, other distribution lists, billing records, sales and promotional literature, manuals, customer and supplier correspondence (in all cases, in any form or medium), of the Transferor Companies;*
- (n) *all rights, claims, credits, advances, loans, fixed deposits, provisions and commitments, including any such items arising under insurance policies and all guarantees, warranties, indemnities and similar rights in favour of the Transferor Companies in respect of any other asset or any liability appertaining or relating to the Transferor Companies;*
- (o) *all liabilities, obligations, duties, undertakings, debt and commitments of the Transferor Companies;*
- (p) *all accounts payable of the Transferor Companies; and*
- (q) *any other assets and liabilities.*

*It is intended that the definition of Undertaking set out above would enable the transfer of all properties, assets, liabilities, employees, etc. of the Transferor Companies to the Transferee Company pursuant to this Scheme.*

### **3. AMALGAMATION OF THE TRANSFEROR COMPANIES WITH AND INTO THE TRANSFEE COMPANY**

#### **3.1 Transfer and vesting of the Transferor Companies to and with the Transferee Company**

- 3.1.1** *With effect from the Appointed Date, subject to the provisions of this Scheme, the Undertakings of the Transferor Companies shall stand transferred to and vest in the Transferee Company, as a going concern, together with all their estate, properties, assets, rights, claims, title and authorities, benefits, liabilities and interest therein, subject to existing charges thereon in favour of banks and financial institutions or otherwise, as the case may be, without any further act, instrument, deed, matter or thing being made, done or executed, so as to become, as and from the Effective Date, the estate, properties, assets, rights, claims, title and authorities, liabilities and interest of the Transferee Company by virtue of and in the manner provided in the Scheme pursuant to the sanction of the Scheme by the Tribunal and the provisions of sections 230 to 232 and other applicable provisions of the Act.*
- 3.1.2** *Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date, in relation to the Undertakings:*
- (i) *All assets of the Transferor Companies that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and / or by endorsement and delivery shall, pursuant to this Scheme, stand vested in and / or be deemed to be vested in the Transferee Company and shall become the property of the Transferee Company without any further act, instrument or deed.*
  - (ii) *All other movable assets of the Transferor Companies, including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with governmental authorities, customers and other persons, shall, stand transferred to, and vested in, the Transferee Company without any notice or other intimation to the debtors or obligors or any other person. The Parties may, if they so deem appropriate, give notice in such form as they deem fit and proper, to each such debtor or obligor or any other person, that pursuant to the sanction of the Scheme by the Tribunal, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of*

*the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Companies to recover or realise all such debts (including the debts payable by such debtor or obligor or any other person to the Transferor Companies) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other persons to record such change.*

- (iii) All lease and licence agreements entered into by the Transferor Companies with various landlords, owners and lessors in connection with use of the assets of the Undertakings of the Transferor Companies, together with the security deposits, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Companies.*
- (iv) All immovable properties of the Transferor Companies, including land together with the buildings and structures standing thereon, and rights and interests in immovable properties of the Transferor Companies, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall be vested in and / or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Companies and / or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the Scheme becoming effective in accordance with the terms hereof.*
- (v) Until the owned property, leasehold property and related rights thereto, licence or right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and / or perfected in the record of the appropriate authorities in favour of the Transferee Company, the Transferee Company shall be deemed to be authorised to carry on business in the name and style of the Transferor Companies under the relevant agreement, deed, lease and / or licence, as the case may be, and the Transferee Company shall keep a record and account of such transactions.*
- (vi) For purposes of taking on record the name of the Transferee Company in the records of the governmental authorities in respect of transfer of immovable properties to the Transferee Company pursuant to this Scheme, the Board of Directors of the Parties may approve the execution of such documents or deeds as may be necessary, including deeds of assignment of lease or leave or licence (as the case may be) by the Transferor Companies in favour of the Transferee Company.*
- (vii) All liabilities, including all secured and unsecured debts (whether in Indian Rupee (INR) or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Companies, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations, shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing being made, done or executed, be transferred to, and vested in, or be deemed to have been transferred to, and vested in, the Transferee Company, along with any charge, encumbrance, lien or security created in connection therewith, and such liabilities shall be assumed by the Transferee Company to the extent they are outstanding as on the Appointed Date so as to become, as on and from the Appointed Date, the liabilities, debts, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and the Transferee Company shall meet, discharge and satisfy the liabilities and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause 3.1.2(vii).*
- (viii) All electricity, gas, water and any other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities to the Transferor Companies, together with security deposits and all other advances paid, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The relevant electricity, gas, water and any other utility companies, boards, agencies and authorities shall issue invoices in the name of the Transferee Company with effect from the billing cycle commencing from the month immediately succeeding the month in which the Effective Date falls. The Transferee Company shall comply with the terms, conditions and covenants associated with the grant of such connections and shall also be entitled to refund of security deposits placed with such utility companies, boards, agencies and authorities by the Transferor Companies.*

## **Permits**

- (ix) *All governmental approvals and other consents, permissions, quotas, rights, authorisations, entitlements, no-objection certificates and licences, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Companies are parties or to the benefit of which the Transferor Companies may be entitled to use or which may be required to carry on the operations of the Transferor Companies, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against the Transferee Company and may be enforced as fully and effectively as if, instead of the Transferor Companies, the Transferee Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant governmental authorities in favour of the Transferee Company.*

## **Contracts**

- (x) *All contracts, deeds, bonds, agreements and other instruments to which the Transferor Companies are parties, or to the benefit of which the Transferor Companies may be entitled, and which are subsisting or having effect immediately prior to the Effective Date, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectively as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligor or obligee thereto or thereunder. The Transferee Company will, if required, enter into novation agreements in relation to such contracts, deeds, bonds, agreements and other instruments.*
- (xi) *All other agreements entered into by the Transferor Companies in connection with the assets of the Undertakings of the Transferor Companies shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed.*

## **Legal proceedings**

- (xii) *All legal proceedings, including, quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature by or against the Transferor Companies pending on the Effective Date shall not abate or be discontinued or be prejudicially affected in any way by reason of the Scheme or by anything contained in the Scheme but shall be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company, in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Transferor Companies. The Transferee Company undertakes to have all legal or other proceedings specified in this clause 3.1.2(xii), initiated by or against the Transferor Companies, transferred to its name and to have such proceedings continued, prosecuted and enforced by or against the Transferee Company, as the case may be. Following the Effective Date, the Transferee Company may initiate any legal proceedings for and on behalf of the Transferor Companies.*

## **Employees**

- (xiii) *With effect from the Effective Date, all the staff and employees of the Transferor Companies who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Transferee Company, and, subject to the provisions of the Scheme, on terms and conditions no less favourable than those on which they are engaged by the Transferor Companies and without any interruption or break in service as a result of the transfer and vesting of the Undertakings of the Transferor Companies to and with the Transferee Company. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created by the Transferor Companies which exist immediately prior to the Effective Date, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Companies, in accordance with applicable laws. It is hereby clarified that upon this Scheme becoming effective, such benefits and schemes shall continue to be provided to the transferred employees and the service of all transferred employees of the Transferor Companies for such purpose shall be treated as having been continuous.*
- (xiv) *The Transferee Company shall comply with any agreement(s) / settlement(s) entered into with labour unions (if any) or employees by the Transferor Companies. The Transferee Company agrees that for the purposes of the payment of any retrenchment compensation, gratuity and other termination benefits, the past services of employees with the Transferor Companies, if any, shall also be taken into account, and further agrees to pay such benefits when they become due.*

**Intellectual property**

- (xv) All intellectual property rights of the Transferor Companies, including all domestic and foreign intellectual property rights with respect to all patents, patent applications, and trademarks, service marks, trade names, trade dress, logos, corporate names, brand names, domain names, all copyrights, designs and mask works, and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information, shall stand transferred to and vested in the Transferee Company.

**Inter se transactions**

- (xvi) Upon the Scheme coming into effect, with effect from the Appointed Date, all inter se contracts solely between the Transferor Companies and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company. With effect from the Appointed Date, there will be no accrual of income or expense on account of any transactions, including any transactions in the nature of sale or transfer of any goods, materials or services, between the Transferor Companies and the Transferee Company. For avoidance of doubt, it is hereby clarified that with effect from the Appointed Date, there will be no accrual of interest or charges in respect of any inter se loans, deposits or balances between the Transferor Companies and the Transferee Company.

**Borrowing limits and corporate approvals**

- (xvii) With effect from the Effective Date, the borrowing and investment limits of the Transferee Company under the Act shall be deemed without further act or deed to have been enhanced by the borrowing and investment limits of the Transferor Companies, such limits being incremental to the existing limits of the Transferee Company.
- (xviii) Any corporate approvals obtained by the Transferor Companies, whether for purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

**Taxes**

- (xix) Upon the Scheme becoming effective, all taxes payable by, or refundable to, the Transferor Companies, including any refund, claims or credits (including credits for income tax, withholding tax, advance tax, self-assessment tax, minimum alternate tax, central value added tax credit, goods and services tax credits, other indirect tax credits and other tax receivables) shall be treated as the tax liability, refunds, claims or credits, as the case may be, of the Transferee Company, and any tax incentives, benefits (including claims for unabsorbed tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reductions, which would have been available to the Transferor Companies, shall be available to the Transferee Company, and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes on behalf of the Transferor Companies.

**Creditors**

- (xx) Upon this Scheme becoming effective, the secured creditors of each of the Transferor Companies and / or other holders of security over the properties of each of the Transferor Companies shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of such Transferor Company, as existing immediately prior to the amalgamation of such Transferor Company with the Transferee Company and the secured creditors of the Transferee Company and / or other holders of security over the properties of the Transferee Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Companies with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Companies with the Transferee Company: (a) the secured creditors of each of the Transferor Companies and / or holders of security over the properties of each of the Transferor Companies shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company and therefore, such assets which are not currently encumbered shall remain free and available for creation of any security thereon in the future in relation to any current or future indebtedness of the Transferee Company; and (b) the secured creditors of the Transferee Company and / or holders of any security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferor Companies and therefore such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.

### **3.2 Transfer of authorised share capital**

3.2.1 Upon this Scheme becoming effective and upon the vesting in and transfer of the Transferor Companies to the Transferee Company pursuant to the terms of this Scheme, the entire authorised share capital of the Transferor Companies shall stand transferred to the authorised share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Companies on their authorised share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty for its increased share capital.

3.2.2 By virtue of clause 3.2.1 above, the authorised share capital of the Transferee Company shall stand increased by an amount of INR 18,75,00,000 and clause V of the memorandum of association of the Transferee Company shall stand substituted to read as under:

*"The Authorised Share Capital of the Company is Rs. 30,80,00,000 (Rupees thirty crore and eighty lakhs) divided into 30,80,00,000 (thirty crore and eighty lakhs) Equity Shares of Re. 1/- (Rupee one) each."*

3.2.3 It is hereby clarified that for the purposes of increasing the authorised share capital of the Transferee Company in accordance with clauses 3.2.1 and 3.2.2 above, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under section 13, section 61 and any other applicable provisions of the Act, would be required to be separately passed nor shall any additional fees (including fees and charges to the relevant RoC) or stamp duty be payable by the Transferee Company.

### **3.3 Change of name of the Transferee Company**

3.3.1 Upon this Scheme becoming effective and upon the vesting in and transfer of the Transferor Companies to the Transferee Company pursuant to the terms of this Scheme, the name of the Transferee Company shall stand changed to "RHI Magnesita India Limited" or such other name which is available and approved by the RoC, by simply filing the requisite forms with the appropriate authority and no separate act, procedure, instrument or deed and registration fees shall be required to be followed / paid under the Act.

3.3.2 By virtue of clause 3.3.1 above, clause I of the memorandum of association of the Transferee Company shall stand substituted to read as under:

*"The name of the Company is RHI Magnesita India Limited."*

3.3.3 It is hereby clarified that for the purpose of change of name of the Transferee Company in accordance with clauses 3.3.1 and 3.3.2 above, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under section 13, section 14 and any other applicable provisions of the Act, would be required to be separately passed nor shall any additional fees (including fees and charges to the relevant RoC) or stamp duty be payable by the Transferee Company.

### **3.4 Record Date**

3.4.1 The Board of Directors of the Transferee Company, after procuring the consent of the Board of Directors of each of the Transferor Companies, shall determine the Record Date for issue and allotment of equity shares of the Transferee Company to the equity shareholders of each of the Transferor Companies in terms of clause 3.5. Upon determination of the Record Date, each of the Transferor Companies shall provide a list of its equity shareholders as on such Record Date, who are entitled to receive equity shares in the Transferee Company in terms of this Scheme.

### **3.5 Issue of shares**

3.5.1 Upon the coming into effect of the Scheme, and in consideration of the amalgamation of the Transferor Companies with the Transferee Company, the Transferee Company shall, without any further act or deed and without any further payment, on the basis of the Valuation Report dated 31 July 2018 and the Fairness Opinion dated 31 July 2018, issue and allot to the shareholders of the Transferor Companies (whose name is recorded in the registers of members of the Transferor Companies as on the Record Date) in the following manner:

- (i) for every 100 equity shares of Transferor Company 1 of face value of INR 10 each held in Transferor Company 1, every shareholder of the Transferor Company 1, shall without any application, act or deed, be entitled to receive 7,044 equity shares of face value of INR 1 each of the Transferee Company, credited as fully paid up on the same terms and conditions of issue as prevalent in the Transferee Company; and
- (ii) for every 1000 equity shares of Transferor Company 2 of face value of INR 10 each held in Transferor Company 2, every shareholder of the Transferor Company 2, shall without any application, act or deed, be entitled to receive 908 equity shares of face value of INR 1 each of the Transferee Company, credited as fully paid up on the same terms and conditions of issue as prevalent in the Transferee Company.

- 3.5.2 In the event the new equity shares entitled to be issued pursuant to clause 3.5.1 result in fractional entitlements, the Board of Directors of the Transferee Company shall be empowered to consolidate and / or round off such fractional entitlements into whole number of equity shares to an integer in a manner to ensure that only 4,08,57,131 number of fully paid up equity shares of INR 1 each are issued to the shareholders of the Transferor Companies, i.e. total of 2,41,49,931 equity shares to shareholders of RHI India and 1,67,07,200 equity shares to shareholders of RHI Clasil.
- 3.5.3 Pursuant to the issuance of the new equity shares as aforesaid to the shareholders of the Transferor Companies, the shareholders of the Transferor Companies shall become the shareholders of the Transferee Company. Further, upon the coming into effect of the Scheme, the share certificates in relation to the shares held by the shareholders of the Transferor Companies in the Transferor Companies shall stand automatically cancelled and extinguished.
- 3.5.4 Pursuant to the SEBI Circular, the price at which the aforesaid equity shares of the Transferee Company will be issued to the shareholders of the Transferor Companies will comply with the pricing guidelines for preferential allotments set forth in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The Valuation Report has been prepared in accordance with the foregoing.
- 3.5.5 For the purpose of issue and allotment of shares pursuant to this clause 3.5, the following terms shall apply:
- (i) Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to constitute due compliance with section 62 and any other applicable provision of the Act, the SEBI Listing Regulations and the articles of association of the Transferee Company, and no other consent shall be required under the Act or the articles of association of the Transferee Company, for the issue of equity shares to the shareholders of the Transferor Companies under the Scheme and upon the shareholders of the Transferee Company approving the Scheme, it shall be deemed that they have given their consent, including under the Act and the articles of association of the Transferee Company, to the issue of shares of the Transferee Company to the equity shareholders of the Transferor Companies in accordance with the Scheme.
  - (ii) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Companies, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holders were operative as on the Record Date, in order to remove any difficulties, after the effectiveness of the Scheme.
  - (iii) The shares proposed to be allotted pursuant to the Scheme shall be subject the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank *pari passu* with the existing shares of the Transferee Company, including rights in respect of dividend and bonus shares, if declared, by the Transferee Company on or after the Effective Date.
  - (iv) The issue and allotment of shares as provided in the Scheme shall be carried out in accordance with the provisions of the Act. All shareholders of the Transferor Companies shall be issued fresh equity shares in dematerialised form.
  - (v) For the purpose of issue and allotment of shares to the shareholders of the Transferor Companies, the Transferee Company shall, if and to the extent required, apply to and obtain the required approvals from statutory and regulatory authorities.
  - (vi) The shares issued pursuant to this clause 3.5 shall, in compliance with the applicable regulations, be listed on and admitted to trading on the Stock Exchanges pursuant to this Scheme and the SEBI Circular. The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of the SEBI Circular and applicable law and take all steps to procure the listing of the shares issued by it pursuant to this clause 3.5.

### **3.6 Dissolution of the Transferor Companies**

- 3.6.1 Upon Part III of this Scheme becoming effective, the Transferor Companies shall stand dissolved without being wound up, and without any further act or deed.

### **3.7 Accounting treatment**

- 3.7.1 Notwithstanding anything to the contrary contained in any other clause in the Scheme, the Transferee Company shall give effect to the amalgamation in its books of accounts in accordance with Indian Accounting Standard 103, Business Combinations and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (**Ind AS**) as notified under section 133 of the Companies Act, 2013 and on the date determined in accordance with Ind AS.

## **4. GENERAL TERMS AND CONDITIONS**

### **4.1 Conduct of business until the Effective Date**

*4.1.1 With effect from the Appointed Date and up to and including the Effective Date:*

- (i) The Transferor Companies shall carry on and shall be deemed to have been carrying on, all business activities and stand possessed of their properties and assets, for and on account of and in trust for, the Transferee Company.*
- (ii) All profits accruing to the Transferor Companies and all taxes thereon or losses accumulated or otherwise arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of the Transferee Company.*
- (iii) The Transferor Companies shall carry on their businesses with reasonable diligence and business prudence and in the same manner as they had been doing hitherto and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of their affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal, in any of their properties / assets, except when the foregoing is: (a) expressly provided in the Scheme; (b) in ordinary course of business; or (c) with the prior written consent of the Transferee Company.*
- (iv) Except by mutual consent of the Board of Directors of the Parties and subject to changes pursuant to commitments, obligations or arrangements prior to the Appointed Date or as part of this Scheme, pending sanction of this Scheme by the Tribunal, the Transferor Companies shall not make any change in their capital structure either by any increase (by issue of equity shares, bonus shares, preference shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division, consolidation, reorganisation or in any other manner, which would have the effect of reorganisation of capital of the Transferor Companies.*
- (v) The Transferor Companies shall not vary or alter, except in the ordinary course of their businesses or pursuant to any pre-existing obligations undertaken prior to the date of approval of the Scheme by the Board of Directors of the Transferor Companies, the terms and conditions of employment of any of their employees, nor shall they conclude settlement with any union or their employees except with the written consent of the Transferee Company.*
- (vi) Except in relation to dividend for the financial year ended 31 March 2018, the Transferor Companies shall not declare or pay any dividend, without prior consent of the Transferee Company post the date of approval of the Scheme by the Board of Directors of the respective Transferor Companies.*
- (vii) The Transferor Companies shall not substantially alter or expand or alienate or dispose off their businesses except with the written consent of the Transferee Company. This shall, however, not include the projects that have already been approved by the Transferor Companies through their respective board of directors and / or shareholders, as applicable, before the date of approval of the Scheme by the Board of Directors of the respective Transferor Companies.*

*4.1.2 Notwithstanding anything contained in the Scheme, subject to applicable laws, the Board of Directors of the Transferee Company shall be entitled to consider, pursue, manage, undertake and conduct the business of the Transferee Company including, any corporate actions, issue of securities and bonus shares, buy back of securities, reorganisation, restructuring of its businesses, strategic acquisition or sale of business, joint ventures, business combinations, as it deems prudent and necessary in the interest of the Transferee Company or to give effect to any obligations under applicable laws and / or the Scheme.*

*4.1.3 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorised to carry on the business of the Transferor Companies.*

### **4.2 Amendment of organisational documents**

*With effect from the Effective Date:*

*4.2.1 Clause I of the memorandum of association of the Transferee Company shall be amended and replaced with the following:*

*“The name of the Company is RHI Magnesita India Limited.”*

*4.2.2 Clause V of the memorandum of association of the Transferee Company shall be amended and replaced with the following:*

*“The Authorised Share Capital of the Company is Rs. 30,80,00,000 (Rupees thirty crore and eighty lakhs) divided into 30,80,00,000 (thirty crore and eighty lakhs) Equity Shares of Re. 1/- (Rupee one) each.”*



4.2.3 It is hereby clarified that the consent of the shareholders of each Party to the Scheme shall be deemed to be sufficient for purposes of effecting the above and that no further action under section 13, section 14, section 61 or any other applicable provision of the Act, shall be separately required nor shall any additional fees (including any fees and charges to the relevant RoC) or stamp duty payable by the Transferee Company.

#### **4.3 Application to the Tribunal**

4.3.1 The Parties shall make applications and / or petitions under sections 230 to 232 and other applicable provisions of the Act to the Tribunal for approval of the Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.

4.3.2 Pursuant to the SEBI Circular, Keynote Corporate Services Limited, a SEBI registered merchant banker, has certified that the valuation ascribed to the Parties in the Valuation Report in reference to the Scheme is fair and reasonable in its fairness opinion dated 31 July 2018.

#### **4.5 Conditionality of the Scheme**

4.5.1 This Scheme is and shall be conditional upon and subject to:

- (i) Stock Exchanges' approval: the Transferee Company receiving no-objection letters from the Stock Exchanges in respect of the Scheme and the transaction contemplated therein, which shall be in form and substance acceptable to the Parties, each acting reasonably and in good faith.
- (ii) Approval of the Tribunal: the Scheme being approved by the Tribunal, either on terms as originally approved by the relevant Parties to the Scheme, or subject to such modifications approved by the Tribunal, which shall be in form and substance acceptable to the Parties, each acting reasonably and in good faith.
- (iii) Shareholders' and creditors' approval: the approval by the requisite majorities of the classes of persons, including shareholders and creditors of the Parties, as may be directed by the Tribunal under sections 230 to 232 of the Act;
- (iv) Shareholders' approval under the SEBI Circular: the Scheme being approved by the shareholders of the Transferee Company through resolution passed in terms of paragraphs 9(a) and 9(b) of Annexure I of the SEBI Circular, as may be amended from time to time, provided that the same shall be acted upon only if the votes cast by the Public Shareholders in favour of the Scheme are more than the votes cast by the Public Shareholders against it; and
- (v) Others: making the necessary filings with, and obtaining approvals from, such authorities, as may be required as a result of RHI Magnesita N.V.'s listing on the London Stock Exchange, and any other sanctions and orders as may be directed by the Tribunal in respect of the Scheme.

#### **4.8 Effect of non-receipt of approvals**

4.8.1 In the event that the Scheme is not sanctioned by the Tribunal or in the event any of the consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme, are not obtained or complied with or for any other reason such that, the Scheme cannot be implemented, the Scheme shall become null and void, and none of the Parties shall have any liability of any nature whatsoever under this Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise under law. The Transferee Company shall bear the costs, charges and expenses in connection with the Scheme unless otherwise mutually agreed.

4.8.2 If any part or provision of the Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts and / or provisions of this Scheme.

#### **4.11 Action taken by SEBI / Reserve Bank of India**

4.11.1 Dr. Vijay Sharma is presently the Chairman on the board of directors of the Transferee Company. Dr. Vijay Sharma was the Managing Director of B.M.M. Ispat Limited (**BMM Ispat**), which has been declared as a defaulter in relation to loans availed by it from Bank of India and Vijaya Bank. 'Non-suit filed accounts – defaulters Rs.1 crore and above for quarter ended 30 June 2018' classifies BMM Ispat as a defaulter and Dr. Vijay Sharma's name appears as a director of BMM Ispat. Dr. Vijay Sharma has, vide his letter dated 10 October 2018, made the following submissions in this regard:

- (i) Dr. Vijay Sharma was the Managing Director of BMM Ispat from 20 April 2015 to 30 September 2016. He resigned from his directorship in BMM Ispat with effect from 1 October, 2016.

- (ii) *Dr. Vijay Sharma has further clarified that the loans from Bank of India and Vijaya Bank (as appearing in the list of 'non-suit filed accounts – defaulters Rs.1 crore and above for quarter ended 30 June 2018') were taken before his tenure as Managing Director of BMM Ispat began, and that there were no defaults made by BMM Ispat on its obligations under these loans during his tenure as Managing Director.*
- (iii) *Since the expiry of his tenure as director of BMM Ispat with effect from 1 October 2016, Dr. Vijay Sharma has not been associated with BMM Ispat in any capacity whatsoever.*
- (iv) *Further, Dr. Vijay Sharma has pointed out that the details of non-suit filed accounts are not available in the public domain and Dr. Vijay Sharma has confirmed that he has not received any notice or intimation from any bank / financial institution of his name being included in any list of defaulters, including as a director of BMM Ispat. Dr. Vijay Sharma was only informed of the same by way of the query from SEBI.*

**You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.**

#### **Valuation and accounting treatment**

- 34. Summary of the Joint Valuation Report including the basis of valuation is enclosed as **Annexure 7**.
- 35. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificate issued by the Statutory Auditor of ORL is open for inspection at the registered office of ORL.

#### **Effect of the Scheme on various parties**

- 36. The Scheme contemplates, *inter alia*, the following arrangements:
  - i) on the Effective Date, and as stipulated in Clause 3.5 of Part III of the Scheme, ORL shall allot equity shares to the shareholders of RHI India and RHI Clasil;
  - ii) on the Effective Date, the share certificates in relation to the shares held by the shareholders of RHI India and RHI Clasil in RHI India and RHI Clasil respectively shall stand automatically cancelled and extinguished;
  - iii) on the Effective Date, the authorised share capital of each of RHI India and RHI Clasil shall stand transferred to and be amalgamated with the authorised share capital of ORL, in the manner stipulated in Clause 3.2 of Part III of the Scheme; and
  - iv) Clauses I and V of the memorandum of association of ORL shall be amended in accordance with Clauses 3.2 and 3.3 of Part III and Clause 4.2 of Part IV of the Scheme.

Thus, under the Scheme, an arrangement is sought to be entered into between ORL and its equity shareholders.

Under the Scheme, there is no arrangement with the creditors (either secured or unsecured) of ORL. No compromise is offered under the Scheme to any of the creditors of ORL. The liability towards the creditors of ORL is being neither reduced nor extinguished and consequently, the creditors of ORL will not be affected in any manner by the Scheme.

- 37. As on the date of this explanatory statement, ORL does not have any debenture holders or public deposits. Therefore, the effect of the Scheme on any debenture holders, debenture trustees, public deposit holders or deposit trustees does not arise.
- 38. Under the Scheme, no rights of the staff and employees of ORL are being affected. The terms and conditions of service of the staff and employees of ORL shall remain unchanged.
- 39. The directors, key managerial personnel of ORL and their relatives do not have any other interest in the Scheme except to the extent of their shareholding, if any. Further, none of the key managerial personnel, directors or their relatives are concerned or interested, financially or otherwise, in the Scheme.
- 40. Under the Scheme, an arrangement is sought to be entered into between RHI India and its shareholders. With effect from the Effective Date, the equity shareholders of RHI India shall become the equity shareholders of ORL, in the manner stipulated in Clause 3.5 of Part III of the Scheme. Further, with effect from the Effective Date, the share certificates in relation to the shares held by the shareholders of RHI India in RHI India shall stand cancelled and extinguished.
- 41. Under the Scheme, there is no arrangement with the creditors of RHI India. Pursuant to the Scheme, the creditors of RHI India will become the creditors of ORL. No compromise is offered under the Scheme to any of the creditors of RHI India. The liability towards the creditors of RHI India is neither reduced nor extinguished and consequently, the creditors of RHI India will not be affected in any manner by the Scheme.
- 42. As on the date of this explanatory statement, RHI India does not have any debenture holders or public deposits. Therefore, the effect of the Scheme on any debenture holders, debenture trustees, public deposit holders or deposit trustees does not arise.

43. Pursuant to Clause 3.1 of the Scheme, all the staff and employees of RHI India, who are in such employment as on the Effective Date, will become the staff and employees of ORL on terms and conditions not less favourable than those on which they are engaged by RHI India and without any interruption of, or break in, service as a result of the Scheme. Accordingly, the rights of the staff and employees of RHI India would in no way be affected by the Scheme.
44. None of the key managerial personnel of RHI India is concerned or interested, financially or otherwise, in the Scheme.
45. The directors or relatives of directors, of RHI India do not have any interest in the Scheme except to the extent of their shareholding, if any. Further, none of the directors and / or relatives of directors of RHI India are concerned or interested, financially or otherwise, in the Scheme.
46. With effect from the Effective Date, RHI India shall stand dissolved without winding up. In the circumstances, the directors and key managerial personnel of RHI India shall cease to be directors and key managerial personnel of RHI India.
47. Under the Scheme, an arrangement is sought to be entered into between RHI Clasil and its shareholders. With effect from the Effective Date, the equity shareholders of RHI Clasil shall become the equity shareholders of ORL, in the manner stipulated in Clause 3.5 of Part III of the Scheme. Further, with effect from the Effective Date, the share certificates in relation to the shares held by the shareholders of RHI Clasil in RHI Clasil shall stand cancelled and extinguished.
48. Under the Scheme, there is no arrangement with the creditors of RHI Clasil. Pursuant to the Scheme, the creditors of RHI Clasil will become the creditors of ORL. No compromise is offered under the Scheme to any of the creditors of RHI Clasil. The liability towards the creditors of RHI Clasil is neither reduced nor extinguished and consequently, the creditors of RHI Clasil will not be affected in any manner by the Scheme.
49. As on the date of this explanatory statement, RHI Clasil does not have any debenture holders or public deposits. Therefore, the effect of the Scheme on any debenture holders, debenture trustees, public deposit holders or deposit trustees does not arise.
50. Pursuant to Clause 3.1 of the Scheme, all the staff and employees of RHI Clasil, who are in such employment as on the Effective Date, will become the staff and employees of ORL on terms and conditions not less favourable than those on which they are engaged by RHI Clasil and without any interruption of, or break in, service as a result of the Scheme. Accordingly, the rights of the staff and employees of RHI Clasil would in no way be affected by the Scheme.
51. The key managerial personnel, directors, or relatives of directors, of RHI Clasil do not have any interest in the Scheme except to the extent of their shareholding, if any. Further, none of the key managerial personnel, directors and / or relatives of directors of RHI Clasil are concerned or interested, financially or otherwise, in the Scheme.
52. With effect from the Effective Date, RHI Clasil shall stand dissolved without winding up. In the circumstances, the directors and key managerial personnel of RHI Clasil shall cease to be directors and key managerial personnel of RHI Clasil.
53. In compliance with the provisions of Section 232(2)(c) of the Act, the respective boards of directors of ORL, RHI India and RHI Clasil, in their separate meetings held on 31 July 2018, have each adopted a report that, *inter alia*, explains the effect of the Scheme on various parties. Copies of the reports adopted by respective board of directors of ORL, RHI India and RHI Clasil are enclosed as **Annexure 8**, **Annexure 9** and **Annexure 10**.

#### **Other matters**

54. No investigation has been instituted or is pending in relation to the Companies under Sections 210-217, 219, 220, and 223-227 of the Act.
55. No proceedings are pending under the Act or under the corresponding provisions of the Companies Act, 1956 against the Companies.
56. To the knowledge of ORL, no winding up proceedings have been filed or are pending against ORL under the Act or the corresponding provisions of the Companies Act, 1956. Further, to the knowledge of the Transferor Companies, no winding up proceedings have been filed or are pending against the Transferor Companies under the Act or the corresponding provisions of the Companies Act, 1956.
57. The copy of the proposed Scheme has been filed by ORL, RHI India and RHI Clasil, on the 4th day of March 2019.
58. With effect from the Effective Date, the percentage shareholding of the equity shareholders of ORL (expected) would be as provided under paragraph 74 herein below under the heading '*Post amalgamation (expected) shareholding pattern of ORL (assuming the continuing shareholding pattern as on 31 March 2019)*'. The number of shareholders of ORL post amalgamation

has been arrived at by aggregation of the number of shareholders of the three Companies as on 31 March 2019 (i.e. the shareholders of the Transferor Companies who will receive shares of ORL pursuant to the Scheme have been added to the number of shareholders of ORL as on 31 March 2019).

59. Pursuant to the lock-in undertakings provided by the individual shareholders of RHI Clasil, on 27 July 2018 and 27 August 2018, the individual shareholders have undertaken, *inter alia*, to not transfer more than the limits set out below of their respective shareholding in ORL as of the Effective Date of the Scheme during the period of the first 3 (three) years commencing from the listing of the equity shares allotted pursuant to the Scheme on the stock exchanges (the **lock-in period**):

- 50% during the first year commencing from the listing of the equity shares allotted pursuant to the Scheme;
- 25% during the second year commencing after the listing of the equity shares allotted pursuant to the Scheme; and
- 25% during the third year commencing after the listing of the equity shares allotted pursuant to the Scheme.

However, the above-mentioned lock-in restrictions would fall away in the event the closing price of the shares of ORL on NSE falls below Rs. 124 on any given day during the lock-in period.

60. Subject to the approval of the board of directors of ORL, the board of directors of RHI Clasil had, in its meeting held on 14 February 2019, declared an interim dividend of 50 paise (INR 0.5) per share (aggregating to INR 92,000,000) for financial year 2018-19. The board of directors of ORL has, in its meeting held on 14 February 2019, given its consent to the payment of such interim dividend by RHI Clasil to its shareholders.
61. The unaudited accounting statement of ORL (along with the limited review report) and the audited accounting statements of RHI India and RHI Clasil, as on 31 December 2018, are enclosed as **Annexure 11**, **Annexure 12** and **Annexure 13** respectively.
62. In terms of the SEBI Circular, the applicable information of RHI India in the format specified for abridged prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed as **Annexure 14**.
63. In terms of the SEBI Circular, the applicable information of RHI Clasil in the format specified for abridged prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed as **Annexure 15**.
64. As per the books of accounts of ORL, RHI India and RHI Clasil, the amounts due to unsecured creditors (as of 31 October 2018) are Rs. 1,476,166,032.12/-, Rs. 1,057,514,213/- and Rs. 1,022,029,220/- respectively.
65. The names and addresses of the promoters of ORL including their shareholding in the Companies as on 31 March 2019 are as under:

Sr. No.	Name and address of promoters	ORL		RHI India		RHI Clasil	
		No. of shares of Re. 1 each	%	No. of shares of Rs. 10 each	%	No. of shares of Rs. 10 each	%
i)	Dutch US Holding B.V. Velperweg 81 Arnhem, 6824 HH Netherlands	79,877,771	66.49	-	-	-	-
	<b>TOTAL</b>	<b>79,877,771</b>	<b>66.49</b>	-	-	-	-

66. The names and addresses of the promoters of RHI India including their shareholding in the Companies as on 31 March 2019 are as under:

Sr. No.	Name and address of promoters	RHI India		ORL		RHI Clasil	
		No. of shares of Rs. 10 each	%	No. of shares of Re. 1 each	%	No. of shares of Rs. 10 each	%
i)	Dutch Brasil Holding B.V. Velperweg 81, Arnhem 6824 HH, Netherlands	292,744	85	-	-	-	-
ii)	VRD Americas B.V. Velperweg 81, Arnhem 6824 HH, Netherlands	50,100	15	-	-	9,884,100	53.72
	<b>TOTAL</b>	<b>342,844</b>	<b>100</b>	-	-	<b>9,884,100</b>	<b>53.72</b>

67. The names and addresses of the promoters of RHI Clasil including their shareholding in the Companies as on 31 March 2019 are as under:

Sr. No.	Name and address of promoters	RHI Clasil		ORL		RHI India	
		No. of shares of Rs. 10 each	%	No. of shares of Re. 1 each	%	No. of shares of Rs. 10 each	%
i)	Dr. Rudraraju Venkata Raju 8-2-120/112/A/9, Road No.9, Jubilee Hills, Hyderabad – 500033	300,000	1.63	-	-	-	-
ii)	Rudraraju Venkata Suryanarayana Raju S/o Dr. R.V. Raju, 8-2-120/112/A/9, Road No.9, Jubilee Hills, Hyderabad – 500033	615,000	3.34	-	-	-	-
iii)	V. Narasimha Raju 101, Patrick Ave, Emerson, N.J – 07630	1,800,000	9.78	-	-	-	-
iv)	K. Aruna Kumari Plot No. 3, Jayaprakash Nagar, Yellareddyguda, Hyderabad – 500073	200,000	1.09	-	-	-	-
v)	K. Pavan Kumar Plot No. 3, Jayaprakash Nagar, Yellareddyguda, Hyderabad – 500073	250,000	1.36	-	-	-	-
vi)	K. Pradeep Kumar Plot No. 3, Jayaprakash Nagar, Yellareddyguda, Hyderabad – 500073	50,000	0.27	-	-	-	-
vii)	A. Srinivasa Raju 101, K.K Towers, Srinagar Colony, Hyderabad – 500073	500,000	2.72	-	-	-	-
viii)	P. Gayathri Flat No.302, Meenakshi Royal Court, Road No.11, Banjara Hills, Hyderabad – 500 038	50,000	0.27	-	-	-	-
ix)	R. Udaya Rekha 701, Teja Block, My Home Navadweepa Apartments, Madhapur, Hyderabad – 500081	3,098,900	16.84	-	-	-	-
x)	VRD Americas B.V. Velperweg 81, Arnhem 6824 HH, Netherlands	9,884,100	53.72	-	-	50,100	15
<b>TOTAL</b>		<b>16,748,000</b>	<b>91.02</b>	<b>-</b>	<b>-</b>	<b>50,100</b>	<b>15</b>

68. The names and addresses of the directors of ORL as on 31 March 2019 are as follows: “Please note that Mr. Reinhold Steiner and Ms. Verena Buzzi have resigned from the position of directors of ORL with effect from 1 April 2019.”

Sr. No.	Name of director	Designation	Address	PAN	DIN
i)	Dr. Vijay Sharma	Non-executive, Independent Director, Chairperson, Shareholder Director	C-260, Eden Villa, Sushant Lok Phase III, Sector 57, Gurugram, Haryana – 122 002, India	AGAPS5379Q	00880113
ii)	Mr. Rama Shanker Bajoria	Non-executive, independent Director, Shareholder Director	A-49, Friends Colony (East), New Delhi – 110 065	AEDPB2381L	00033727
iii)	Mr. Reinhold Steiner	Non-executive, Non-independent Director	Carl-Appel-Strasse 1100 Vienna, Austria	Not applicable	06674749
iv)	Mr. Erwin Jankovits	Non-executive, Non-independent Director	Assmayergasse 32/2/20, 1120, Vienna, Austria	Not applicable	07089589
v)	Ms. Verena Buzzi	Non-executive, Non-independent Director	Schottenfeldgasse 71/19 1070, Vienna, Austria	Not applicable	07901672
vi)	Mr. Parmod Sagar	Executive Director, CEO-MD	902, Basil Tower, Salcon The Verandas, Sector-54, Gurugram, Haryana – 122 011	AARPS5822R	06500871

69. The names and addresses of the directors of RHI India as on 31 March 2019 are as follows:

Sr. No.	Name of director	Designation	Address	PAN	DIN
i)	Mr. Erwin Jankovits	Non-executive Director	Assmayergasse 32/2/20, 1120, Vienna, Austria	Not applicable	07089589
ii)	Mr. Sanjeev Bhardwaj	Non-executive Director	House No.-233, Sector-21A, Near Police Station, Faridabad, Haryana – 121 001	AFWPB1918H	07379141

70. The names and addresses of the directors of RHI Clasil as on 31 March 2019 are as follows:

Sr. No.	Name of director	Designation	Address	PAN	DIN
i)	Dr. Rudraraju Venkata Raju	Executive Director	8-2-120/112/A/9, Road No.9, Jubilee Hills, Hyderabad-500 033	ACBPR3925Q	00390746
ii)	Mr. Rudraraju Venkata Suryanarayana Raju	Executive Director	S/o Dr. R.V. Raju, 8-2-120/112/A/9, Road No.9, Jubilee Hills, Hyderabad-500 033	ACLPR9965N	00425640
iii)	Mr. George Mathew	Non-executive Director	D-2 Godrej Bayview, No.1 Abdul Gaffar Khan Road, Sealink Worli Sea face, Mumbai-400 025 Maharashtra	ABTPM7901L	00908185
iv)	Mr. Erwin Jankovits	Non-executive Director	Assmayergasse 32/2/20, 1120, Vienna, Austria	Not applicable	07089589

71. The details of the shareholding of the directors and the key managerial personnel of ORL in the Companies as on 31 March 2019 are as follows:

Sr. No.	Name	Position	Shareholding in ORL	Shareholding in RHI India	Shareholding in RHI Clasil
i)	Dr. Vijay Sharma	Non-executive, Independent Director, Chairperson, Shareholder Director	-	-	-
ii)	Mr. Rama Shanker Bajoria	Non-executive, independent Director, Shareholder Director	-	-	-
iii)	Mr. Reinhold Steiner	Non-executive, Non-independent Director	-	-	-
iv)	Mr. Erwin Jankovits	Non-executive, Non-independent Director	-	-	-
v)	Ms. Verena Buzzi	Non-executive, Non-independent Director	-	-	-
vi)	Mr. Parmod Sagar	Executive Director, CEO-MD	13,698 shares	-	-
vii)	Mr. Sanjeev Bhardwaj	Chief Financial Officer	2,250 shares	-	-
viii)	Mr. Sanjay Kumar	Company Secretary	-	-	-

72. The details of the shareholding of the directors and the key managerial personnel of RHI India in the Companies as on 31 March 2019 are as follows:

Sr. No.	Name	Position	Shareholding in RHI India	Shareholding in ORL	Shareholding in RHI Clasil
i)	Mr. Erwin Jankovits	Non-executive Director	-	-	-
vii)	Mr. Sanjeev Bhardwaj	Non-executive Director	-	2,250 shares	-
viii)	Mr. Jagdish Parikh	Chief Financial Officer	-	-	-

73. The details of the shareholding of the directors and the key managerial personnel of RHI Clasil in the Companies as on 31 March 2019 are as follows:

Sr. No.	Name	Position	Shareholding in RHI Clasil	Shareholding in ORL	Shareholding in RHI India
i)	Dr. Rudraraju Venkata Raju	Executive Director	300,000 shares	-	-
ii)	Mr. Rudraraju Venkata Suryanarayana Raju	Executive Director	615,000 shares	-	-
iii)	Mr. George Mathew	Non-executive Director	-	-	-
iv)	Mr. Erwin Jankovits	Non-executive Director	-	-	-
v)	Mr. Rudraraju Rama Raju Venkata	Chief Financial Officer	10,000 shares	2,850 shares	-
vi)	Ms. Jyothi Dadheech	Company Secretary	-	-	-

74. The pre-amalgamation shareholding pattern of ORL, RHI India and RHI Clasil as on 31 March 2019 and the post-amalgamation (expected) shareholding pattern of ORL are as under:

**Pre-amalgamation shareholding pattern of ORL as on 31 March 2019:**

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
<b>(A)</b>	<b>Promoter and Promoter Group</b>		
<b>(1)</b>	<b>Indian</b>		
(a)	Individuals / Hindu Undivided Family	-	-
(b)	Central Government / State Government(s)	-	-
(c)	Bodies Corporate	-	-
(d)	Financial Institutions / Banks	-	-
(e)	Any others	-	-
	<b>Sub Total (A)(1)</b>	-	-
<b>(2)</b>	<b>Foreign</b>		
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-
(b)	Bodies Corporate	79,877,771	66.49
(c)	Institutions	-	-
(d)	Any others	-	-
	<b>Sub Total (A)(2)</b>	<b>79,877,771</b>	<b>66.49</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>79,877,771</b>	<b>66.49</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>(1)</b>	<b>Institutions</b>		
(a)	Mutual Funds / UTI	12,499,265	10.40
(b)	Financial Institutions / Banks	63,941	0.05
(c)	Central Government / State Government(s)	-	-
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	-	-
(f)	Foreign Institutional Investors / Foreign Portfolio Investors	5,542,022	4.61
(g)	Foreign Venture Capital Investors	-	-
(h)	Any other	366,252	0.30
	<b>Sub Total (B)(1)</b>	<b>18,471,480</b>	<b>15.38</b>
<b>(2)</b>	<b>Non-institutions</b>		
(a)	Bodies Corporate	2,646,707	2.20
(b)	Individuals		
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	13,745,338	11.44
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,508,949	1.26
(c)	Any other	3,888,955	3.24
	<b>Sub Total (B)(2)</b>	<b>21,789,949</b>	<b>18.14</b>
	<b>Total public shareholding (B) = (B)(1) + (B)(2)</b>	<b>40,261,429</b>	<b>33.51</b>
	<b>TOTAL (A) + (B)</b>	<b>120,139,200</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which DRs have been issued</b>	-	-
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>120,139,200</b>	<b>100.00</b>

**Pre-amalgamation shareholding pattern of RHI India as on 31 March 2019:**

<b>Sr. No.</b>	<b>Category</b>	<b>No. of fully paid up equity shares held</b>	<b>Shareholding as a % of total no. of shares</b>
<b>(A)</b>	<b>Promoter and Promoter Group</b>		
<b>(1)</b>	<b>Indian</b>		
(a)	Individuals / Hindu Undivided Family	-	-
(b)	Central Government / State Government(s)	-	-
(c)	Bodies Corporate	-	-
(d)	Financial Institutions / Banks	-	-
(e)	Any others	-	-
	<b>Sub Total (A)(1)</b>	-	-
<b>(2)</b>	<b>Foreign</b>		
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-
(b)	Bodies Corporate	342,844	100
(c)	Institutions	-	-
(d)	Any others	-	-
	<b>Sub Total (A)(2)</b>	<b>342,844</b>	<b>100</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>342,844</b>	<b>100</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>(1)</b>	<b>Institutions</b>		
(a)	Mutual Funds / UTI	-	-
(b)	Financial Institutions / Banks	-	-
(c)	Central Government / State Government(s)	-	-
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	-	-
(f)	Foreign Institutional Investors / Foreign Portfolio Investors	-	-
(g)	Foreign Venture Capital Investors	-	-
(h)	Any other	-	-
	<b>Sub Total (B)(1)</b>		
<b>(2)</b>	<b>Non-institutions</b>		
(a)	Bodies Corporate	-	-
(b)	Individuals		
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-
(c)	Any other	-	-
	<b>Sub Total (B)(2)</b>	-	-
	<b>Total public shareholding (B) = (B)(1) + (B)(2)</b>	-	-
	<b>TOTAL (A) + (B)</b>	<b>342,844</b>	<b>100</b>
<b>(C)</b>	<b>Shares held by Custodians and against which DRs have been issued</b>	-	-
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>342,844</b>	<b>100</b>



**Pre-amalgamation shareholding pattern of RHI Clasil as on 31 March 2019:**

<b>Sr. No.</b>	<b>Category</b>	<b>No. of fully paid up equity shares held</b>	<b>Shareholding as a % of total no. of shares</b>
<b>(A)</b>	<b>Promoter and Promoter Group</b>		
<b>(1)</b>	<b>Indian</b>		
(a)	Individuals / Hindu Undivided Family	6,863,900	37.30
(b)	Central Government / State Government(s)	-	-
(c)	Bodies Corporate	-	-
(d)	Financial Institutions / Banks	-	-
(e)	Any others	-	-
	<b>Sub Total (A)(1)</b>	<b>6,863,900</b>	<b>37.30</b>
<b>(2)</b>	<b>Foreign</b>		
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-
(b)	Bodies Corporate	9,884,100	53.72
(c)	Institutions	-	-
(d)	Any others	-	-
	<b>Sub Total (A)(2)</b>	<b>9,884,100</b>	<b>53.72</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>16,748,000</b>	<b>91.02</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>(1)</b>	<b>Institutions</b>		
(a)	Mutual Funds / UTI	-	-
(b)	Financial Institutions / Banks	-	-
(c)	Central Government / State Government(s)	-	-
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	-	-
(f)	Foreign Institutional Investors / Foreign Portfolio Investors	-	-
(g)	Foreign Venture Capital Investors	-	-
(h)	Any other	-	-
	<b>Sub Total (B)(1)</b>	<b>-</b>	<b>-</b>
<b>(2)</b>	<b>Non-institutions</b>		
(a)	Bodies Corporate	-	-
(b)	Individuals		
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	116,000	0.63
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,536,000	8.35
(c)	Any other	-	-
	<b>Sub Total (B)(2)</b>	<b>1,652,000</b>	<b>8.98</b>
	<b>Total public shareholding (B) = (B)(1) + (B)(2)</b>	<b>1,652,000</b>	<b>8.98</b>
	<b>TOTAL (A) + (B)</b>	<b>18,400,000</b>	<b>100</b>
<b>(C)</b>	<b>Shares held by Custodians and against which DRs have been issued</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>18,400,000</b>	<b>100</b>

**Post amalgamation (expected) shareholding pattern of ORL (assuming the continuing shareholding pattern as on 31 March 2019):**

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
<b>(A)</b>	<b>Promoter and Promoter Group</b>		
<b>(1)</b>	<b>Indian</b>		
(a)	Individuals / Hindu Undivided Family	-	-
(b)	Central Government / State Government(s)	-	-
(c)	Bodies Corporate	-	-
(d)	Financial Institutions / Banks	-	-
(e)	Any others	-	-
	<b>Sub Total (A)(1)</b>	-	-
<b>(2)</b>	<b>Foreign</b>		
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-
(b)	Bodies Corporate	113,002,465	70.19
(c)	Institutions	-	-
(d)	Any others	-	-
	<b>Sub Total (A)(2)</b>	<b>113,002,465</b>	<b>70.19</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>113,002,465</b>	<b>70.19</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>(1)</b>	<b>Institutions</b>		
(a)	Mutual Funds / UTI	12,499,265	7.76
(b)	Financial Institutions / Banks	63,941	0.04
(c)	Central Government / State Government(s)	-	-
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	-	-
(f)	Foreign Institutional Investors / Foreign Portfolio Investors	5,542,022	3.44
(g)	Foreign Venture Capital Investors	-	-
(h)	Any other	366,252	0.23
	<b>Sub Total (B)(1)</b>	<b>18,471,480</b>	<b>11.47</b>
<b>(2)</b>	<b>Non-institutions</b>		
(a)	Bodies Corporate	2,646,707	1.64
(b)	Individuals		
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	13,941,466	8.66
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	9,045,258	5.62
(c)	Any other	3,888,955	2.42
	<b>Sub Total (B)(2)</b>	<b>29,522,386</b>	<b>18.34</b>
	<b>Total public shareholding (B) = (B)(1) + (B)(2)</b>	<b>47,993,866</b>	<b>29.81</b>
	<b>TOTAL (A) + (B)</b>	<b>160,996,331</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which DRs have been issued</b>	-	-
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>160,996,331</b>	<b>100.00</b>

**Notes:**

- The number of shareholders of ORL post amalgamation has been arrived at by aggregation of the number of shareholders of the three Companies as on 31 March 2019 (i.e. the shareholders of the Transferor Companies who will receive shares of ORL pursuant to the Scheme have been added to the number of shareholders of ORL as on 31 March 2019).
- It is clarified that the Clasil Group, as defined in Clause 1.1.5 of the Scheme (that holds 37.30% in RHI Clasil) is not part of the RHIM group and hence, shall not be considered a part of promoter / promoter group in the post scheme shareholding of ORL and shall be considered as part of the public category in the post scheme shareholding of ORL. The total post scheme shareholding of these nine individuals is 3.87% in ORL.
- It is further clarified that the pre-Scheme public shareholders of ORL will hold at least 25% in ORL post the Scheme, in compliance with Clause I(A)(3)(b) of the SEBI Circular.

75. The post-amalgamation (expected) capital structure of ORL will be as follows (assuming the continuing capital structure as on 31 March 2019):

SHARE CAPITAL	AMOUNT (in Rupees)
<b>Authorised share capital</b>	
308,000,000 equity shares of Re. 1 each	308,000,000
<b>TOTAL</b>	<b>308,000,000</b>
<b>Issued, subscribed and paid-up capital</b>	
160,996,331 equity shares of Re. 1 each	160,996,331
<b>TOTAL</b>	<b>160,996,331</b>

76. In the event the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.
77. The following documents will be open for inspection by the unsecured creditors of the Applicant Company at its registered office address at C-604, Neelkanth Business Park, Opp. Railway Station Vidhyavihar (West), Mumbai – 400 086 between 10 a.m. and 12 noon on all days (excepts Saturdays, Sundays and public holidays) up to the date of the meeting:
- i) copy of the order passed by the NCLT in CA(CAA) No. 1556/MB/2018, dated 29 March 2019, directing the Companies to, *inter alia*, convene the meetings of their respective shareholders and creditors;
  - ii) copy of the joint application no. 1556/MB/2018 dated 14 November 2018 along with annexures filed by the Companies with the NCLT;
  - iii) copy of the memorandum and articles of association of the Companies;
  - iv) copy of the annual report of ORL, for the financial year ended 31 March 2018;
  - v) copy of the financials statements of the Companies along with the auditor's report thereon, for the financial year ended 31 March 2018;
  - vi) copy of unaudited financial statement of ORL (along with the limited review report) as of 31 December 2018;
  - vii) copy of the audited financial statement of RHI India and RHI Clasil as of 31 December 2018;
  - viii) copy of Register of Directors' shareholding of each of the Companies;
  - ix) copy of the Joint Valuation Report dated 31 July 2018 issued by Jain Jindal & Co.;
  - x) copy of the Fairness Opinion dated 31 July 2018, issued by Keynote Corporate Services Limited;
  - xi) copy of the audit committee report, dated 31 July 2018, of ORL;
  - xii) copy of the resolutions dated 31 July 2018 passed by the boards of directors of ORL, RHI India and RHI Clasil, approving the Scheme;
  - xiii) copy of the press release dated 31 July 2018 issued by ORL;
  - xiv) copy of the Statutory Auditor's certificate, dated 24 August 2018, issued by Price Waterhouse Chartered Accountants LLP, Statutory Auditors of ORL, confirming the accounting treatment under the Scheme;
  - xv) copy of the complaint reports, dated 4 October 2018, filed by ORL with NSE and BSE;

- xvi) copy of no adverse observation letter, dated 12 October 2018, issued by NSE and BSE;
- xvii) copies of Form GNL-1 filed by ORL, RHI India and RHI Clasil respectively with the Registrar of Companies, along with the respective challans dated 4 March 2019, evidencing filing of the Scheme;
- xviii) copy of certificate, dated 6 November 2018, issued by Rakesh Kumar Singhal & Associates, Chartered Accountants, certifying the amount due to creditors of ORL as of 31 October 2018;
- xix) copy of certificate, dated 1 November 2018, issued by SGJ & Co, Chartered Accountants, certifying the amount due to creditors of RHI India as of 31 October 2018;
- xx) copy of certificate, dated 5 November 2018, issued by P.R. Datla & Co., Chartered Accountants, certifying the amount due to creditors of RHI Clasil as of 31 October 2018;
- xxi) copy of the Scheme;
- xxii) copy of the reports dated 31 July 2018 adopted by the boards of directors of ORL, RHI India and RHI Clasil pursuant to the provisions of Section 232(2)(c) of the Act;
- xxiii) copy of the applicable information of RHI India in the format specified for abridged prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- xxiv) copy of the applicable information of RHI Clasil in the format specified for abridged prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;

The unsecured creditors shall be entitled to obtain the extracts from or making or obtaining the copies of the documents listed in item numbers (i), (ii), (iv), (v), (xiii), (xiv) and (xxi) above.

78. This statement may be treated as an explanatory statement under Sections 230(3), 232(1), 232(2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, explanatory statement and form of proxy shall be furnished by the Applicant Company to its unsecured creditors, free of charge, within 1 (one) day (except Saturdays, Sundays and public holidays) on a requisition being made for the same by the unsecured creditors of the Applicant Company.
79. After the Scheme is approved by the shareholders and creditors of the Applicant Company, it will be subject to the approval / sanction by the NCLT.

Sd/-  
KRCV Seshachalam  
Chairman appointed for the meeting

Dated this 1st day of April 2019

**Registered Office:**

C-604, Neelkanth Business Park,  
Opp. Railway Station  
Vidhyavihar (West),  
Mumbai – 400 086.

**COMPOSITE SCHEME OF AMALGAMATION**

*(under sections 230 to 232 and other applicable provisions of the  
Companies Act, 2013)*

AMONG

RHI INDIA PRIVATE LIMITED

TRANSFEROR COMPANY 1

AND

RHI CLASIL PRIVATE LIMITED

TRANSFEROR COMPANY 2

AND

ORIENT REFRACTORIES LIMITED

TRANSFeree COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS





## A. INTRODUCTION

- (i) RHI India Private Limited (*Transferor Company 1*) is a private company, limited by shares, incorporated on 15 June 2007 with the Registrar of Companies, Mumbai under the provisions of the Companies Act, 1956 with the corporate identification number U24119MH2007PTC171712 and having its registered office at Neelkanth Business Park, room number 604C, opposite railway station, Vidhyavihar (West) Mumbai 400 086. RHI India is a subsidiary of Dutch Brasil Holding B.V., which is ultimately owned by RHI Magnesita N.V.. RHI India is an unlisted company.
- (ii) RHI Clasil Private Limited (*Transferor Company 2*) is a private company, limited by shares, incorporated on 7 December 2005 as Arsha Ceramics Private Limited with the Registrar of Companies, Hyderabad under the provisions of the Companies Act, 1956 with the corporate identification number U26914TG2005PTC048333. Its name changed: (a) from Arsha Ceramics Private Limited to Clasil Refractories Private Limited on 17 April 2006; and (b) further to RHI Clasil Private Limited on 12 January 2007. RHI Clasil got converted to a public company on 25 January 2007 and got re-converted to a private company on 17 July 2015. The registered office of RHI Clasil was situated at plot number 195, flat number 9, Srinilaya Apartments, Kavuri Hills, Madhapur, Hyderabad 500 081. RHI Clasil had filed an application for shifting of its registered office from the State of Telangana to the State of Maharashtra with the Regional Director (South East region), Hyderabad and the Regional Director allowed the shifting of RHI Clasil's registered office to the State of Maharashtra *vide* its order dated 11 May 2018. RHI Clasil has been issued a Certificate of Registration of Regional Director Order for Change of State on 4 July 2018 by the Registrar of Companies, Mumbai with corporate identification number U26914MH2005PTC311526 and its registered office is now situated at 301-302, Orbit Plaza, New Prabhadevi Road, Prabhadevi, Mumbai 400 025. The shareholders



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of RHI Clasil have amended the memorandum of association of RHI Clasil *vide* their resolution dated 12 July 2018 in order to include the power to enter into a scheme of amalgamation in its objects clause. RHI Clasil is a subsidiary of VRD Americas B.V., which is ultimately owned by RHI Magnesita N.V.. Apart from VRD Americas B.V., the shares of RHI Clasil are held by the Clasil Group. RHI Clasil is an unlisted company.

- (iii) Orient Refractories Limited (*Transferee Company*) is a public company, limited by shares, incorporated on 26 November 2010 with the Registrar of Companies, National Capital Territory of Delhi and Haryana under the provisions of the Companies Act, 1956 with the corporate identification number L28113DL2010PLC210819 and had its registered office at 804-A, Chiranjiv Tower 43, Nehru Place, New Delhi 110 019. ORL had filed an application for shifting of its registered office from New Delhi to the State of Maharashtra with the Regional Director (Northern region) and the Regional Director allowed the shifting of ORL's registered office to the State of Maharashtra *vide* its order dated 30 July 2018. With effect from 1 August 2018, the registered office of ORL has shifted to C-604, Neelkanth Business Park, opposite railway station, Vidhyavihar (West) Mumbai 400 086. Majority shares of ORL are held by Dutch U.S. Holding B.V., which is ultimately owned by RHI Magnesita N.V.. The equity shares of ORL are listed on the Stock Exchanges.
- (iv) The Parties are primarily engaged in the business of manufacture, trading, and / or marketing of refractories and allied products. ORL is in the business of manufacture and marketing of refractory products, systems and services and has various global partners for its international quality products. RHI Clasil is engaged in the business of manufacture and marketing of refractories and allied products. RHI India is engaged in the business of purchase, sale, import, export and marketing of refractories, refractory products,



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chemicals, formulations, and related equipment. Refractory materials are used to provide thermal insulating lining in furnaces, kilns, reactors, etc. and are predominantly used in iron and steel industries, metal smelters, cement industries, and glass industries.

- (v) This Scheme is presented under sections 230 to 232 of the Act, together with sections 13, 61, 62 and other applicable provisions of the Act for, *inter alia*, the amalgamation of the Transferor Companies with and into the Transferee Company in accordance with the relevant provisions of the Act, section 2(18) of the Income Tax Act (on a going concern basis) and other applicable laws. This Scheme will result in the consolidation of the businesses of each of the Parties as existing on the Effective Date.

#### B. RATIONALE FOR THE SCHEME

- (i) The management of each of the Parties is of the opinion that the Scheme will result in, *inter alia*, the following benefits:
- (a) simplification of the corporate structure and consolidation of the India businesses of the RHIM group;
  - (b) establishing a comprehensive refractory product portfolio;
  - (c) realising business efficiencies, *inter alia*, through optimum utilisation of resources due to pooling of management, expertise, technologies and other resources of the companies;
  - (d) improved allocation of capital and optimisation of cash flows contributing to the overall growth prospects of the combined company;
  - (e) creation of a larger asset base and facilitation of access to better financial resources; and
  - (f) enhanced shareholder value pursuant to economies of scale and business efficiencies.





- (ii) The proposed Scheme is in the interest of all Parties and their respective shareholders, employees, and creditors and there is no likelihood that the interests of any stakeholders in any of the Parties would be prejudiced as a result of the Scheme. The proposed Scheme will not impose any additional burden on the members of the Transferor Companies or the Transferee Company.

**C. PARTS OF THE SCHEME**

- (i) **PART I** deals with the definitions, interpretation and effective date;
- (ii) **PART II** deals with the share capital structure of the Parties;
- (iii) **PART III** deals with the amalgamation of the Transferor Companies with and into the Transferee Company; and
- (iv) **PART IV** deals with the general terms and conditions.



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## PART I

### 1. DEFINITIONS, INTERPRETATION AND EFFECTIVE DATE

#### 1.1 Definitions

In this Scheme, the following words and expressions shall, unless the context requires otherwise, have the following meanings ascribed to them:

- 1.1.1 **"Act"** means the Companies Act, 2013 and the rules made thereunder, and includes any alterations, modifications and amendments made thereto and / or re-enactment thereof.
- 1.1.2 **"Affiliate"** of a person means any other person that directly or indirectly, through one or more intermediaries, (a) owns greater than 50% of the voting equity or interest of such person or is similarly owned by such person, and (b) controls, is controlled by, or is under common control with, such first person, and in case of a natural person, shall include his or her relatives.
- 1.1.3 **"Appointed Date"** means 1 January 2019 or such other date as may be fixed by the Tribunal.
- 1.1.4 **"Board of Directors"** in relation to a Party means the board of directors, including any committee thereof, or any person authorised by the board of directors or committee of such Party.
- 1.1.5 **"Clasil Group"** refers to the shareholders of RHI Clasil other than VRD Americas B.V. and comprises: (i) RVS Raju; (ii) A.V. Narsimha Raju; (iii) Dr. R.V. Raju; (iv) K. Aruna Kumari; (v) K. Pavan Kumar; (vi) K. Pradeep Kumar; (vii) A. Srinivasa Raju; (viii) P. Gayathri; and (ix) R. Udaya Rekha.
- 1.1.6 **"Effective Date"** means the date on which the last of the approvals or events specified under clause 4.5 of the Scheme are obtained or have occurred.



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- 1.1.7 **"Fairness Opinion"** means the opinion provided by Keynote Corporate Services Limited, an independent SEBI-registered merchant banker, on the valuation report prepared by Jain, Jindal & Co., an independent chartered accountant, recommending the share exchange ratio.
- 1.1.8 **"Income Tax Act"** means the Income Tax Act, 1961.
- 1.1.9 **"Party"** means each of the Transferor Company 1, the Transferor Company 2 and the Transferee Company.
- 1.1.10 **"Public Shareholders"** means the equity shareholders of the Transferee Company other than the promoter and promoter related group entities whose names are registered in the register of members of the Transferee Company as on the Record Date.
- 1.1.11 **"RBI"** means the Reserve Bank of India.
- 1.1.12 **"Record Date"** means the date fixed by the Board of Directors of the Transferee Company for the purposes of issue of shares of the Transferee Company to the shareholders of the Transferor Companies after the Scheme is approved by the Tribunal.
- 1.1.13 **"RHIM Group"** means RHI Magnesita N.V. and its Affiliates.
- 1.1.14 **"RoC"** means the Registrar of Companies, Mumbai.
- 1.1.15 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Composite Scheme of Amalgamation, subject to any modification(s) thereto as may be imposed by the Tribunal or any modification(s) sought by the Parties, as approved by the Tribunal.
- 1.1.16 **"SEBI"** means the Securities and Exchange Board of India.
- 1.1.17 **"SEBI Circular"** means the circular number CFD/DIL3/CIR/2017/21 dated 10 March 2017 along with the amendments thereto.
- 1.1.18 **"SEBI Listing Regulations"** mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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- 1.1.19 **"Stock Exchanges"** mean the BSE Limited and the National Stock Exchange of India Limited.
- 1.1.20 **"Transferee Company"** or **"ORL"** means Orient Refractories Limited, a company incorporated under the Companies Act, 1956, and having its registered office at C-604, Neelkanth Business Park, opposite railway station, Vidhyavihar (West) Mumbai 400 086.
- 1.1.21 **"Transferor Company 1"** or **"RHI India"** means RHI India Private Limited, a company incorporated under the Companies Act, 1956, and having its registered office at Neelkanth Business Park, room number 604C, opposite railway station, Vidhyavihar (West) Mumbai- 400086.
- 1.1.22 **"Transferor Company 2"** or **"RHI Clasil"** means RHI Clasil Private Limited, a company incorporated under the Companies Act, 1956, and having its registered office at 301-302, Orbit Plaza, New Prabhadevi Road, Prabhadevi, Mumbai 400025.
- 1.1.23 **"Transferor Companies"** means the Transferor Company 1 and the Transferor Company 2. Any reference in the Scheme to Transferor Companies shall mean each of the Transferor Companies individually or the Transferor Companies collectively, as the context may require.
- 1.1.24 **"Tribunal"** means the National Company Law Tribunal, Mumbai bench, which has jurisdiction in relation to the Parties.
- 1.1.25 **"Undertaking"** shall mean all the undertaking and entire business of each of the Transferor Companies (including business, properties, assets, investments, goodwill and rights of whatever kind and nature, real or personal, tangible or intangible, that are owned, leased or licensed, liabilities, obligations and commitments of each of the Transferor Companies) on a going concern basis, and with the continuity of business of the Transferor Companies, which shall include (without limitation):



- (a) all assets wherever situated, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, leaseholds and other interests of whatsoever nature, wheresoever situated including all lands, buildings, offices, marketing offices, liaison offices, furniture, fixtures, office equipment, appliances, accessories, inventories together with all present and future liabilities (including contingent liabilities) and all cash and bank balances appertaining or relating to the Transferor Companies;
- (b) all current assets, including sundry debtors, receivables, loans and advances, actionable claims, bills and credit notes of the Transferor Companies;
- (c) all permits, rights, entitlements, registrations and other licences, approvals, permissions, consents from various authorities, including municipal (whether granted or pending), trademarks, patents, copyrights, software programs and data (whether proprietary or otherwise), all other intellectual property, goodwill, receivables, benefit of any deposits, assets, properties or other interests, financial assets including investments of all kinds, funds belonging to or utilised for the Transferor Companies, bank accounts, privileges, all other rights and benefits including any tax exemptions, deferrals and other benefits or privileges including any tax (direct or indirect) including advance tax paid or any tax deducted in respect of any income received, exemptions, tax credits, minimum alternate tax credits as per Section 115JAA of the Income Tax Act, any credit in respect of indirect taxes, tenancies in relation to office and / or residential properties for the employees, memberships, lease rights, powers and facilities of every kind, nature, and description whatsoever, rights to use and avail of telephones, internet, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements,





contracts and arrangements, letters of intent, memoranda of understanding, expressions of interest whether under agreements or otherwise and all other interests in connection with or relating to the Transferor Companies;

- (d) all staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to their employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise;
- (e) all trade secrets, confidential information, inventions, know-how, formulae, processes, procedures, research records, records of inventions, test information, market surveys and marketing know-how of the Transferor Companies;
- (f) all patents (including all reissues, divisions, continuations and extensions thereof), patent applications, patent rights, trademarks, trademark registrations, trademark applications, service marks, trade names, business names, copyrights, copyright registrations, designs, design registrations, and all rights to any of the foregoing, of the Transferor Companies;
- (g) all contracts, leases, subleases, licences, indentures, agreements, commitments and all other legally binding arrangements, whether oral or written, to which any of the Transferor Companies is a party or by which the Transferor Companies are bound;
- (h) all raw material, work-in-progress, finished goods, supplies, parts, spare parts and other inventories of the Transferor Companies (including in transit, on consignment or in the possession of any third party);



- (i) all partnership interests or any other equity interest in any corporation, company, limited liability company, partnership, joint venture, trust or other business association;
- (j) all rights in and to products sold or leased;
- (k) all credits, prepaid expenses, deferred charges, advance payments, security deposits and prepaid items that are paid / held;
- (l) all necessary records, files, papers, computer programmes, engineering and process information, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, customer credit information, customer pricing information, and other records, whether in physical or electronic form in connection with or relating to the Transferor Companies;
- (m) all books of accounts, ledgers, general, financial, accounting and personnel records, files, invoices, customers' and suppliers' lists, other distribution lists, billing records, sales and promotional literature, manuals, customer and supplier correspondence (in all cases, in any form or medium), of the Transferor Companies;
- (n) all rights, claims, credits, advances, loans, fixed deposits, provisions and commitments, including any such items arising under insurance policies and all guarantees, warranties, indemnities and similar rights in favour of the Transferor Companies in respect of any other asset or any liability appertaining or relating to the Transferor Companies;
- (o) all liabilities, obligations, duties, undertakings, debt and commitments of the Transferor Companies;





- (p) all accounts payable of the Transferor Companies; and
- (q) any other assets and liabilities.

It is intended that the definition of Undertaking set out above would enable the transfer of all properties, assets, liabilities, employees, etc. of the Transferor Companies to the Transferee Company pursuant to this Scheme.

1.1.26 **"Valuation Report"** means the report dated 31 July 2018 issued by Jain, Jindal & Co., an independent chartered accountant, setting out the proposed share exchange ratio.

## 1.2 Interpretation

1.2.1 All terms and words used but not defined in this Scheme shall, unless repugnant to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income Tax Act, the Securities Contracts (Regulation) Act, 1956 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

1.2.2 In the Scheme, unless the context otherwise requires:

- (a) references to a statutory provision include any subordinate legislation made from time to time under that provision;
- (b) references to a statute or statutory provision include that statute or provisions as from time to time modified or re-enacted or consolidated;
- (c) references to the singular include the plural and *vice versa* and references to any gender includes the other gender;
- (d) reference to a document shall be a reference to that document as modified, amended, novated or replaced from time to time;





- (e) headings are for convenience only and shall be ignored in construing or interpreting any provision of this Scheme;
- (f) the expression "this clause" shall, unless followed by reference to a specific provision, be deemed to refer to the whole clause (and not merely a sub-clause, paragraph, or other provision) in which the expression occurs;
- (g) reference to clauses and schedules are to clause of and schedules to this Scheme;
- (h) references to the words "include" or "including" shall be construed without limitation;
- (i) references to the words "hereof", "herein", and "hereunder" and words of similar import shall refer to this Scheme as a whole and not to any particular provision of this Scheme; and
- (j) where a wider interpretation is possible, the words "other" and "otherwise" shall not be construed *ejusdem generis* with any foregoing words.

### 1.3 Appointed Date

1.3.1 The Scheme set out herein in its present form, or with modification(s), if any, made in accordance with the provisions of this Scheme and the directions / approval of the Tribunal, shall become effective on the Appointed Date in accordance with section 232(6) of the Act. However, the accounting for the amalgamation in the books of the Transferee Company shall be in accordance with Indian Accounting Standards as explained in clause 3.7 of the Scheme.

1.3.2 In consideration of the reciprocal promises, this Scheme between the Parties and their respective shareholders and creditors is set out hereunder.



## PART II

### 2. SHARE CAPITAL STRUCTURE

- 2.1 The authorised, issued, subscribed and paid-up capital of ORL as on 31 July 2018 is as under:

SHARE CAPITAL	AMOUNT (in INR)
<b>Authorised share capital</b>	
12,05,00,000 equity shares of INR 1 each	12,05,00,000
<b>TOTAL</b>	12,05,00,000
<b>Issued, subscribed and paid-up capital</b>	
12,01,39,200 equity shares of INR 1 each	12,01,39,200
<b>TOTAL</b>	12,01,39,200

- 2.2 The authorised, issued, subscribed and paid-up capital of RHI India as on 31 July 2018 is as under:

SHARE CAPITAL	AMOUNT (in INR)
<b>Authorised share capital</b>	
3,50,000 equity shares of INR 10 each	35,00,000
<b>TOTAL</b>	35,00,000
<b>Issued, subscribed and paid-up capital</b>	
3,42,844 equity shares of INR 10 each	34,28,440
<b>TOTAL</b>	34,28,440

- 2.3 The authorised, issued, subscribed and paid-up capital of RHI Clasil as on 31 July 2018 is as under:

SHARE CAPITAL	AMOUNT (in INR)
<b>Authorised share capital</b>	
1,84,00,000 equity shares of INR 10 each	18,40,00,000
<b>TOTAL</b>	18,40,00,000
<b>Issued, subscribed and paid-up capital</b>	
1,84,00,000 equity shares of INR 10 each	18,40,00,000
<b>TOTAL</b>	18,40,00,000





### PART III

#### 3. AMALGAMATION OF THE TRANSFEROR COMPANIES WITH AND INTO THE TRANSFeree COMPANY

##### 3.1 Transfer and vesting of the Transferor Companies to and with the Transferee Company

3.1.1 With effect from the Appointed Date, subject to the provisions of this Scheme, the Undertakings of the Transferor Companies shall stand transferred to and vest in the Transferee Company, as a going concern, together with all their estate, properties, assets, rights, claims, title and authorities, benefits, liabilities and interest therein, subject to existing charges thereon in favour of banks and financial institutions or otherwise, as the case may be, without any further act, instrument, deed, matter or thing being made, done or executed, so as to become, as and from the Effective Date, the estate, properties, assets, rights, claims, title and authorities, liabilities and interest of the Transferee Company by virtue of and in the manner provided in the Scheme pursuant to the sanction of the Scheme by the Tribunal and the provisions of sections 230 to 232 and other applicable provisions of the Act.

3.1.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date, in relation to the Undertakings:

- (i) All assets of the Transferor Companies that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and / or by endorsement and delivery shall, pursuant to this Scheme, stand vested in and / or be deemed to be vested in the Transferee Company and shall become the property of the Transferee Company without any further act, instrument or deed.
- (ii) All other movable assets of the Transferor Companies, including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits,



outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with governmental authorities, customers and other persons, shall, stand transferred to, and vested in, the Transferee Company without any notice or other intimation to the debtors or obligors or any other person. The Parties may, if they so deem appropriate, give notice in such form as they deem fit and proper, to each such debtor or obligor or any other person, that pursuant to the sanction of the Scheme by the Tribunal, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Companies to recover or realise all such debts (including the debts payable by such debtor or obligor or any other person to the Transferor Companies) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other persons to record such change.

(iii) All lease and licence agreements entered into by the Transferor Companies with various landlords, owners and lessors in connection with use of the assets of the Undertakings of the Transferor Companies, together with the security deposits, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Companies.

(iv) All immovable properties of the Transferor Companies, including land together with the buildings and structures standing thereon, and rights and interests in immovable properties of the Transferor





Companies, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall be vested in and / or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Companies and / or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the Scheme becoming effective in accordance with the terms hereof.

- (v) Until the owned property, leasehold property and related rights thereto, licence or right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and / or perfected in the record of the appropriate authorities in favour of the Transferee Company, the Transferee Company shall be deemed to be authorised to carry on business in the name and style of the Transferor Companies under the relevant agreement, deed, lease and / or licence, as the case may be, and the Transferee Company shall keep a record and account of such transactions.
- (vi) For purposes of taking on record the name of the Transferee Company in the records of the governmental authorities in respect of transfer of immovable properties to the Transferee Company pursuant to this Scheme, the Board of Directors of the Parties may approve the execution of such documents or deeds as may be necessary, including deeds of assignment of lease or leave or licence (as the case may be) by the Transferor Companies in favour of the Transferee Company.



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(vii) All liabilities, including all secured and unsecured debts (whether in Indian Rupee (*INR*) or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Companies, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations, shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing being made, done or executed, be transferred to, and vested in, or be deemed to have been transferred to, and vested in, the Transferee Company, along with any charge, encumbrance, lien or security created in connection therewith, and such liabilities shall be assumed by the Transferee Company to the extent they are outstanding as on the Appointed Date so as to become, as on and from the Appointed Date, the liabilities, debts, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and the Transferee Company shall meet, discharge and satisfy the liabilities and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause 3.1.2(vii).

(viii) All electricity, gas, water and any other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities to the Transferor Companies, together with security deposits and all other advances paid, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The relevant electricity, gas,





water and any other utility companies, boards, agencies and authorities shall issue invoices in the name of the Transferee Company with effect from the billing cycle commencing from the month immediately succeeding the month in which the Effective Date falls. The Transferee Company shall comply with the terms, conditions and covenants associated with the grant of such connections and shall also be entitled to refund of security deposits placed with such utility companies, boards, agencies and authorities by the Transferor Companies.

#### **Permits**

- (ix) All governmental approvals and other consents, permissions, quotas, rights, authorisations, entitlements, no-objection certificates and licences, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Companies are parties or to the benefit of which the Transferor Companies may be entitled to use or which may be required to carry on the operations of the Transferor Companies, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against the Transferee Company and may be enforced as fully and effectively as if, instead of the Transferor Companies, the Transferee Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant governmental authorities in favour of the Transferee Company.

#### **Contracts**

- (x) All contracts, deeds, bonds, agreements and other instruments to which the Transferor Companies are parties, or to the benefit of which the Transferor Companies may be entitled, and which are subsisting or having effect immediately prior to the Effective Date, shall, without any further act, instrument or deed, continue in full



force and effect against or in favour of, as the case may be, the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectively as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligor or obligee thereto or thereunder. The Transferee Company will, if required, enter into novation agreements in relation to such contracts, deeds, bonds, agreements and other instruments.

- (xi) All other agreements entered into by the Transferor Companies in connection with the assets of the Undertakings of the Transferor Companies shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed.

**Legal proceedings**

- (xii) All legal proceedings, including, quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature by or against the Transferor Companies pending on the Effective Date shall not abate or be discontinued or be prejudicially affected in any way by reason of the Scheme or by anything contained in the Scheme but shall be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company, in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Transferor Companies. The Transferee Company undertakes to have all legal or other proceedings specified in this clause 3.1.2(xii), initiated by or against the Transferor Companies, transferred to its name and to have such proceedings continued, prosecuted and enforced by or against the Transferee Company, as the case may be. Following the Effective Date, the Transferee Company may initiate any legal proceedings for and on behalf of the Transferor Companies.



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### Employees

- (xiii) With effect from the Effective Date, all the staff and employees of the Transferor Companies who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Transferee Company, and, subject to the provisions of the Scheme, on terms and conditions no less favourable than those on which they are engaged by the Transferor Companies and without any interruption or break in service as a result of the transfer and vesting of the Undertakings of the Transferor Companies to and with the Transferee Company. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created by the Transferor Companies which exist immediately prior to the Effective Date, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Companies, in accordance with applicable laws. It is hereby clarified that upon this Scheme becoming effective, such benefits and schemes shall continue to be provided to the transferred employees and the service of all transferred employees of the Transferor Companies for such purpose shall be treated as having been continuous.
- (xiv) The Transferee Company shall comply with any agreement(s) / settlement(s) entered into with labour unions (if any) or employees by the Transferor Companies. The Transferee Company agrees that for the purposes of the payment of any retrenchment compensation, gratuity and other termination benefits, the past services of employees with the Transferor Companies, if any, shall also be taken into account, and further agrees to pay such benefits when they become due.



#### **Intellectual property**

- (xv) All intellectual property rights of the Transferor Companies, including all domestic and foreign intellectual property rights with respect to all patents, patent applications, and trademarks, service marks, trade names, trade dress, logos, corporate names, brand names, domain names, all copyrights, designs and mask works, and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information, shall stand transferred to and vested in the Transferee Company.

#### **Inter se transactions**

- (xvi) Upon the Scheme coming into effect, with effect from the Appointed Date, all *inter se* contracts solely between the Transferor Companies and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company. With effect from the Appointed Date, there will be no accrual of income or expense on account of any transactions, including any transactions in the nature of sale or transfer of any goods, materials or services, between the Transferor Companies and the Transferee Company. For avoidance of doubt, it is hereby clarified that with effect from the Appointed Date, there will be no accrual of interest or charges in respect of any *inter se* loans, deposits or balances between the Transferor Companies and the Transferee Company.

#### **Borrowing limits and corporate approvals**

- (xvii) With effect from the Effective Date, the borrowing and investment limits of the Transferee Company under the Act shall be deemed without further act or deed to have been enhanced by the borrowing and investment limits of the Transferor Companies,





such limits being incremental to the existing limits of the Transferee Company.

- (xviii) Any corporate approvals obtained by the Transferor Companies, whether for purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

#### **Taxes**

- (xix) Upon the Scheme becoming effective, all taxes payable by, or refundable to, the Transferor Companies, including any refund, claims or credits (including credits for income tax, withholding tax, advance tax, self-assessment tax, minimum alternate tax, central value added tax credit, goods and services tax credits, other indirect tax credits and other tax receivables) shall be treated as the tax liability, refunds, claims or credits, as the case may be, of the Transferee Company, and any tax incentives, benefits (including claims for unabsorbed tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reductions, which would have been available to the Transferor Companies, shall be available to the Transferee Company, and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes on behalf of the Transferor Companies.

#### **Creditors**

- (xx) Upon this Scheme becoming effective, the secured creditors of each of the Transferor Companies and / or other holders of security over the properties of each of the Transferor Companies shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of such Transferor Company, as existing immediately prior to the amalgamation of such Transferor Company with the Transferee Company and the



secured creditors of the Transferee Company and / or other holders of security over the properties of the Transferee Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Companies with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Companies with the Transferee Company: (a) the secured creditors of each of the Transferor Companies and / or holders of security over the properties of each of the Transferor Companies shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company and therefore, such assets which are not currently encumbered shall remain free and available for creation of any security thereon in the future in relation to any current or future indebtedness of the Transferee Company; and (b) the secured creditors of the Transferee Company and / or holders of any security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferor Companies and therefore such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.

### 3.2 Transfer of authorised share capital

- 3.2.1 Upon this Scheme becoming effective and upon the vesting in and transfer of the Transferor Companies to the Transferee Company pursuant to the terms of this Scheme, the entire authorised share capital of the Transferor Companies shall stand transferred to the authorised share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Companies on their authorised share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee





Company shall not be required to pay any fees / stamp duty for its increased share capital.

- 3.2.2 By virtue of clause 3.2.1 above, the authorised share capital of the Transferee Company shall stand increased by an amount of INR 18,75,00,000 and clause V of the memorandum of association of the Transferee Company shall stand substituted to read as under:

*"The Authorised Share Capital of the Company is Rs. 30,80,00,000 (Rupees thirty crore and eighty lakhs) divided into 30,80,00,000 (thirty crore and eighty lakhs) Equity Shares of Re. 1/- (Rupee one) each."*

- 3.2.3 It is hereby clarified that for the purposes of increasing the authorised share capital of the Transferee Company in accordance with clauses 3.2.1 and 3.2.2 above, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under section 13, section 61 and any other applicable provisions of the Act, would be required to be separately passed nor shall any additional fees (including fees and charges to the relevant RoC) or stamp duty be payable by the Transferee Company.

### 3.3 Change of name of the Transferee Company

- 3.3.1 Upon this Scheme becoming effective and upon the vesting in and transfer of the Transferor Companies to the Transferee Company pursuant to the terms of this Scheme, the name of the Transferee Company shall stand changed to "RHI Magnesita India Limited" or such other name which is available and approved by the RoC, by simply filing the requisite forms with the appropriate authority and no separate act, procedure, instrument or deed and registration fees shall be required to be followed / paid under the Act.



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- 3.3.2 By virtue of clause 3.3.1 above, clause I of the memorandum of association of the Transferee Company shall stand substituted to read as under:

*"The name of the Company is RHI Magnesita India Limited."*

- 3.3.3 It is hereby clarified that for the purpose of change of name of the Transferee Company in accordance with clauses 3.3.1 and 3.3.2 above, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under section 13, section 14 and any other applicable provisions of the Act, would be required to be separately passed nor shall any additional fees (including fees and charges to the relevant RoC) or stamp duty be payable by the Transferee Company.

#### 3.4 Record Date

- 3.4.1 The Board of Directors of the Transferee Company, after procuring the consent of the Board of Directors of each of the Transferor Companies, shall determine the Record Date for issue and allotment of equity shares of the Transferee Company to the equity shareholders of each of the Transferor Companies in terms of clause 3.5. Upon determination of the Record Date, each of the Transferor Companies shall provide a list of its equity shareholders as on such Record Date, who are entitled to receive equity shares in the Transferee Company in terms of this Scheme.

#### 3.5 Issue of shares

- 3.5.1 Upon the coming into effect of the Scheme, and in consideration of the amalgamation of the Transferor Companies with the Transferee Company, the Transferee Company shall, without any further act or deed and without any further payment, on the basis of the Valuation Report dated 31 July 2018 and the Fairness Opinion dated 31 July 2018, issue and allot to the shareholders of the Transferor Companies (whose name is recorded in the registers of members of the Transferor Companies as on the Record Date) in the following manner:





- (i) for every 100 equity shares of Transferor Company 1 of face value of INR 10 each held in Transferor Company 1, every shareholder of the Transferor Company 1, shall without any application, act or deed, be entitled to receive 7,044 equity shares of face value of INR 1 each of the Transferee Company, credited as fully paid up on the same terms and conditions of issue as prevalent in the Transferee Company; and
- (ii) for every 1000 equity shares of Transferor Company 2 of face value of INR 10 each held in Transferor Company 2, every shareholder of the Transferor Company 2, shall without any application, act or deed, be entitled to receive 908 equity shares of face value of INR 1 each of the Transferee Company, credited as fully paid up on the same terms and conditions of issue as prevalent in the Transferee Company.

3.5.2 In the event the new equity shares entitled to be issued pursuant to clause 3.5.1 result in fractional entitlements, the Board of Directors of the Transferee Company shall be empowered to consolidate and / or round off such fractional entitlements into whole number of equity shares to an integer in a manner to ensure that only 4,08,57,131 number of fully paid up equity shares of INR 1 each are issued to the shareholders of the Transferor Companies, i.e. total of 2,41,49,931 equity shares to shareholders of RHI India and 1,67,07,200 equity shares to shareholders of RHI Clasil.

3.5.3 Pursuant to the issuance of the new equity shares as aforesaid to the shareholders of the Transferor Companies, the shareholders of the Transferor Companies shall become the shareholders of the Transferee Company. Further, upon the coming into effect of the Scheme, the share certificates in relation to the shares held by the shareholders of the Transferor Companies in the Transferor Companies shall stand automatically cancelled and extinguished.



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3.5.4 Pursuant to the SEBI Circular, the price at which the aforesaid equity shares of the Transferee Company will be issued to the shareholders of the Transferor Companies will comply with the pricing guidelines for preferential allotments set forth in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The Valuation Report has been prepared in accordance with the foregoing.

3.5.5 For the purpose of issue and allotment of shares pursuant to this clause 3.5, the following terms shall apply:

- (i) Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to constitute due compliance with section 62 and any other applicable provision of the Act, the SEBI Listing Regulations and the articles of association of the Transferee Company, and no other consent shall be required under the Act or the articles of association of the Transferee Company, for the issue of equity shares to the shareholders of the Transferor Companies under the Scheme and upon the shareholders of the Transferee Company approving the Scheme, it shall be deemed that they have given their consent, including under the Act and the articles of association of the Transferee Company, to the issue of shares of the Transferee Company to the equity shareholders of the Transferor Companies in accordance with the Scheme.
- (ii) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Companies, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holders were operative as on the Record Date, in order to remove any difficulties, after the effectiveness of the Scheme.
- (iii) The shares proposed to be allotted pursuant to the Scheme shall be subject the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank



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*pari passu* with the existing shares of the Transferee Company, including rights in respect of dividend and bonus shares, if declared, by the Transferee Company on or after the Effective Date.

- (iv) The issue and allotment of shares as provided in the Scheme shall be carried out in accordance with the provisions of the Act. All shareholders of the Transferor Companies shall be issued fresh equity shares in dematerialised form.
- (v) For the purpose of issue and allotment of shares to the shareholders of the Transferor Companies, the Transferee Company shall, if and to the extent required, apply to and obtain the required approvals from statutory and regulatory authorities.
- (vi) The shares issued pursuant to this clause 3.5 shall, in compliance with the applicable regulations, be listed on and admitted to trading on the Stock Exchanges pursuant to this Scheme and the SEBI Circular. The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of the SEBI Circular and applicable law and take all steps to procure the listing of the shares issued by it pursuant to this clause 3.5.

### 3.6 Dissolution of the Transferor Companies

- 3.6.1 Upon Part III of this Scheme becoming effective, the Transferor Companies shall stand dissolved without being wound up, and without any further act or deed.

### 3.7 Accounting treatment

- 3.7.1 Notwithstanding anything to the contrary contained in any other clause in the Scheme, the Transferee Company shall give effect to the amalgamation in its books of accounts in accordance with Indian Accounting Standard 103, *Business Combinations* and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (*Ind AS*) as notified under section 133 of the Companies Act, 2013 and on the date determined in accordance with Ind AS.



## PART IV

### 4. GENERAL TERMS AND CONDITIONS

#### 4.1 Conduct of business until the Effective Date

##### 4.1.1 With effect from the Appointed Date and up to and including the Effective Date:

- (i) The Transferor Companies shall carry on and shall be deemed to have been carrying on, all business activities and stand possessed of their properties and assets, for and on account of and in trust for, the Transferee Company.
- (ii) All profits accruing to the Transferor Companies and all taxes thereon or losses accumulated or otherwise arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of the Transferee Company.
- (iii) The Transferor Companies shall carry on their businesses with reasonable diligence and business prudence and in the same manner as they had been doing hitherto and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of their affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal, in any of their properties / assets, except when the foregoing is: (a) expressly provided in the Scheme; (b) in ordinary course of business; or (c) with the prior written consent of the Transferee Company.
- (iv) Except by mutual consent of the Board of Directors of the Parties and subject to changes pursuant to commitments, obligations or arrangements prior to the Appointed Date or as part of this





Scheme, pending sanction of this Scheme by the Tribunal, the Transferor Companies shall not make any change in their capital structure either by any increase (by issue of equity shares, bonus shares, preference shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division, consolidation, reorganisation or in any other manner, which would have the effect of reorganisation of capital of the Transferor Companies.

- (v) The Transferor Companies shall not vary or alter, except in the ordinary course of their businesses or pursuant to any pre-existing obligations undertaken prior to the date of approval of the Scheme by the Board of Directors of the Transferor Companies, the terms and conditions of employment of any of their employees, nor shall they conclude settlement with any union or their employees except with the written consent of the Transferee Company.
- (vi) Except in relation to dividend for the financial year ended 31 March 2018, the Transferor Companies shall not declare or pay any dividend, without prior consent of the Transferee Company post the date of approval of the Scheme by the Board of Directors of the respective Transferor Companies.
- (vii) The Transferor Companies shall not substantially alter or expand or alienate or dispose off their businesses except with the written consent of the Transferee Company. This shall, however, not include the projects that have already been approved by the Transferor Companies through their respective board of directors and / or shareholders, as applicable, before the date of approval of the Scheme by the Board of Directors of the respective Transferor Companies.

4.1.2 Notwithstanding anything contained in the Scheme, subject to applicable laws, the Board of Directors of the Transferee Company shall be entitled to consider, pursue, manage, undertake and conduct the business of the



Transferee Company including, any corporate actions, issue of securities and bonus shares, buy back of securities, reorganisation, restructuring of its businesses, strategic acquisition or sale of business, joint ventures, business combinations, as it deems prudent and necessary in the interest of the Transferee Company or to give effect to any obligations under applicable laws and / or the Scheme.

- 4.1.3 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorised to carry on the business of the Transferor Companies.

**4.2 Amendment of organisational documents**

With effect from the Effective Date:

- 4.2.1 Clause I of the memorandum of association of the Transferee Company shall be amended and replaced with the following:

*"The name of the Company is RHI Magnesita India Limited."*

- 4.2.2 Clause V of the memorandum of association of the Transferee Company shall be amended and replaced with the following:

*"The Authorised Share Capital of the Company is Rs. 30,80,00,000 (Rupees thirty crore and eighty lakhs) divided into 30,80,00,000 (thirty crore and eighty lakhs) Equity Shares of Re. 1/- (Rupee one) each."*

- 4.2.3 It is hereby clarified that the consent of the shareholders of each Party to the Scheme shall be deemed to be sufficient for purposes of effecting the above and that no further action under section 13, section 14, section 61 or any other applicable provision of the Act, shall be separately required nor shall any additional fees (including any fees and charges to the relevant RoC) or stamp duty payable by the Transferee Company.

**4.3 Application to the Tribunal**

- 4.3.1 The Parties shall make applications and / or petitions under sections 230 to 232 and other applicable provisions of the Act to the Tribunal for



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approval of the Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.

- 4.3.2 Pursuant to the SEBI Circular, Keynote Corporate Services Limited, a SEBI registered merchant banker, has certified that the valuation ascribed to the Parties in the Valuation Report in reference to the Scheme is fair and reasonable in its fairness opinion dated 31 July 2018.

**4.4 Matters relating to tax in respect of the Undertakings**

- 4.4.1 The provisions of this Scheme are intended to comply with the conditions relating to "Amalgamation" as specified under section 2(1B) of the Income Tax Act. If, at a later date, any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of section 2(1B) of the Income Tax Act, including as a result of an amendment of law or enactment of a new legislation or for any other reason whatsoever, the provisions of section 2(1B) of the Income Tax Act, or a corresponding provision of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income Tax Act. Such modification(s) will, however, not affect the other parts of the Scheme. The power to make such modification(s), if necessary, shall vest with the Board of Directors of each Party, which power shall be exercised reasonably in the best interest of each of the Parties and their shareholders and creditors in accordance with clause 4.7. In addition, upon the Scheme becoming effective:

- (i) to the extent required, the Parties are permitted to revise and file their respective income tax returns, withholding tax returns (including tax deducted at source certificates), sales tax, value added tax, service tax, central sales tax, entry tax, goods and services tax return and other tax returns; and
- (ii) the Transferee Company shall be entitled to: (a) claim deduction with respect to items such as provisions and expenses disallowed



in earlier years in the hands of the Transferor Companies, which may be allowable in accordance with the provisions of the Income Tax Act on or after the Effective Date; and (b) exclude items such as provisions and reversals for which no deduction or tax benefit has been claimed by the Transferor Companies prior to the Effective Date.

- 4.4.2 Upon the Scheme becoming effective, notwithstanding anything to the contrary contained herein, all accumulated tax losses, unabsorbed tax depreciation, minimum alternate tax credit, if any, of the Transferor Companies as on the Effective Date, shall, for all purposes, be treated as accumulated tax losses, unabsorbed tax depreciation and minimum alternate tax credit of the Transferee Company. It is further clarified that any business losses and unabsorbed depreciation, if any, of the Transferor Companies as specified in their respective books of accounts shall be included as business losses and unabsorbed depreciation of the Transferee Company for the purposes of computation of minimum alternate tax.
- 4.4.3 Upon the Scheme becoming effective, the Transferee Company shall be entitled to claim refunds (including refunds or claims pending with the tax authorities) or credits, with respect to taxes paid by, for, or on behalf of, the Transferor Companies under applicable laws, including income tax, sales tax, value added tax, service tax, entry tax, customs duty, goods and services tax or any other tax.
- 4.4.4 Upon the Scheme becoming effective, all taxes, cess, duties and liabilities (direct and indirect), payable by or on behalf of the Transferor Companies, shall, for all purposes, be treated as taxes, cess, duties and liabilities, as the case may be, of the Transferee Company.
- 4.4.5 Upon the Scheme becoming effective, all unavailed credits and exemptions and other statutory benefits, including in respect of income tax, central value added tax, customs duty, value added tax, sales tax,



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service tax, entry tax and goods and services tax to which the Transferor Companies are entitled shall be available to, and vest in, the Transferee Company, without any further act or deed.

- 4.4.6 Any tax liabilities under the Income Tax Act or other applicable tax laws or regulations allocable to the Transferor Companies, whether or not provided for or covered by any tax provisions in the books of accounts of the Transferor Companies made as on the date immediately preceding the Effective Date, shall be transferred to the Transferee Company. Any surplus in the provision for taxation or duties or levies in the books of accounts of the Transferor Companies, including advance tax and tax deducted at source as on the close of business in India on the date immediately preceding the Effective Date will also be transferred to the accounts of the Transferee Company.
- 4.4.7 All tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Companies, pending or arising as at the Effective Date, shall be continued and / or enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies with and into the Transferee Company or anything contained in the Scheme.
- 4.4.8 Any refund under the Income Tax Act or any other tax laws related to or due to the Transferor Companies, including those for which no credit is taken as on the date immediately preceding the Effective Date, shall also belong to and be received by the Transferee Company.
- 4.4.9 Without prejudice to the generality of the foregoing, all benefits, incentives, claims, losses, credits (including income tax, service tax, customs duty, excise duty, goods and services tax and applicable state value added tax) to which the Transferor Companies are entitled to in



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terms of applicable tax laws, shall be available to and vest in the Transferee Company from the Effective Date.

4.4.10 All the expenses incurred by the Transferor Companies and the Transferee Company in relation to the amalgamation of the Transferor Companies with and into the Transferee Company in accordance with this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with section 35DD of the Income Tax Act over a period of five years beginning with the financial year in which this Scheme becomes effective.

#### 4.5 Conditionality of the Scheme

4.5.1 This Scheme is and shall be conditional upon and subject to:

- (i) *Stock Exchanges' approval:* the Transferee Company receiving no-objection letters from the Stock Exchanges in respect of the Scheme and the transaction contemplated therein, which shall be in form and substance acceptable to the Parties, each acting reasonably and in good faith.
- (ii) *Approval of the Tribunal:* the Scheme being approved by the Tribunal, either on terms as originally approved by the relevant Parties to the Scheme, or subject to such modifications approved by the Tribunal, which shall be in form and substance acceptable to the Parties, each acting reasonably and in good faith.
- (iii) *Shareholders' and creditors' approval:* the approval by the requisite majorities of the classes of persons, including shareholders and creditors of the Parties, as may be directed by the Tribunal under sections 230 to 232 of the Act;
- (iv) *Shareholders' approval under the SEBI Circular:* the Scheme being approved by the shareholders of the Transferee Company through resolution passed in terms of paragraphs 9(a) and 9(b) of Annexure I of the SEBI Circular, as may be amended from time to time, provided that the same shall be acted upon only if the votes



cast by the Public Shareholders in favour of the Scheme are more than the votes cast by the Public Shareholders against it; and

- (v) *Others:* making the necessary filings with, and obtaining approvals from, such authorities, as may be required as a result of RHI Magnesita N.V.'s listing on the London Stock Exchange, and any other sanctions and orders as may be directed by the Tribunal in respect of the Scheme.

#### 4.6 Minimum Public Shareholding

- 4.6.1 It is hereby clarified that the Public Shareholders of the Transferee Company before the merger, will continue to hold at least 25% of the post-merger shareholding of the Transferee Company (i.e. the shareholding including the fresh issue of shares to the shareholders of the Transferor Companies pursuant to Part III of this Scheme), as required under the SEBI Circular.

- 4.6.2 For the sake of completeness, it is noted that the promoter group of ORL comprises the RHIM Group and the Clasil Group is not part of the RHIM Group. It is clarified that there are no subsisting special arrangements or agreements between the promoter group of ORL and the Clasil Group. Further, the members of the Clasil Group would not be entitled to any special rights in the Transferee Company post completion of the amalgamation and their shares would rank *pari passu* with all the other shares of ORL.

#### 4.7 Modification or amendment to the Scheme

- 4.7.1 The Parties, through their respective Board of Directors (or any duly authorised committees thereof), may mutually agree to any modification of or amendment to the Scheme, which the Tribunal and / or other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and / or carrying out this Scheme. The Parties (acting through their respective Board of Directors) be and are hereby authorised to take such steps and do all acts, deeds





and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any order of the Tribunal or of any directive or order of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and / or any matters concerning or connected therewith.

4.7.2 In the event of the Tribunal and / or other authorities imposing any conditions, which the Parties may find unacceptable for any reason, the Parties are at a liberty to withdraw the Scheme. The Parties (acting through their respective Board of Directors) may mutually agree in writing to revoke, cancel and declare the Scheme null and void if they are of the view that coming into effect of the Scheme could have adverse implications on the Transferor Companies and / or the Transferee Company.

4.7.3 If any issue arises as to whether any asset, liability, or employee pertains to the Transferor Companies and / or the Transferee Company, or not under this Scheme, such issue shall be decided by the Board of Directors of the Transferor Companies and / or the Transferee Company, as relevant, on the basis of the relevant books of accounts and other evidence that they may deem relevant for such purposes.

#### 4.8 Effect of non-receipt of approvals

4.8.1 In the event that the Scheme is not sanctioned by the Tribunal or in the event any of the consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme, are not obtained or complied with or for any other reason such that, the Scheme cannot be implemented, the Scheme shall become null and void, and none of the Parties shall have any liability of any nature whatsoever under this Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise under law. The



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Transferee Company shall bear the costs, charges and expenses in connection with the Scheme unless otherwise mutually agreed.

- 4.8.2 If any part or provision of the Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts and / or provisions of this Scheme.

**4.9 Cost and expenses**

- 4.9.1 Upon the Scheme becoming effective, all costs, charges, taxes including stamp duties, levies and other expenses, if any, of the Transferor Companies and the Transferee Company arising out of / or incurred after the Effective Date for carrying out and implementing the Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company (save as otherwise expressly agreed).

**4.10 Residual provisions**

- 4.10.1 The consent of the shareholders and creditors of each of the Parties to the Scheme in accordance with the Act and the SEBI Circular, as applicable, shall be deemed sufficient for the purposes of effecting all the actions set out in this Scheme and no additional actions of the Parties or their respective shareholders and / or creditors shall be separately required.

- 4.10.2 Upon the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Companies to the extent necessary until the transfer of the rights and obligations of the Transferor Companies to the Transferee Company under this Scheme is formally accepted and completed by the parties concerned. For the avoidance of doubt, it is hereby clarified that with effect from the Effective Date and until such time that the name of the bank accounts of the Transferor Companies have been replaced with the name of the Transferee Company, the Transferee Company shall be





entitled to operate the bank accounts of the Transferor Companies in the name of the relevant Transferor Company in so far as may be necessary.

4.10.3 The Transferee Company may, at any time after the Scheme becomes effective in accordance with the provisions hereof, if so required under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of, any party to any contract or arrangement to which any of the Transferor Companies is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of the Scheme. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances required for the purposes specified above by the Transferor Companies.

4.10.4 Upon the Scheme becoming effective, all licences, incentives, remissions, tax incentives, subsidies, privileges, consents, sanctions, and other authorisations, to which the Transferor Companies are entitled, shall stand vested in the Transferee Company and permitted or continued by the order of sanction of the Tribunal. The Transferee Company shall file the Scheme with applicable governmental authorities, including the RoC, for their record, who shall take it on record pursuant to the sanction order of the Tribunal.

#### 4.11 Action taken by SEBI / Reserve Bank of India<sup>1</sup>

4.11.1 Dr. Vijay Sharma is presently the Chairman on the board of directors of the Transferee Company. Dr. Vijay Sharma was the Managing Director of B.M.M. Ispat Limited (*BMM Ispat*), which has been declared as a defaulter in relation to loans availed by it from Bank of India and Vijaya Bank. 'Non-suit filed accounts – defaulters Rs.1 crore and above for quarter ended 30 June 2018' classifies BMM Ispat as a defaulter and Dr.

<sup>1</sup> This clause 4.11 has been added to the Scheme as a disclosure pursuant to the observations received from the SEBI and Stock Exchanges in the observation letters dated 12 October 2018.



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Vijay Sharma's name appears as a director of BMM Ispat. Dr. Vijay Sharma has, *vide* his letter dated 10 October 2018, made the following submissions in this regard:

- (i) Dr. Vijay Sharma was the Managing Director of BMM Ispat from 20 April 2015 to 30 September 2016. He resigned from his directorship in BMM Ispat with effect from 1 October, 2016.
- (ii) Dr. Vijay Sharma has further clarified that the loans from Bank of India and Vijaya Bank (as appearing in the list of '*non-suit filed accounts – defaulters Rs.1 crore and above for quarter ended 30 June 2018*') were taken before his tenure as Managing Director of BMM Ispat began, and that there were no defaults made by BMM Ispat on its obligations under these loans during his tenure as Managing Director.
- (iii) Since the expiry of his tenure as director of BMM Ispat with effect from 1 October 2016, Dr. Vijay Sharma has not been associated with BMM Ispat in any capacity whatsoever.
- (iv) Further, Dr. Vijay Sharma has pointed out that the details of non-suit filed accounts are not available in the public domain and Dr. Vijay Sharma has confirmed that he has not received any notice or intimation from any bank / financial institution of his name being included in any list of defaulters, including as a director of BMM Ispat. Dr. Vijay Sharma was only informed of the same by way of the query from SEBI.

For Orient Refractories Ltd.

  
Sanjay Kumar  
(Company Secretary)  
(ACS-17021)

For RHI CLASIL PRIVATE LIMITED

  
DIRECTOR  
Dr. Venkata Raju Rudraraju  
(DIN: 00390746)

For RHI India Pvt. Ltd.

  
Sanjeev Bhardwaj  
(DIN- 07379141)  
Director

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# Jain Jindal & Co.

Chartered Accountants

Plot No. 35, Arjun Marg  
DLF Phase-1, Gurgaon-122002  
Board: +91 124 4252720

July 31, 2018

To,  
The Board of Directors

**Orient Refractories Limited**  
804 A-Chiranjiv Tower,  
43, Nehru Place,  
New Delhi-110019

To,  
The Board of Directors

**RHI India Private Limited**  
Neelkanth Business Park, Room  
No. 604C, Vidhyavihar (West),  
Mumbai - 400086 Maharashtra,

To,  
The Board of Directors

**RHI Clasil Private Limited**  
301-302, Orbit Plaza,  
New Prabhadevi Road, Prabhadevi,  
Mumbai 400 025

**Sub: Recommendation of share exchange ratio for the proposed merger of RHI Clasil Private Limited and RHI India Private Limited into Orient Refractories Limited**

Dear Sir / Madam,

We refer to the engagement letter dated April 21, 2018 and addendum thereto with Jain Jindal and Co. (herein after referred to as "JJC" or "Valuer") where in Orient Refractories Limited (herein after referred to as "ORL"), RHI Clasil Private Limited (herein after referred to as "RHI Clasil") and RHI India Private Limited (herein after referred to as "RHI India") jointly has requested JJC to recommend a share exchange ratio for the proposed merger of RHI Clasil and RHI India into ORL. RHI Clasil, RHI India and ORL are together referred to as Specified Companies.

## SCOPE AND PURPOSE OF THIS REPORT

RHI India is a private company and is flagship trading arm of RHIM group in India and undertake sales primarily to Indian customers.

RHI Clasil is a private limited company and engaged in manufacturing refractories/ refractory materials, which are consumed as raw material by steel industry, other metallurgical industries, cement, petrochemicals etc.

Orient Refractories Limited is a public company, is engaged in manufacturing refractories and monolithics items, and trading of refractory items.

We understand that the management of Specified Companies ('Management') are proposing to merge the RHI Clasil and RHI India into ORL, with effect from the appointed date i.e. January 1, 2019 (herein after referred as 'Transaction'). This is proposed to be achieved under a scheme of Amalgamation under the provisions of section 230 to 232 and other applicable provisions of the Companies Act, 2013 (herein after referred to as the "Scheme of Amalgamation").

As part of the proposed merger, RHI Clasil and RHI India would be merged into ORL and cease to exist. We understand from the management that the Shareholders of RHI Clasil and RHI India would be issued Shares of ORL as consideration for the proposed merger.

For the aforesaid purpose, the management of Specified Companies have appointed Jain Jindal and Co. to submit a report recommending the Share Exchange Ratio. The Scope of our service is to conduct relative (and not absolute) valuation of equity shares of specified Companies and recommending the Share Exchange Ratio in accordance with generally accepted professional standards.

This report is our deliverable for the above engagement.



# Jain Jindal & Co.

## Chartered Accountants

This report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed herein after. The report is to be read in totality and not in parts, in conjunction with the relevant documents referred to herein.

### SOURCES OF INFORMATION

In connection with the exercise we have received the following information from the management of ORL, RHI India and RHI Clasil: -

- Financial Statements for ORL for the year ended March 31, 2018.
- Audited financial statements of the RHI India for year ended March 31, 2008 to March 31, 2018.
- Audited financial statements of the RHI Clasil for year ended March 31, 20012 to March 31, 2018.
- Financial projections for RHI Clasil for the period ended April 01, 2018 to March 31, 2023; and
- Financial projections for RHI India for the period ended April 01, 2018 to March 31, 2022; and
- Discussions with the managements of the Specified Companies in connection with the operations of the Specified Companies, future plans and prospects, including capital expenditure, taxation and litigation related matters; and
- Information and documents as provided by the Specified Companies for the purpose of this engagement.
- We have also obtained explanations and information considered reasonably necessary for our exercise, from the executives and representatives of the Specified Companies.

The Specified Companies have been provided with the opportunity to review the draft report (excluding the recommended exchange ratio) for this engagement to make sure that factual inaccuracies are avoided in our final report.

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### SCOPE, LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provisions of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may be provided by us or our affiliates.

This report, its content, its results are herein are specific to (i) the purpose of valuation agreed as per our terms of our engagements; (ii) the date of this report; (iii) are based on the balance sheet as at March 31, 2018 of the RHI India and RHI Clasil. A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The Management has represented that the business activities of the Specified Companies have been carried out in the normal and ordinary course between March 31, 2018 and the Report date and that no material adverse changes has occurred in their respective operations and financial position between March 31, 2018 and the Report date.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information as at July 30, 2018, furnished by the Specified Companies and the other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however will not be used for advising anybody to take buy or sell decisions, for which specific opinion needs to be taken from expert advisors).

The determination of a Share Exchange Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Exchange Ratio. While we have provided our recommendation of the Share Exchange Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Exchange Ratio at which the proposed Transaction shall take place will be with the Board of Directors of the respective Specified Companies, who should take into account other factors such as their own assessment of the proposed Transaction and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data.

In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of information that was publicly available and formed a substantial basis of this report and (ii) the accuracy of information made available to us by the Specified Companies. In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information made available to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and the fairness of the financial position as indicated in the financial statements. Also, with respect to the explanations and information sought from the Specified Companies, we have been given to understand by the Specified Companies that they have not omitted any relevant and material factors and they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Specified Companies. The respective Managements of the Specified Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our



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valuation analysis/results. Accordingly, we assume no responsibility for any information furnished by the Specified Companies and their impact on the report. Also, we assume no responsibilities for technical information (if any) furnished by the Specified Companies. However, nothing has come to our attention to indicate that the information provided was materially mis-stated / incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The Report assumes that the Specified Companies comply fully with the relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and the Specified Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited balance sheet of the Specified Companies.

This report does not look into the business/ commercial reasons behind the Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Specified Companies' claim to title of assets has been made for the purpose of this report and the Specified Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of legal nature. The book values of the assets and liabilities of the Specified Companies have been considered as representative of their intrinsic value in the absence of any report of external valuers.

We must emphasize that realizations of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since, the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences maybe material.

The fee for the Engagement is not contingent upon the results reported.

We owe responsibility to only the Board of Directors of ORL, RHI Clasil and RHI India respectively, under the terms of our engagement letters, and nobody else. We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion.

This valuation report is subject to the laws of India.

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Amalgamation, without our prior written consent. In addition, this report does not in any manner address the prices at which ORL's equity share will trade following consummation of the Transaction and we express no opinion or recommendation as to how the shareholders of either of Specified Companies should vote at any shareholders' meeting(s) to be held in connection with the Transaction.





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### BACKGROUND OF THE COMPANIES

#### Orient Refractories Limited

Orient Refractories Limited is a public company, limited by shares, incorporated on 26 November 2010. The equity shares of ORL are listed on the Bombay Stock Exchange and National Stock Exchanges. ORL is subsidiary of Dutch U.S. Holding B.V., which is ultimately owned by RHI Magnesita N.V. ('RHIM'), a company listed on London Stock Exchange. Orient Refractories Limited is engaged in manufacturing refractories and monolithics items, and trading of refractory items, its manufacturing facility is located in Bhiwadi, Rajasthan. The Company's geographical segments include India and outside India. The Company is a globally operating supplier of refractory products, systems and services for steel industries.

The following tables set out the shareholding patterns of ORL as at March 31, 2018, before the proposed amalgamation scheme: -

Shareholder	No of Shares held*	% stake
Promoter and & Promoter Group	83,637,771	69.6%
Public Shareholding	36,501,429	30.4%
Total	120,139,200	100%

\*Face value of INR 1 each.

#### RHI Clasil

RHI Clasil is a private company, limited by shares, incorporated on 7 December 2005 as Arsha Ceramics Private Limited. RHI Clasil is a subsidiary of VRD Americas B.V, Netherlands and its ultimate holding company is RHIM. The Company is engaged in the business of manufacture and sale of refractories/ refractory products. Subsequent to the acquisition of 51 percent stake by RHIM group, the name of the Company had been changed to RHI Clasil Private Limited. The Company is manufacturing refractories/ refractory materials, which are consumed as raw material by steel industry, other metallurgical industries, cement, petrochemicals etc. The Company's geographical segments include India and outside India.

The following tables set out the shareholding patterns of RHI Clasil as at March 31, 2018, before the proposed amalgamation scheme: -

Shareholder	No of Shares held*	% stake
VRD Americas B.V. Netherlands (part of RHIM group)	9,884,100	53.72%
Individuals – Indian promoter family of RHI Clasil	8,515,900	46.28%
Total	18,400,000	100%

\* Face value of INR 10 per share.



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### RHI India

RHI India is a private company, limited by shares, incorporated on 15 June 2007 under the provisions of the Companies Act, 1956. RHI India is a subsidiary of Dutch Brasil Holding B.V., which is ultimately owned by RHI Magnesita N.V. ("RHIM"). The Company is engaged in trading refractory materials for Steel Industries in their various production process/equipment primarily to Indian customers.

The following tables set out the shareholding patterns of RHI India as at March 31, 2018, before the proposed amalgamation scheme: -

Shareholder	No of Shares held <sup>*</sup>	% stake
Dutch Brasil Holding B.V, Netherlands	292,744	85%
VRD Americas B.V, Netherlands	50,100	15%

\* Face value of INR 10 per share.

The management has represented to us that there have been no changes in the shareholding pattern of the specified Companies since March 31, 2018.

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### Approach – Basis of Amalgamation

The proposed merger scheme contemplates merger of RHI Clasil and RHI India with ORL pursuant to scheme of amalgamation. Arriving at fair exchange ratio of the proposed merger of RHI Clasil and RHI India into ORL would require determining the fair value of these equity shares of RHI Clasil and RHI India in terms of the fair value of the equity shares of ORL. These values are to be determined independently but on a relative basis, and without considering current transaction.

There are several commonly used valuation methodologies for determining the share exchange ratio for the proposed merger, which have been considered in present case to the extent relevant and applicable, including:

1. Assets approach - Net Asset value ("NAV") methodology
2. Income Approach - Discounted Cash Flow ("DCF") methodology.
3. Market approach
  - a) Comparable Company Multiples ("CCM") methodology.
  - b) Market Price methodology

It should be understood that the valuation of any company or its assets is inherently imprecise and subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumption with respect to industry performance and general business and economic conditions, many of which are beyond the control of companies. In addition, this valuation will fluctuate with changes in prevailing market conditions and prospects, financial and otherwise, of the companies, and other factors which generally influence the valuation of companies and their assets.

### NAV methodology

The asset-based valuation method is based on value of the underlying net assets of the business, either on book value basis or realizable value basis or replacement cost basis. This valuation approach is used in cases where the firm is to be liquidated i.e. it does not meet the going concern" criterion or is used in case where the asset base dominates earnings capacity.

A scheme of amalgamation would normally be proceed with, on the assumption that the companies amalgamate as going concern and actual realization of the operating assets is not contemplated.

### DCF Methodology

Under the DCF method the projected free cashflows to the firm are discounted at the weighted average cost of capital. The sum of discounted free cashflows is the value of the firm.

Using DCF analysis involves determining following

*Estimating future free cash flows*

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

*Appropriate discount rate to be applied to cash flows ie. the cost of capital*



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This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

To arrive at the total value available to the equity shareholders of each of the companies, value arrived under DCF method for the companies is adjusted for value of loans, cash, non-operating assets / liabilities (e.g. fair value of investment in subsidiaries / associates / mutual funds, value of surplus assets, any contingent liability, etc.). The total value of equity shareholder is then divided by total number of equity shares in order to work out the value per equity share of the companies.

### **CCM methodology / Guideline Company method**

Under this method, value of equity shares of a company is arrived at by using multiples derived from valuation of comparable companies or comparable transactions, as manifest through stock market valuations of listed companies and the transaction valuation. This valuation is based on the principal that the market valuations, taking place between informed buyer and informed sellers, incorporate all the factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

To arrive at the total value available to the equity shareholders of each of the companies, value arrived under CCM method for the companies is adjusted for value of loans, cash, non-operating assets / liabilities (eg. fair value of investment in subsidiaries / associates / mutual funds, value of surplus assets, any contingent liability, etc.). The total value of equity shareholder is then divided by total number of equity shares in order to work out the value per equity share of the companies.

### **Market Price Method**

The market price of an equity share as quoted on a stock exchange is normally considered as value of the equity shares of that company where such quotation are arising from the share being regularly and freely traded in, subject to speculative support that may be inbuilt in the value of the shares. But there could be situation where the value of the shares as quoted on the stock market would not be regarded as proper index of fair value of the shares especially where the market values are fluctuating in volatile capital market. Further, in case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the numbers of shares available for trading on stock exchange over reasonable period would have to be of a comparable standard.

Equity shares of ORL are listed on both NSE and BSE and are frequently traded in terms of para 71A, Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009 ('ICDR Regulations'). Equity shares of RHI India and RHI Clasil are not listed on any stock exchange.

### **ICDR Regulations**

As per SEBI Circular nos. CFD/DIL3/CIR/2017/21 and. CFD/DIL3/CIR/2017/26 dated 10 march 2017 and 27 march 2017, respectively the issuances of shares under the scheme in case of allotment of shares by listed companies only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes shall follow the pricing provisions of ICDR regulations and the relevant date for computing the pricing shall be the date of board of meeting in which the scheme is approved.





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The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different value may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transaction of similar nature and our reasonable judgement, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Taking the above outlined factors, including ICDR regulations, into consideration, we have adopted following approaches for determination of share exchange ratios:

**Market Approach:** We have considered market price method for valuation of equity shares of ORL as the equity shares of ORL are frequently traded as per SEBI regulations.

Trading volumes of equity shares of ORL during the year ended July 30, 2018 was higher on NSE as compared to BSE. Under the market price method, average of weekly high and low of the volume weighted average price ('VWAP') of ORL on NSE during the twenty-six weeks or two weeks preceding July 31, 2018, whichever is higher is considered. Please consider Annexure I for details.

Equity shares of RHI India and RHI Clasil are not listed on any stock exchange. Accordingly, Market price method could not be used for these entities and therefore we have considered Comparable Companies Multiple Price Method under this approach.

We have used profitability based valuation multiple of comparable listed companies for the purpose of our valuation analysis of RHI India and RHI Clasil. Under Comparable Companies Multiple Price Method, we have considered the quoted multiples of comparable listed companies, as appropriate, for the purpose of our valuation analysis, adjustments, as appropriate, are made for borrowings, surplus assets, difference in nature of business operations and other matters to arrive at the equity value.

**Income Approach:** We have also used discounted cash flow method under this approach for the valuation of RHI India and RHI Clasil.

For the purpose of DCF valuation, the free cash flow forecast is based on Financial Projections as provided by the management of RHI India and RHI Clasil. While carrying out this engagement, we have relied extensively on historical information made available to us by the management of the RHI India and RHI Clasil and the respective financial projections for future related information. We did not carry out any validation procedures or due diligence with respect to the information provided / extracted or carry out any verification of the assets or comment on the achievability of the assumptions underlying the Financial Projections, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of the engagement.

We have adjusted the value of discounted cash flows (as explained above) for adjustments, as appropriate for net borrowings, surplus assets and other matters to arrive at the equity value of the RHI India and RHI Clasil.

Assets approach was not adopted for valuation of ORL, RHI India and RHI Clasil. As mentioned above, the assets approach is mainly used where 'going concern' assumption is not appropriate or where the assets base dominates the earning capability. Since ORL, RHI India and RHI Clasil are all operating entities and have been valued as on 'going concern basis', we did not adopt the Assets approach.





#### **SHARE EXCHANGE RATIO**

The basis of merger of ORL, RHI Clasil and RHI India would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been determined under each of the above methodologies, for the purposes of recommending a share exchange ratio of equity shares it is necessary to arrive at a single value of shares of the Specified Companies. It is however important to note that in attempting to do so we are not attempting to arrive at an absolute value for of the equity shares rather at a relative value of the companies to facilitate the determination of a share exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

The Share Exchange Ratio has been arrived at on the basis of relative equity valuation of the Specified Companies using Market Approach and Income Approach. The Share Exchange Ratio is based on the methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the business of the Specified Companies, having regard to information received, key underlying assumptions and limitations.

In the ultimate analysis, valuation will have tempered by the exercise of judicious discretion by the valuers and judgement taking into account all the relevant factors. There will always be factors, e.g. quality and integrity of management, present and prospective competition, yield on comparable securities and market sentiment etc. which are not evident on the face of the balance sheets, but which strongly influence the worth of a share. This concept is also recognised in judicial decisions.

We have independently applied methodologies discussed above and arrived at our assessment of value per share of Specified Companies. To arrive at the Share Exchange Ratio, suitable averaging and rounding off in values have been done. Please refer annexure 2 and 3.

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# Jain Jindal & Co.

## Chartered Accountants

In light of the above, and on consideration of all the relevant factors and circumstances as discussed above and outlines hereinabove, we recommend the share exchange ratio as below:

- Merger of RHI India into ORL: "7,044 (Seven thousand and forty-four) equity shares of ORL of INR 1 each fully paid up for 100 (one hundred) equity shares of RHI India of INR 10 each fully paid up."
- Merger of RHI Clasil into ORL: "908 (Nine hundred and eight) equity shares of ORL of INR 1 each fully paid up for 1000 (one thousand) equity shares of RHI Clasil of INR 10 each fully paid up."

Respectfully submitted,

For **Jain Jindal & Co**

Chartered Accountants

Firm registration number: 025817N



**Amit Jindal**

Partner

Membership number: 504308



Place: Gurugram

Date: July 31, 2018

# Jain Jindal & Co.

Chartered Accountants

## Annexure 1: Valuation of Orient Refractories Limited as per Market Price method

S. no.	Week Start Date	Week End Date	Volume weighted average Price		
			High	Low	Average
1	30-Jan-18	5-Feb-18	169.89	160.36	165.13
2	6-Feb-18	12-Feb-18	169.14	156.55	162.85
3	13-Feb-18	19-Feb-18	171.34	170.20	170.77
4	20-Feb-18	26-Feb-18	172.16	170.12	171.14
5	27-Feb-18	5-Mar-18	170.12	161.70	165.91
6	6-Mar-18	12-Mar-18	162.08	157.42	159.75
7	13-Mar-18	19-Mar-18	161.72	157.03	159.37
8	20-Mar-18	26-Mar-18	160.40	157.54	158.97
9	27-Mar-18	2-Apr-18	160.92	158.76	159.84
10	3-Apr-18	9-Apr-18	167.25	158.99	163.12
11	10-Apr-18	16-Apr-18	167.28	165.49	166.39
12	17-Apr-18	23-Apr-18	166.98	162.81	164.90
13	24-Apr-18	30-Apr-18	165.02	162.87	163.95
14	1-May-18	7-May-18	164.49	161.26	162.87
15	8-May-18	14-May-18	159.74	154.88	157.31
16	15-May-18	21-May-18	180.82	159.96	170.39
17	22-May-18	28-May-18	189.77	176.34	183.05
18	29-May-18	4-Jun-18	185.93	175.14	180.53
19	5-Jun-18	11-Jun-18	178.99	165.96	172.48
20	12-Jun-18	18-Jun-18	182.84	178.18	180.51
21	19-Jun-18	25-Jun-18	183.37	177.03	180.20
22	26-Jun-18	2-Jul-18	172.86	168.98	170.92
23	3-Jul-18	9-Jul-18	179.72	169.96	174.84
24	10-Jul-18	16-Jul-18	183.65	174.26	178.95
25	17-Jul-18	23-Jul-18	175.79	173.27	174.53
26	24-Jul-18	30-Jul-18	206.58	174.67	190.62

Average of weekly high and low of volume of Weighted Average Price (VWAP) of ORL on NSE during 26 weeks preceding relevant date	<b>169.59</b>
Average of weekly high and low of volume of Weighted Average Price (VWAP) of ORL on NSE during 2 weeks preceding relevant date	<b>182.58</b>

Considering, average of weekly high and low of volume of Weighted Average Price (VWAP) of ORL on NSE during 2 weeks preceding relevant date is higher, we have considered INR 182.58 as market price of ORL.





# Jain Jindal & Co.

Chartered Accountants

## Annexure II

### Summary of valuation working for ORL and RHI India

Valuation Approach	ORL		RHI India	
	INR	Weight (%)	INR	Weight (%)
Asset Approach	NA	0%	NA	0%
Market Approach				
Market Price Approach	182.58	100%	NA	0%
Comparable Company Approach	NA	0%	12,508.75	70%
Income Approach	NA	0%	13,680.88	30%
<b>Relative Value per share*</b>	<b>182.58</b>	<b>100%</b>	<b>12,860.39</b>	<b>100%</b>

\*face value per share of INR 1 for ORL and INR 10 for RHI Clasil

NA = Not Applicable / Not Adopted

#### Share Exchange Ratio

“7,044 (Seven thousand and forty-four) equity shares of ORL of INR 1 each fully paid up for 100 (one hundred) equity shares of RHI India of INR 10 each fully paid up.”

## Annexure III

### Summary of valuation working for ORL and RHI Clasil

Valuation Approach	ORL		RHI Clasil	
	INR	Weight (%)	INR	Weight (%)
Asset Approach	NA	0%	NA	0%
Market Approach				
Market Price Approach	182.58	100%	NA	0%
Comparable Company Approach	NA	0%	152.84	50%
Income Approach	NA	0%	178.73	50%
<b>Relative Value per share*</b>	<b>182.58</b>	<b>100%</b>	<b>165.79</b>	<b>100%</b>

\*face value per share of INR 1 for ORL and INR 10 for RHI Clasil

NA = Not Applicable / Not Adopted

#### Share Exchange Ratio

“908 (Nine hundred and eight) equity shares of ORL of INR 1 each fully paid up for 1000 (one thousand) equity shares of RHI Clasil of INR 10 each fully paid up.”



## KEYNOTE

July 31, 2018

The Board of Directors  
Orient Refractories Limited  
804-A, Chiranjiv Tower,  
43 Nehru Place,  
New Delhi – 110019,  
India

Dear Sir/Madam,

Reg: Fairness Opinion on the valuation of the proposed merger of RHI India Pvt. Ltd. ("RHI India"), RHI Clasil Pvt. Ltd. ("RHI Clasil") with Orient Refractories Limited ("ORL").

Keynote Corporate Services Limited ("Keynote" or "we" or "us") is a Category I Merchant Banker registered with Securities Exchange Board of India ("SEBI"). We understand that the Board of Directors of Orient Refractories Limited ("ORL") is contemplating a corporate restructuring wherein it is considering a Composite Scheme of Amalgamation ("Scheme") for the merger of Orient Refractories Limited with RHI India Pvt. Ltd. and RHI Clasil Pvt. Ltd. The proposed realignment is to be carried out pursuant to the Composite Scheme of Amalgamation under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

In connection with the aforesaid, we have been requested by the Board of Directors of ORL to issue a Fairness Opinion as of the date hereof, as to the fairness of the Share Allotment/ Entitlement Ratio to the Equity Shareholders of ORL. We have perused the documents/ information provided by you in respect of the said Amalgamation and the Valuation Report as issued by Jain Jindal & Co. Chartered Accountants ("JJC") dated 31<sup>st</sup> July 2018.

**Company Profile:**

RHI Magnesita N.V. ("RHIM"), a company listed on London stock exchange is a global supplier of refractory products and systems which find application in high-temperature industrial processes exceeding 1,200°C in a range of industries, including steel, cement, non-ferrous metals, and glass, among others. RHIM has a vertically integrated value chain and serves more than 10,000 customers around the world. RHIM operates in India through three flagship companies RHI Clasil, RHI India and ORL.

ORL is a public company incorporated in 2010. Headquartered in New Delhi, India its manufacturing facility is located in Bhiwadi, Rajasthan. It is the ultimate subsidiary of RHIM, Netherlands and is held through Dutch US Holding B.V (69%)

It manufactures, produces, and distributes refractories, monolithics, and ceramic paper for the iron and steel industry primarily in India. ORL's customers include large domestic integrated steel producers and mini steel plants that include Steel Authority of India, Mukund Steel, Tata Iron and Steel Company, RINL – Vizag, Sunflag Iron, Lloyd Steel, Usha Martin and the Jindal Group.

RHI India was incorporated on 15 June 2007 is the ultimate subsidiary of RHIM, Netherlands and is held through Dutch Brasil Holding B.V (85%) and VRD Americas B.V, Netherlands (15%). The Company is engaged in trading refractory materials for Steel Industries in their various production process/equipment.



Page 1 of 5

**Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net  
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## KEYNOTE

The Company supplies majority of products to steel manufacturers and it also provides total refractory management solutions, under which company supplies material, install refractory in the furnace, ladle, tundish of customers, supply machines to carry of installation work, supervise refractory installation and maintenance operations.

RHI Clasil Ltd. is a subsidiary of VRD Americas B.V, Netherlands and its ultimate holding company is RHIM, Netherlands. The Company is engaged in business of manufacturing of refractory materials and operates as contract manufactures for RHIM group.

The Company was incorporated in December 2005 as a Private Limited Company under the name Arsha Ceramics Private Limited. Subsequent to the acquisition of 51 percent stake by RHIM group, the name of the Company had been changed to RHI Clasil Private Limited in 2007.

Presently, RHIM Group holds 53.72 percent of the share capital in RHI Clasil through its subsidiary VRD Americas B.V, Netherlands. The balance 46.28 percent is held by erstwhile Indian Promoters of the Company.

### Rationale of the Report:

In order to consolidate and effectively manage the Transferor Company and the Transferee Companies in a single entity and to achieve inter-alia economies of scale and efficiency, the merger of the Company is being undertaken. The management of each of the Parties is of the opinion that the amalgamation of the Transferor Company with the Transferee Companies would inter alia have the following benefits:

- (a) simplification of the corporate structure and consolidation of the India businesses of the RHI Magnesita N.V. group;
- (b) business and operational synergies;
- (c) enhanced shareholder value pursuant to economies of scale;
- (d) optimum utilization of resources due to pooling of management, expertise, technologies and other resources of the companies;
- (e) improved allocation of capital and optimization of cash flows contributing to the overall growth prospects of the combined entity; and
- (f) creation of a larger asset base and facilitation of access to better financial resources.



Page 2 of 5

### **Keynote Corporate Services Limited**

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**KEYNOTE**

**Sources of Information:**

For arriving at the Fairness Opinion set forth below, we have relied upon the following sources of information:

- Valuation Report by Jain Jindal & Co. Chartered Accountants 30<sup>th</sup> July 2018;
- Draft Composite Scheme of Amalgamation between ORL, RHI India, RHI Clasil and their Respective Shareholders.
- Audited financials of ORL & RHI India & RHI Clasil for the year ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017;
- Projected Financials for the five year period from financial year 2019 to 2022 of RHI India and financial year 2019 to 2023 RHI Clasil;
- Shareholding pattern of ORL & RHI India & RHI Clasil as at 31<sup>st</sup> March 2018 ;
- Other relevant information/documents regarding ORL & RHI India & RHI Clasil including information available through public domain

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our Analysis.

**Our Recommendation:**

As stated in the Valuation Report by Jain Jindal & Co. Chartered Accountants, they have recommended the following:

**Merger of RHI India into ORL: "7,044 (Seven thousand and forty-four) equity shares of ORL of INR 1 each fully paid up for 100 (One Hundred) equity shares of RHI India of INR 10 each fully paid up."**

**Merger of RHI Clasil into ORL: "908 (Nine hundred & eight) equity shares of ORL of INR 1 each fully paid up for 1000 (One thousand) equity shares of RHI Clasil of INR 10 each fully paid up."**

The aforesaid Amalgamation shall be pursuant to the Draft Composite Scheme of Amalgamation and shall be subject to receipt of approval from the National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the Amalgamation are more fully set forth in the Draft Composite Scheme of Amalgamation. Keynote has issued the Fairness Opinion with the understanding that Draft Composite Scheme of Amalgamation shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Composite Scheme of Amalgamation alters the transaction

Based on the information, data made available to us, including the Valuation Report, to the best of our knowledge and belief, the valuation as suggested by JJCO under the proposed Scheme of Amalgamation is fair in our opinion.

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by ORL, RHI India and RHI Clasil for the purpose of this opinion. With respect to the estimated financials provided to us by



Page 3 of 5

**Keynote Corporate Services Limited**

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## KEYNOTE

the managements of RHI India and RHI Clasil, we have assumed that such financials were prepared in good faith and reflect the best currently available estimates and judgments by the managements of RHI India and RHI Clasil. We express no opinion and accordingly accept no responsibility with respect to or for such estimated financials or the assumptions on which they were based. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of ORL, RHI India and RHI Clasil. We have solely relied upon the information provided to us by ORL, RHI India and RHI Clasil. We have not reviewed any books or records of ORL, RHI India and RHI Clasil (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of ORL, RHI India and RHI Clasil and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of ORL, RHI India and RHI Clasil. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by ORL, RHI India and RHI Clasil for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of ORL, RHI India and RHI Clasil with respect to these matters. In addition, we have assumed that the Draft Scheme of Amalgamation will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Amalgamation.

We understand that the managements of ORL, RHI India and RHI Clasil during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Scheme of Amalgamation, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that ORL, RHI India and RHI Clasil may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving ORL, RHI India and RHI Clasil or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as financial advisors to ORL, RHI India and RHI Clasil for providing a fairness opinion on the proposed transaction and will receive professional fees for our services.

In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the transaction.

The Fairness Opinion is addressed only to the Board of Directors of ORL and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of ORL and the Stock Exchanges and also be made part of the explanatory statement to be



Page 4 of 5

### Keynote Corporate Services Limited

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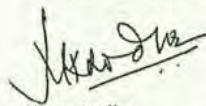
## KEYNOTE

circulated to the shareholders and/ or creditors of the Company. The Fairness Opinion should be read in totality and not in parts. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Keynote's prior written consent. If this Fairness Opinion is used by any person other than whom it is addressed or for any purpose other than the purpose state hereinabove, then we will not be liable for any consequences thereof.

We express no opinion whatsoever and make no recommendation at all as to ORL's underlying decision to effect to the proposed transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of ORL, RHI India and RHI Clasil should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of ORL will trade following the announcement of the transaction or as to the financial performance of ORL, RHI India and RHI Clasil following the consummation of the transaction.

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, ORL, RHI India, RHI Clasil and their affiliates shall indemnify them.

For KEYNOTE CORPORATE SERVICES LTD

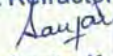


Nipun Lodha  
Executive Vice-President & Head - Corporate Finance  
SEBI Registration No. INM000003606  
(Merchant Banker)



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For Orient Refractories Ltd.



Sanjay Kumar  
(Company Secretary)

Page 5 of 5

### Keynote Corporate Services Limited

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CIN-L67120MH1993PLC072407





# ORIENT REFRACTORIES LTD.

(AN RHI MAGNESITA COMPANY)

October 4, 2018

To,  
Manager – Listing Compliance Department  
National Stock Exchange of India Limited  
'Exchange Plaza', C-1, Block G  
Bandra Kurla Complex  
Bandra (East), Mumbai – 400 051

NSE Symbol: ORIENTREF

ISIN: INE743M01012

Ref: Application No: 18392

Ref: Application under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Composite Scheme of Amalgamation of RHI India Private Limited, RHI Clasil Private Limited with and into Orient Refractories Limited (the *Company*)

Dear Sir / Madam,

Sub: Report on Complaints as per paragraph I(A)(6)(b) of Annexure I of the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (the *SEBI Circular*)

We refer to our letter dated September 03, 2018 on the captioned subject. Please note that 21 days have expired from hosting the Draft Scheme on the website of the National Stock Exchange of India Limited on October 03, 2018. Accordingly, please find below the Report on Complaints as per the format specified in Annexure III of the SEBI Circular for a status of complaints received by the Company from September 12, 2018 to October 3, 2018.

As required under the SEBI Circular, the Report on Complaints is also uploaded on the website of the Company at <http://www.orientrefractories.com/scheme.htm>.

Yours faithfully

for Orient Refractories Limited

Sanjay Kumar  
Company Secretary  
(ACS - 17021)

End: As Above



## Works :

Plot-149/A & B, MIDCO Road/151/10000  
Bhiwadi- 301019  
Dist. Alwar, Rajasthan, India  
Phone: +91-1494-222255, 67, 388  
Fax: +91-1494-222259  
Email: [bhiwadi@orlindia.com](mailto:bhiwadi@orlindia.com)

## Registered Office :

U-604, Neelkanth Business Park, Opp. Railway Station,  
Vidhyavihar (West), Mumbai, MAHARASHTRA - 400086  
Tel.: +91 22 660 90 600  
Fax: +91 22 660 90 601  
Web: [www.orientrefractories.com](http://www.orientrefractories.com)  
E-mail: [hq@orlindia.com](mailto:hq@orlindia.com)  
CIN: 28113MH2010PLC312877



# ORIENT REFRACTORIES LTD.

(AN RHI MAGNESITA COMPANY)



## REPORT ON COMPLAINTS

### PART A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	nil
2.	Number of complaints forwarded by Stock Exchanges / SEBI	nil
3.	Total number of complaints / comments received (1+2)	nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

### PART B

Sr. No.	Name of Complainant	Date of Complaint	Status (Resolved / Pending)
1.	Not Applicable	Not Applicable	Not Applicable

for Orient Refractories Limited

*Sanjay Kumar*

Sanjay Kumar  
Company Secretary  
(ACS - 17021)



#### Works :

SF-348 A & B, BICO Industrial Area,  
Bhiwadi - 301019  
Dist. Alwar, Rajasthan, India  
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Fax : +91-1493-222269  
Email : bhiwadi@orilindia.com

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Fax : +91 22 660 90 601  
Web. : www.orientrefractories.com  
E-mail : hr@orilindia.com  
CIN : L28113MH2010PLCE12673



# ORIENT REFRACTORIES LTD.

(AN RHI MAGNESITA COMPANY)



October 4, 2018

To,  
General Manager  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001

SECURITY CODE: 534076

ISIN: INE743M01012

Ref: Application No: 84154

Ref: Application under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Composite Scheme of Amalgamation of RHI India Private Limited, RHI Clasil Private Limited with and into Orient Refractories Limited (the Company)

Dear Sir / Madam,

**Sub: Report on Complaints as per paragraph I(A)(6)(b) of Annexure I the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (the SEBI Circular)**

We refer to our letter dated September 03, 2018 on the captioned subject. Please note that 21 days have expired from hosting the Draft Scheme on the website of the BSE Limited on October 01, 2018. Accordingly, please find below the Report on Complaints as per the format specified in Annexure III of the SEBI Circular for a status of complaints received by the Company from September 10, 2018 to October 3, 2018.

As required under the SEBI Circular, the Report on Complaints is also uploaded on the website of the Company at <http://www.orientrefractories.com/scheme.htm>.

Yours faithfully

for Orient Refractories Limited

Sanjay Kumar  
Company Secretary  
(ACS - 17021)



Encl: As Above

## Works :

17-18/1A & B, BICO Industrial Area,  
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Fax : +91 22 660 90 601  
Web : [www.orientrefractories.com](http://www.orientrefractories.com)  
E-mail : [ho@orlindia.com](mailto:ho@orlindia.com)  
CIN : L28130MH2010PLC312871



RHI MAGNESITA



# ORIENT REFRACTORIES LTD.

(AN RHI MAGNESITA COMPANY)



## REPORT ON COMPLAINTS

### PART A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	nil
2.	Number of complaints forwarded by Stock Exchanges / SEBI	nil
3.	Total number of complaints / comments received (1+2)	nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

### PART B

Sr. No.	Name of Complainant	Date of Complaint	Status (Resolved / Pending)
1.	Not Applicable	Not Applicable	Not Applicable

for Orient Refractories Limited

*Sanjay Kumar*

Sanjay Kumar  
Company Secretary  
(ACS - 17021)



#### Works :

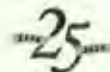
Plot-148 A & B, MIDC Industrial Area,  
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Phone : +91 1493-222266, 67, 68  
Fax : +91 1493-222269  
Email : bhiwadi@orlindia.com

#### Registered Office :

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Vidhyavihar (West), Mumbai, MAHARASHTRA - 400086  
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Fax : +91 22 660 90 601  
Web : www.orientrefractories.com  
Email : hq@orlindia.com  
CIN : L28113MH2010PLC312671



RHI MAGNESITA



# National Stock Exchange Of India Limited

Ref: NSE/LIST/63470

October 12, 2018

The Company Secretary  
Orient Refractories Limited  
804A, Chiranjiv Tower,  
43, Nehru Place,  
New Delhi, Delhi 110001

Kind Attn.: Mr. Sanjay Kumar

Dear Sir,

**Sub: Observation Letter for the composite Scheme of Amalgamation among RHI India Private Limited and RHI Clasil Private Limited and Orient Refractories Limited**

We are in receipt of the composite Scheme of Amalgamation among RHI India Private Limited and RHI Clasil Private Limited and Orient Refractories Limited and their respective shareholders and creditors vide application dated September 04, 2018.

Based on our letter reference no Ref: NSE/LIST/61329 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("Circular"), SEBI vide letter dated October 12, 2018, has given following comments:

- a. *The Company to ensure disclosure with respect to the information pertaining to Mr. Vijay Sharma, being a director of BMM Ispat Ltd., which has been declared as a defaulter in relation to loans availed by the Company from Bank of India and Vijaya Bank under the heading "Action taken by SEBI/RBI" and the same is brought to the notice of the shareholders and Hon'ble NCLT*
- b. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the receipt of this letter is displayed on the website of the listed company.*
- c. *The Company shall duly comply with various provisions of the Circulars.*
- d. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- e. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations.*

This Document is Digitally Signed

National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra Kurla |  
India +91 22 26592100 | www.nseindia.com | CIN U67120MH1992PLC069769



Signer: Himesh Rajeev Mathradas  
Date: Fri, Oct 12, 2018 16:12:57 IST  
Location: NSE,  
(E), Mumbai - 400 051,

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**National Stock Exchange Of India Limited**

*Continued*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from October 12, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,  
**For National Stock Exchange of India Limited**

Hitesh Malhotra  
Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL [http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)

This Document is Digitally Signed



Signer: Hitesh Ramesh Malhotra  
Date: Fri, Oct 12, 2018 15:12:57 IST  
Location: NSE

*Certified to be true Copy*

**For Orient Refractories Ltd.**

*Sanjay*  
**Sanjay Kumar**  
(Company Secretary)





DCS/AMAL/BA/R37/1304/2018-19

October 12, 2018

The Company Secretary,  
**ORIENT REFRACTORIES LTD**  
 C-604, Neelkanth Business Park, Opp. Railway Station Vidyavihar (West),  
 Mumbai, Maharashtra, 400086

Sir,

**Sub: Observation letter regarding the Draft scheme of arrangement of RHI India Private Limited and RHI Clasil Private Limited with Orient Refractories Limited and their Respective Shareholders and Creditors.**

We are in receipt of Draft scheme of arrangement of RHI India Private Limited and RHI Clasil Private Limited with Orient Refractories Limited and their Respective Shareholders and Creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated October 12, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure disclosure with respect to the information pertaining to Vijay Sharma, being a director in BMM Ispat Ltd., which has been declared as a defaulter in relation to loans availed by the company from Bank of India and Vijaya Bank under the heading "Action taken by SEBI/RBI" and the same is brought to the notice of shareholders and Hon'ble NCLT."
- "Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the



BSE Limited (Formerly Bombay Stock Exchange Ltd.)  
 Registered Office : Floor 25, P / Towers, Dalal Street, Mumbai 400 001 India  
 T: +91 22 2272 1234/333 E: corp.com@bseindia.com | www.bseindia.com  
 Corporate Identity Number : L67120F9H2005PLC133188

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(2)

shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

  
**Nitinkumar Pujari**  
Senior Manager







Manager  
Corporation Finance Department  
Division of Issues and Listing-I  
Phone: +91-22 26449000 (Extn.: 3546)  
Email: [komalb@sebi.gov.in](mailto:komalb@sebi.gov.in)

भारतीय प्रतिभूति  
और विनियम बोर्ड

Securities and Exchange  
Board of India

CFD/DIL-1/YJ/KB/28734/2018  
October 12, 2018

Ms. Yukti Sharma  
Associate Vice President  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, G Block,  
Bandra Kurla Complex,  
Bandra East,  
Mumbai – 400051

Dear Sir,

**Sub: Draft Scheme of Arrangement of RHI India Private Limited and RHI Clasil Private Limited with Orient Refractories Limited.**

1. This has reference to your letter No. NSE/LIST/57331 dated September 12, 2018 forwarding the application of Draft Scheme of Arrangement of of RHI India Private Limited and RHI Clasil Private Limited with Orient Refractories Limited filed in accordance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (hereinafter referred to as 'the Circular') for our comments on the draft Scheme of Arrangement (hereinafter referred to as 'draft Scheme').
2. The matter has been examined by SEBI in the light of the provisions under Part A, Annexure I of the aforesaid Circular. Accordingly, SEBI's comments on the draft Scheme are as under:
  - a. NSE to ensure disclosure with respect to the information pertaining to Vijay Sharma, being a director in BMM Ispat Ltd., which has been declared as a defaulter in relation to loans availed by the company from Bank of India and Vijaya Bank under the heading "Action taken by SEBI /RBI" and the same is brought to the notice of shareholders and Hon'ble NCLT
  - b. The Stock Exchange shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.
  - c. Stock Exchange(s) to ensure compliance with the said Circular.
  - d. The company shall duly comply with various provisions of the Circular.

सेबी कार्यालय, प्लॉट नं. सी-4 'अ', जवाहर नगर, बंदरा कुरला कॉम्प्लेक्स, मुंबई-400 051, • दूरभाष : 2644 9000 • फैक्स : 2644 9019 to 2644 9022  
वेब : [www.sebi.gov.in](http://www.sebi.gov.in)

रही इंडिया प्रा. लि. प्लॉट नं. C-46, G Block, Bandra Kurla Complex, Mumbai-400 051, • टेल : 2644 9000 • फ़ैक्स : 2644 9019 to 2644 9022  
वेब : [www.rhiltd.com](http://www.rhiltd.com)

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अनुवर्ती :  
Continuation :

भारतीय प्रतिभूति  
और विनिमय बोर्ड  
**Securities and Exchange  
Board of India**

- e. Stock exchange shall advise the company that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.
3. It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.
4. Please note that the submission of documents/information in accordance with the Circulars, to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Yours faithfully,

Komal Bais

c.c: BSE Limited

*Certified to be true Copy*

For Orient Refractories Ltd.

Sanjay Kumar  
(Company Secretary)

# Jain Jindal & Co.

Chartered Accountants

## Annexure II

### Summary of valuation working for ORL and RHI India

Valuation Approach	ORL		RHI India	
	INR	Weight (%)	INR	Weight (%)
Asset Approach	NA	0%	NA	0%
Market Approach				
Market Price Approach	182.58	100%	NA	0%
Comparable Company Approach	NA	0%	12,508.75	70%
Income Approach	NA	0%	13,680.88	30%
<b>Relative Value per share*</b>	<b>182.58</b>	<b>100%</b>	<b>12,860.39</b>	<b>100%</b>

\*face value per share of INR 1 for ORL and INR 10 for RHI Clasil

NA = Not Applicable / Not Adopted

Share Exchange Ratio
“7,044 (Seven thousand and forty-four) equity shares of ORL of INR 1 each fully paid up for 100 (one hundred) equity shares of RHI India of INR 10 each fully paid up.”

## Annexure III

### Summary of valuation working for ORL and RHI Clasil

Valuation Approach	ORL		RHI Clasil	
	INR	Weight (%)	INR	Weight (%)
Asset Approach	NA	0%	NA	0%
Market Approach				
Market Price Approach	182.58	100%	NA	0%
Comparable Company Approach	NA	0%	152.84	50%
Income Approach	NA	0%	178.73	50%
<b>Relative Value per share*</b>	<b>182.58</b>	<b>100%</b>	<b>165.79</b>	<b>100%</b>

\*face value per share of INR 1 for ORL and INR 10 for RHI Clasil

NA = Not Applicable / Not Adopted

Share Exchange Ratio
“908 (Nine hundred and eight) equity shares of ORL of INR 1 each fully paid up for 1000 (one thousand) equity shares of RHI Clasil of INR 10 each fully paid up.”



# ORIENT REFRACTORIES LTD.

(AN RHI MAGNESITA COMPANY)



REPORT BY THE BOARD OF DIRECTORS OF ORIENT REFRACTORIES LIMITED (THE COMPANY) ON THE PROPOSED SCHEME OF MERGER BETWEEN AND AMONG RHI INDIA PRIVATE LIMITED, RHI CLASIL PRIVATE LIMITED AND THE COMPANY AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

## I. Background

The board of directors of the Company at its meeting held on 31 July 2018, approved the proposed scheme of merger of RHI India Private Limited (*RHI India*) and RHI Clasil Private Limited (*RHI Clasil*) with and into the Company (the *Scheme*) to be implemented under Sections 230 – 232 and other applicable provisions of the Companies Act, 2013 (the *Companies Act*).

Pursuant to Section 232(2)(c) of the Companies Act, the board of directors of the companies involved in a scheme of merger / arrangement are required to adopt a report explaining the effect of the scheme on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties. Such report is required to be circulated to the shareholders and the creditors of the relevant companies, together with the notices for the meetings of the shareholders and the creditors.

Accordingly, this report has been prepared in accordance with the requirements of Section 232(2)(c) of the Companies Act. While deliberating on the Scheme at the meeting held on 31 July 2018, the following documents were placed before the board of directors of the Company and were considered and taken on record:

- proposed draft of the Scheme;
- valuation report dated 31 July 2018, received from Jain, Jindal & Co., an independent chartered accountant, setting out the recommended share exchange ratio (the Valuation Report);
- fairness opinion dated 31 July 2018, received from Keynote Corporate Services Limited, a SEBI registered merchant banker (the Fairness Opinion);
- report of the audit committee of the Directors dated 31 July 2018; and
- a draft certificate from the statutory auditors of the Company, M/s. PriceWaterhouse, LLP., Chartered Accountants, confirming that the draft Scheme is in compliance with applicable accounting treatment notified under the Companies Act, 2013 and other generally accepted accounting principles.

## II. Effect of the proposed Scheme

### 1. Shareholders / promoter – non promoter shareholders

On the effective date, and as enumerated in Clause 3.5 of the proposed Scheme, the Company shall issue and allot a total of 2,41,49,931 equity shares to the shareholders of RHI India and 1,67,07,200 equity shares to the shareholders of RHI Clasil respectively.

The authorised share capital of RHI India and RHI Clasil respectively shall stand transferred to and be amalgamated with the share capital of the Company in the manner as enumerated in Clause 3.1 of the proposed Scheme. Accordingly, Clause V of the memorandum of association of the Company will also get amended.

*Certified true copy*



### Works :

SF-148 A & B, RIICO Industrial Area,  
Bhiwadi - 301019  
Dist. Alwar, Rajasthan, India  
Phone : +91-1493-222266, 67, 68  
Fax : +91-1493-222269  
Email : bhiwadi@orientindia.com

### Registered Office :

B04-A, Chiranjiv Tower,  
43 Nehru Place, New Delhi-110019, India  
Phone : +91-11-41518482  
Web : www.orientrefractories.com  
E-mail : ho@orientindia.com  
CIN No. : L28113DL2010PLC210819





**2. Employees (including key managerial personnel)**

As stated in Clause 3.1 of the proposed Scheme, all the staff and employees of the Company who are in such employment on the effective date of the proposed Scheme, will continue on the same terms and conditions on which they were engaged. No rights of the staff or the employees of the Company are being affected as a result of the proposed Scheme.

None of the key managerial personnel of the Company is concerned or interested, financially or otherwise, in the proposed Scheme.

**3. Creditors**

Under the proposed Scheme, there is no arrangement with the creditors (either secured or unsecured) of the Company. No compromise is offered under the proposed Scheme to any of the creditors of the Company. The liability towards the creditors of the Company is being neither reduced nor extinguished and consequently, the creditors of the Company will not be affected in any manner by the proposed Scheme.

**4. Debenture holders / depositors**

As on date, the Company does not have any debenture holders or public deposits.

**5. Directors**

The directors of the Company or their relatives do not have any other interest in the proposed Scheme except to the extent of their shareholding, if any. Further, none of the directors and / or relatives of the directors of the Company are concerned or interested, financially or otherwise, in the proposed Scheme. RHI India and RHI Clasil (the **Transferor Companies**) shall cease to exist and thus the question of any change in the Directors of the Transferor Companies does not arise.

Apart from the above, the Scheme does not affect the material interests of any of the key managerial personnel, promoters, shareholders, creditors or employees of the Transferor Companies or the Company in any manner.

**III. Valuation**

The report of valuation has been obtained from Jain, Jindal & Co. No special valuation difficulties were reported. Further, the Fairness Opinion has also opined that the share exchange ratio is fair to the shareholders from a financial point of view.

The share entitlement ratio is as under:

- (a) for every 100 equity shares of RHI India of face value of Rs. 10 each held in RHI India, every shareholder of RHI India, shall without any application, act or deed, be entitled to receive 7,044 equity shares of face value of Re. 1 each of the Company, credited as fully paid up on the same terms and conditions of issue as prevalent in the Company; and
- (b) for every 1000 equity shares of RHI Clasil of face value of Rs. 10 each held in RHI Clasil, every shareholder of RHI Clasil, shall without any application, act or deed, be entitled to receive 908 equity shares of face value of Re. 1 each of the Company, credited as fully paid up on the same terms and conditions of issue as prevalent in the Company.

For and on behalf of Board of Directors of  
Orient Refractories Limited

*Certified to be true*  
**For Orient Refractories Ltd.**

*Sanjay*  
**Sanjay Kumar**  
**(Company Secretary)**  
*(ACC-17021)*

*Vijay Sharma*

Dr. Vijay Sharma  
Chairman  
(DIN: 00880113)

Date: 31 July 2018  
Place: Gurugram, Haryana





RHI MAGNESITA

RHI India Private Limited  
 Newmont Business Park,  
 C-604, Cypri, Railway Station,  
 Vidyavihar (West), Mumbai - 400066  
 Tel: +91 22 60090600  
 Fax: +91 22 66090601  
 E-mail: belapur@rhimagnesita.com  
 rhimagnesita.com  
 RHI CIN No.: U25119MH2007PTC171713

**REPORT BY THE BOARD OF DIRECTORS OF RHI INDIA PRIVATE LIMITED (THE COMPANY) ON THE PROPOSED SCHEME OF MERGER BETWEEN AND AMONG THE COMPANY, RHI CLASIL PRIVATE LIMITED AND ORIENT REFRACTORIES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.**

**I. Background**

The board of directors of the Company at its meeting held on 31 July 2018, approved the proposed scheme of merger of the Company and RHI Clasil Private Limited (*RHI Clasil*) with and into Orient Refractories Limited (*ORL*) (the *Scheme*) to be implemented under Sections 230 – 232 and other applicable provisions of the Companies Act, 2013 (the *Companies Act*).

Pursuant to Section 232(2)(c) of the Companies Act, the board of directors of the companies involved in a scheme of merger / arrangement are required to adopt a report explaining the effect of the scheme on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties. Such report is required to be circulated to the shareholders and creditors of the relevant companies, together with the notices for the meetings of the shareholders and the creditors.

Accordingly, this report has been prepared in accordance with the requirements of Section 232(2)(c) of the Companies Act. While deliberating on the Scheme at the meeting held on 31 July 2018, the following documents were placed before the board of directors of the Company and were considered and taken on record:

- (a) proposed draft of the Scheme; and
- (b) valuation report dated 31 July 2018, received from Jain, Jindal & Co., an independent chartered accountant, setting out the recommended share exchange ratio (the *Valuation Report*).

**II. Effect of the proposed Scheme**

**1. Shareholders / promoter – non promoter shareholders**

The Company has only one category of shares (i.e. equity shares) and these shares are held by the promoters of the Company (i.e. Dutch Brasil Holding B.V., Netherlands and VRD Americas B.V., Netherlands). Accordingly, the Company does not have any non-promoter / public shareholders.

As stated in Clause 3.5 of the proposed Scheme and based on the Valuation Report, the shareholders of the Company shall be issued and allotted 2,41,49,931 shares of ORL. Pursuant to the proposed Scheme, the Company will cease to exist and ORL will hold the assets and liabilities of the Company directly.

**2. Employees (including key managerial personnel)**

As stated in Clause 3.1 of the proposed Scheme, all the staff and employees of the Company who are in such employment on the effective date of the proposed Scheme, will become staff and employees of ORL, and subject to the provisions of the proposed Scheme, on terms and conditions not less favorable





than those on which they are engaged by the Company and without any interruption of or break in service as a result of the proposed Scheme.

None of the key managerial personnel of the Company is concerned or interested, financially or otherwise, in the proposed Scheme.

### 3. Creditors

Under the proposed Scheme, there is no arrangement with the creditors (either secured or unsecured) of the Company. With effect from the effective date, and as provided in Clause 3.1 of the proposed Scheme, the creditors of the Company shall become the creditors of ORL. No compromise is offered under the proposed Scheme to any of the creditors of the Company. The liability towards the creditors of the Company is being neither reduced nor extinguished and consequently, the creditors of the Company will not be affected in any manner by the proposed Scheme.

### 4. Debenture holders / depositors

As on date, the Company does not have any debenture holders or public deposits.

### 5. Directors

The directors of the Company or their relatives do not have any other interest in the proposed Scheme except to the extent of their shareholding, if any. Further, none of the directors and / or relatives of the directors of the Company are concerned or interested, financially or otherwise, in the proposed Scheme. RHI Clasil and the Company (the *Transferor Companies*) shall cease to exist and thus the question of any change in the Directors of the Transferor Companies does not arise.

Apart from the above, the Scheme does not affect the material interests of any of the key managerial personnel, promoters, shareholders, creditors or employees of the Transferor Companies or ORL in any manner.

## III. Valuation:

The report of valuation has been obtained from Jain, Jindal & Co. No special valuation difficulties were reported.

The share entitlement ratio is as under:

- (a) for every 1000 equity shares of RHI Clasil of face value of INR 10 each held in RHI Clasil, every shareholder of RHI Clasil, shall without any application, act or deed, be entitled to receive 908 equity shares of face value of INR 1 each of ORL, credited as fully paid up on the same terms and conditions of issue as prevalent in ORL; and
- (b) for every 100 equity shares of the Company of face value of INR 10 each held in the Company, every shareholder of the Company, shall without any application, act or deed, be entitled to receive 7,044 equity shares of face value of INR 1 each of ORL, credited as fully paid up on the same terms and conditions of issue as prevalent in ORL.

For and behalf of the board of directors of  
RHI India Private Limited



Sanjeev Bhargava  
DIRECTOR  
[DIN: 07379141]





## Clasil

RHI CLASIL PRIVATE LIMITED  
 301-302, Orbit Plaza, New Prabhadevi  
 Road, Prabhadevi, Mumbai, Mumbai  
 City, Maharashtra, India-400025  
 E ven\_ info@rhimagresita.com  
 www.rhimagnesita.com  
 CIN: 1126914MH2005PTC311526

**REPORT BY THE BOARD OF DIRECTORS OF RHI CLASIL PRIVATE LIMITED  
 (THE COMPANY) ON THE PROPOSED SCHEME OF MERGER BETWEEN AND  
 AMONG THE COMPANY, RHI INDIA PRIVATE LIMITED AND ORIENT  
 REFRACTORIES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND  
 CREDITORS.**

**I. Background**

The board of directors of the Company at its meeting held on 31 July 2018, approved the proposed scheme of merger of RHI India Private Limited (*RHI India*) and the Company with and into Orient Refractories Limited (*ORL*) (the *Scheme*) to be implemented under Sections 230 – 232 and other applicable provisions of the Companies Act, 2013 (the *Companies Act*).

Pursuant to Section 232(2)(c) of the Companies Act, the board of directors of the companies involved in a scheme of merger / arrangement are required to adopt a report explaining the effect of the scheme on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties. Such report is required to be circulated to the shareholders and creditors of the relevant companies, together with the notices for the meetings of the shareholders and the creditors.

Accordingly, this report has been prepared in accordance with the requirements of Section 232(2)(c) of the Companies Act. While deliberating on the Scheme at the meeting held on 31 July 2018, the following documents were placed before the board of directors of the Company and were considered and taken on record:

- (a) proposed draft of the Scheme; and
- (b) valuation report dated 31 July 2018, received from Jain, Jindal & Co., an independent chartered accountant, setting out the recommended share exchange ratio (the *Valuation Report*).

**II. Effect of the proposed Scheme**

**1. Shareholders / promoter – non promoter shareholders**



The Company has only one category of shares (i.e. equity shares) and these shares are held by the promoters of the Company promoters (i.e. VRD Americas B.V., Netherlands and the nine Indian individual promoters (viz. (i) Dr. Rudraraju Venkata Raju; (ii) Rudraraju Venkata Suryanarayana Raju; (iii) Venkata Narsimha Raju; (iv) K. Aruna Kumari; (v) K. Pavan Kumar; (vi) K. Pradeep Kumar; (vii) A. Srinivasa Raju; (viii) P. Gayathri; and (ix) R. Udaya Rekha). Accordingly, the Company does not have any non-promoter / public shareholders.

As stated in Clause 3.5 of the proposed Scheme and based on the Valuation Report, the shareholders of the Company shall be issued and allotted 1,67,07,200 shares of ORL. Pursuant to the proposed Scheme, the Company will cease to exist and ORL will hold the assets and liabilities of the Company directly.

## **2. Employees (including key managerial personnel)**

As stated in Clause 3.1 of the proposed Scheme, all the staff and employees of the Company who are in such employment on the effective date of the proposed Scheme, will become staff and employees of ORL, and subject to the provisions of the proposed Scheme, on terms and conditions not less favorable than those on which they are engaged by the Company and without any interruption of or break in service as a result of the proposed Scheme.

None of the key managerial personnel of the Company is concerned or interested, financially or otherwise, in the proposed Scheme.

## **3. Creditors**

Under the proposed Scheme, there is no arrangement with the creditors (either secured or unsecured) of the Company. With effect from the effective date, and as provided in Clause 3.1 of the proposed Scheme, the creditors of the Company shall become the creditors of ORL. No compromise is offered under the proposed Scheme to any of the creditors of the Company. The liability towards the creditors of the Company is being neither reduced nor extinguished and consequently, the creditors of the Company will not be affected in any manner by the proposed Scheme.

## **4. Debenture holders / depositors**

As on date, the Company does not have any debenture holders or public deposits.

## **5. Directors**

The directors of the Company or their relatives do not have any other interest in the proposed Scheme except to the extent of their shareholding, if any. Further, none of the directors and / or relatives of the directors of the Company are concerned or interested, financially or otherwise, in the proposed Scheme. RHI India and the Company (the *Transferor Companies*) shall cease to



exist and thus the question of any change in the Directors of the Transferor Companies does not arise.

Apart from the above, the Scheme does not affect the material interests of any of the key managerial personnel, promoters, shareholders, creditors or employees of the Transferor Companies or ORL in any manner.

### **III. Valuation:**

The report of valuation has been obtained from Jain, Jindal & Co.. No special valuation difficulties were reported.

The share entitlement ratio is as under:

- (a) for every 100 equity shares of RHI India of face value of INR 10 each held in RHI India, every shareholder of RHI India, shall without any application, act or deed, be entitled to receive 7,044 equity shares of face value of INR 1 each of ORL, credited as fully paid up on the same terms and conditions of issue as prevalent in ORL; and
- (b) for every 1000 equity shares of the Company of face value of INR 10 each held in the Company, every shareholder of the Company, shall without any application, act or deed, be entitled to receive 908 equity shares of face value of INR 1 each of ORL, credited as fully paid up on the same terms and conditions of issue as prevalent in ORL.

For and behalf of the board of directors of  
**RHI Clasil Private Limited**

  
Rudraraju Venkata Raju  
Chairman & Managing Director  
DIN: 00390746





## Price Waterhouse Chartered Accountants LLP

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

1. We have reviewed the unaudited financial results of Orient Refractories Limited (the "Company") for the quarter ended December 31, 2018 which are included in the accompanying unaudited financial statement for quarter and nine months ended December 31, 2018 together with notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

  
Abhishek Rana  
Partner  
Membership Number: 077779

Place: Gurugram  
Date: February 14, 2019

Price Waterhouse Chartered Accountants LLP, Building No. 8, 7th & 8th Floor, Tower - B, DLF Cyber City  
Gurgaon - 122 002  
T: +91 (124) 4620000, 3060000, F: +91 (124) 4620620

Registered office and head office: Sucheta Bhawan, 118 Vasant Dharma Marg, New Delhi-110 052

Price Waterhouse is a Partnership Firm, converted into Price Waterhouse Chartered Accountants LLP (a limited liability Partnership with LLP identity no. LLPIN AAC-5055) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N).

# ORIENT REFRACTORIES LIMITED

(an IRI Magnesia Company)  
 Regd. Office : C-604, Navikant Business Park, Opp. Railway Station, Vidyavihar (West), Mumbai, Maharashtra-400085  
 CIN : L2811MH2010PLC12871  
 Phone No. : +91-22-66090600 ; Fax No. : +91-22-66090601  
 Email : info@orientrefractories.com ; Website : www.orientrefractories.com

## Unaudited Financial Results for the Quarter and Nine months ended December 31, 2018

Particulars		Quarter ended December 31, 2018 (Unaudited)	Quarter ended September 30, 2018 (Unaudited)	Quarter ended December 31, 2017 (Unaudited)	Nine months ended December 31, 2018 (Unaudited)	Nine months ended December 31, 2017 (Unaudited)	Year ended March 31, 2018 (Audited)
<b>Income</b>							
1	Revenue from operations	19,577.87	18,669.75	15,782.70	56,056.97	45,673.55	63,559.30
2	Other income	468.72	507.91	214.10	1,628.53	758.36	1,082.23
3	<b>Total revenue (1+2)</b>	<b>20,046.59</b>	<b>19,177.66</b>	<b>15,996.80</b>	<b>57,685.50</b>	<b>46,431.91</b>	<b>64,641.53</b>
<b>Expenses</b>							
4	a) Cost of raw materials and components consumed	7,680.71	8,391.44	6,372.16	23,508.84	17,282.50	24,136.77
	b) Purchase of stock-in-trade (traded goods)	4,326.02	4,001.60	2,581.46	13,551.47	7,347.34	10,329.48
	(c) Change in inventories of finished goods, work-in-progress	(415.46)	(1,398.27)	(440.95)	(1,815.57)	263.67	240.36
	d) Excise duty	-	-	-	-	880.53	880.53
	e) Employee benefits expenses	1,394.35	1,347.11	1,180.22	4,079.66	3,537.28	4,227.10
	f) Depreciation and amortisation expense	221.51	216.20	173.67	656.40	512.28	682.69
	g) Other expenses	3,229.97	3,190.41	2,780.39	9,378.64	7,747.69	10,500.17
	<b>Total expenses (a to g)</b>	<b>16,857.08</b>	<b>15,748.34</b>	<b>12,546.95</b>	<b>47,339.44</b>	<b>37,571.29</b>	<b>51,537.00</b>
5	<b>Profit before tax (3-4)</b>	<b>3,609.51</b>	<b>3,429.32</b>	<b>3,449.85</b>	<b>10,346.06</b>	<b>8,870.62</b>	<b>13,084.53</b>
<b>Tax expense / (benefit):</b>							
6	a) Current tax expense	1,206.96	1,093.07	1,202.93	3,305.87	3,184.14	4,608.54
	b) Deferred tax charged / (credit)	73.34	100.25	(46.60)	284.37	(146.10)	(102.12)
	c) Tax related to previous year	271.92	(5.21)	(5.21)	271.92	(5.21)	(5.21)
	<b>Net tax expense</b>	<b>1,552.22</b>	<b>1,193.12</b>	<b>1,151.12</b>	<b>3,862.16</b>	<b>3,032.93</b>	<b>4,501.21</b>
7	<b>Profit after tax (5-6) (A)</b>	<b>2,057.29</b>	<b>2,236.20</b>	<b>2,198.73</b>	<b>6,483.90</b>	<b>5,837.69</b>	<b>8,583.32</b>
<b>Other comprehensive income</b>							
8	Items that will not be reclassified to profit or loss:						
	(i) Remeasurement of the defined benefits plan	11.32	(61.82)	23.21	(55.63)	(38.13)	(22.06)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(3.72)	21.39	(8.04)	19.81	13.54	7.63
	<b>Other comprehensive income for the year, net of tax (B)</b>	<b>7.60</b>	<b>(40.43)</b>	<b>15.17</b>	<b>(35.82)</b>	<b>(24.59)</b>	<b>(14.43)</b>
9	<b>Total comprehensive income for the year (A+B)</b>	<b>2,064.89</b>	<b>2,195.77</b>	<b>2,213.90</b>	<b>6,448.08</b>	<b>5,813.10</b>	<b>8,568.89</b>
10	<b>Paid up equity share capital (Face Value of Rs. 1 per share)</b>	<b>1,201.39</b>	<b>1,201.39</b>	<b>1,201.39</b>	<b>1,201.39</b>	<b>1,201.39</b>	<b>1,201.39</b>
11	<b>Earnings per equity share (of Rs. 1 each):</b>						
	a) Basic (in Rs.)	1.71	1.86	1.84	5.39	4.84	7.14
	b) Diluted (in Rs.)	1.71	1.86	1.84	5.39	4.84	7.14





**Notes to unaudited financial results:**

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 14, 2019.
2. Based on the information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of performance there are no reportable segments in accordance with the requirement of Indian Accounting Standard (Ind AS) 108 on 'Operating Segment Reporting' notified under the Companies (Indian Accounting Standard) Rules, 2015.  
The Company operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets i.e. India and Outside India.
3. The financial results of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules 2015 (Ind AS) as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Beginning April 1, 2017 the Company has for the first time adopted Ind AS with a transition date April 1, 2016. These financial results (including for all the periods presented in accordance with Ind AS 101 - First time adoption of the Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
4. Till June 30, 2017 revenue from operations included the applicable excise duty which was shown as operating expense. Post the applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017 revenue from operations is shown net of GST. Accordingly revenue from operations and other expenses for the quarter and nine months period ended December 31, 2018 are not comparable with the previous periods presented in the results.
5. Effective from April, 2018 the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transaction method which is applied to contracts which were not completed till April, 2018. Accordingly the comparative have not been retrospectively adjusted. The impact of Ind AS 115 is not material on the financial results.
6. On July 31, 2018 the Audit Committee and the Board of Directors of the Company, RHI India Private Limited (RHI India) and RHI Clasil Private Limited (RHI Clasil) had approved the proposed merger of RHI India and RHI Clasil with and into the Company with the proposed appointed date of January 1, 2019. The Company is in the process of obtaining necessary approvals for the proposed merger. The proposed merger does not have any impact on the current period financial result.
7. The financial result is also available on the website of the stock exchanges, ([www.bseindia.com](http://www.bseindia.com)) and on the website of the Company at [www.orientrefractories.com](http://www.orientrefractories.com).
8. Previous periods figures have been reclassified / regrouped to conform to the classifications adopted in the current period, wherever considered necessary.

Place : Gurugram

Date : February 14, 2019



For Orient Refractories Limited



Parmod Jagan  
Managing Director & CEO  
(DIN-06500871)



## Price Waterhouse Chartered Accountants LLP

The Board of Directors  
M/s. RHI India Private Limited  
Neelkanth Business Park,  
Room No. 604C, Opposite Railway Station Vidya Vihar West,  
Mumbai - 400086  
Maharashtra

### Report on Special Purpose Financial Statements

1. This report is issued in accordance with the terms of our agreement dated February 12, 2019.
2. We have audited the accompanying special purpose financial statements (the "financial statements") of RHI India Private Limited (the "Company") which comprise the balance sheet as at December 31, 2018, the statement of profit and loss and cash flow statement for the nine months period from April 1, 2018 to December 31, 2018 and a summary of significant accounting policies and other explanatory notes, which we have signed under reference to this report.

### Management's Responsibility for the Financial Statements

3. Management is responsible for the preparation of these special purpose financial statements in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013, to the extent considered relevant by it for the purpose for which these special purpose financial statements have been prepared (the "accounting principles generally accepted in India"). The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

4. Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

7. Based on our audit, we report that:
  - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

Price Waterhouse Chartered Accountants LLP, Building No. 8, 7th & 8th Floor, Tower - B, DLF Cyber City  
Gurgaon - 122 002

T: +91 (124) 4620000, 3060000, F: +91 (124) 4620620

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership Firm) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number before conversion was 012754N.



- b. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- c. In our opinion and to the best of our information and according to the explanations given to us, the special purpose financial statements, together with the notes thereon and attached thereto, fairly present, in all material respects, in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, the state of affairs of the Company as at December 31, 2018;
  - (ii) in the case of the Statement of Profit and Loss, the profit for the nine months period ended on that date; and
  - (iii) in the case of the Cash flow statement, of the cash flows for the nine months period ended on that date.

#### **Emphasis of Matter – Basis of Preparation**

8. We draw attention to Note 2.1 to the Special Purpose Financial Statements, which describes the basis of its preparation. The Special Purpose Financial Statements are not the financial statements of the Company required to be prepared under the provisions of the Act. Our opinion is not modified in respect of this matter.

#### **Other Matter**

9. The special purpose financial statements dealt with by this report, have been prepared for the express purpose of internal management use and for onward sharing with the Transferee Company for the purpose of preparation of the merged accounts of the Transferee Company pursuant to the Scheme of merger of the Company with Orient Refractories Limited as approved by the Board of Directors on July 31, 2018.

#### **Restriction on Use**

10. Our obligations in respect of this report 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 report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.
11. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 9 above. This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing. Price Waterhouse Chartered Accountants LLP neither accepts nor assumes any duty, responsibility or liability to any other party or for any other purpose.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No. FRN 012754N/N500016  
Chartered Accountants



Abhishek Rara  
Partner  
Membership No. 077779

Place: Gurugram  
Date: February 14, 2019

**RHI India Private Limited**  
**Special Purpose Balance Sheet as at December 31, 2018**

	Notes	As at December 31, 2018 Rupees	As at March 31, 2018 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	3,428,440	3,428,440
Reserves and surplus	4	1,743,030,016	1,499,454,406
		<b>1,746,458,456</b>	<b>1,502,882,846</b>
<b>Non-current liabilities</b>			
Long-term provisions	7	2,952,520	-
		<b>2,952,520</b>	
<b>Current liabilities</b>			
Short-term borrowings	5	433,592,556	349,413,226
Trade payables	6		
• Total outstanding dues of micro and small enterprises		24,868,695	
• Total outstanding dues of creditors other than micro and small enterprises		957,228,970	1,140,740,832
Other current liabilities	6	206,788,046	240,246,380
Short-term provisions	7	37,174,474	21,550,908
		<b>1,659,652,741</b>	<b>1,751,951,346</b>
<b>TOTAL</b>		<b>3,409,063,717</b>	<b>3,254,834,192</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	8a	189,509,623	191,333,331
Intangible assets	8b	561,476	717,695
Capital work-in-progress		40,222,935	52,365,212
Deferred tax assets (net)	9	84,292,501	39,810,469
Loans and advances	10	6,307,625	23,961,749
		<b>320,894,160</b>	<b>308,188,456</b>
<b>Current assets</b>			
Inventories	12	1,453,538,392	1,235,785,243
Trade receivables	13	1,331,462,302	1,461,310,903
Cash and bank balances	14	39,444,199	77,657,110
Loans and advances	10	253,298,184	154,766,475
Other current assets	11	10,426,480	17,126,005
		<b>3,088,169,557</b>	<b>2,946,645,736</b>
<b>TOTAL</b>		<b>3,409,063,717</b>	<b>3,254,834,192</b>

**Summary of significant accounting policies** 2.2

The accompanying notes are an integral part of the special purpose financial statements.

As per our report of even date

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No.: 012754N / N500016

  
**Abhishek Kera**  
 Partner

Membership No: 077779

Place: Gurugram

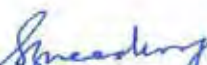
Date: February 14, 2019

  
**Jagdish Parikh**  
 Chief Financial Officer

Place: Mumbai  
 Date: February 14, 2019

**For and on the behalf of the Board of Directors**

**RHI India Private Limited**

  
**Sanjeev Bhardwaj**  
 Director

Place: Gurugram

Date: February 14, 2019

DIN : 07379141

  
**Erwin Jankovits**  
 Director

Place: Gurugram

Date: February 14, 2019

DIN : 07089589





**RHI India Private Limited**
**Special Purpose Statement of Profit and Loss for the nine months period from April 1, 2018 to December 31, 2018**

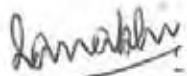
	Notes	Nine months period ended December 31, 2018 Rupees
Revenue from operations	15	4,258,497,155
Other income	16.1	1,208,143
<b>Total revenue (I)</b>		<b>4,259,705,298</b>
<b>EXPENSES</b>		
Purchase of traded goods		3,363,839,003
Changes in inventories of traded goods and work-in-progress	17	(185,679,613)
Employee benefits expense	18	107,351,192
Other expenses	19	528,492,182
<b>Total expenses (II)</b>		<b>3,814,002,764</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>		<b>445,702,534</b>
Interest income	16.2	(19,843,231)
Finance costs	20	50,362,321
Depreciation and amortization expense	21	41,920,158
<b>Profit before tax</b>		<b>373,263,286</b>
<b>Tax expenses</b>		
- Current tax		174,642,000
- (Excess)/Short provision for Income Tax in respect to earlier years		(472,292)
- Deferred tax (credit)		(44,482,032)
<b>Total tax expense</b>		<b>129,687,676</b>
<b>Net Profit for the period</b>		<b>243,575,610</b>
Earnings Per Share (Basic and Diluted) (nominal value of share Rs.10)	22	710
<b>Summary of significant accounting policies</b>	2.2	


The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No.: 012754N / N500016

**For and on the behalf of the Board of Directors**  
**RHI India Private Limited**

  
**Abhishek Rara**  
Partner  
Membership No: 077779  
Place: Gurugram  
Date: February 14, 2019

  
**Sanjeev Bhardwaj**  
Director

  
**Erwin Jankovits**  
Director

Place: Gurugram  
Date: February 14, 2019  
DIN : 07379141

Place: Gurugram  
Date: February 14, 2019  
DIN : 07089589



  
**Jagdish Parikh**  
Chief Financial Officer

Place: Mumbai  
Date: February 14, 2019

RHI India Private Limited  
Special Purpose Cash flow Statements for the nine months period ended December 31, 2018

Particulars	Nine months period ended
	December 31, 2018 Rupees
<b>A. Cash flow from operating activities</b>	
Net profit before tax	373,263,286
Adjustments for :	
Depreciation and Amortisation expense	41,920,158
Interest expenses	50,362,321
Interest Income	(19,843,231)
Profit on sale of fixed assets	(21,186)
Provision for doubtful debts	96,842,042
Provision for slow moving inventories	13,946,266
Liabilities no longer required written back	(1,013,027)
Unrealised exchange (net loss)	(9,872,780)
<b>Operating profit before working capital changes</b>	<b>545,583,849</b>
Movements in working capital :	
(Decrease) in Trade Receivables	32,427,996
Increase in Trade Payables	(147,178,797)
(Decrease) in Other Current Liabilities	(33,973,664)
Increase in Provisions	2,566,503
(Increase) in Inventories	(231,699,416)
(Increase) in Loans and Advances	(72,982,494)
Cash generated from operations	94,743,977
Direct taxes (paid)	(158,160,125)
<b>Net cash from operating activities (A)</b>	<b>(63,416,148)</b>
<b>B. Cash flows from investing activities</b>	
Purchase of fixed assets, including Capital work in progress	(28,327,339)
Proceeds from sale of fixed assets	21,186
Interest received	26,542,756
<b>Net cash (used in) investing activities (B)</b>	<b>(1,763,397)</b>
<b>C. Cash flows from financing activities</b>	
Receipt/(Repayment) of Short term borrowings (net)	84,179,330
Interest paid	(57,212,696)
<b>Net cash (used in) financing activities (C)</b>	<b>26,966,634</b>
<b>Net (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(38,212,911)</b>
<b>Total cash and cash equivalents at the beginning of the period</b>	<b>77,657,110</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>39,444,199</b>
<b>Components of cash and cash equivalents:</b>	
Cash in hand	1,716
Balances with scheduled banks on current accounts	39,442,483
<b>Total</b>	<b>39,444,199</b>

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard-3 on Cash Flow Statement, prescribed under Companies (Accounting Standards) Rules, 2006 as notified by the Central Government vide its notification dated December 7, 2006 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013
- All figures in bracket are outflow

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the special purpose financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No.: 012754N / N500016

*Abhishek Rara*

Abhishek Rara  
Partner  
Membership No: 077779  
Place: Gurugram  
Date: February 14, 2019

For and on behalf of the Board of Directors  
RHI India Private Limited

*Sanjeev Bhardwaj*  
Sanjeev Bhardwaj  
Director

*Erwin Jankovits*  
Erwin Jankovits  
Director

Place: Gurugram  
Date: February 14, 2019  
DIN : 07089589

*Jagdish Parikh*  
Jagdish Parikh  
Chief Financial Officer

Place: Mumbai  
Date: February 14, 2019



## **RHI India Private Limited**

### **Notes to the special purpose financial statements for the nine months period from April 1, 2018 to December 31, 2018**

#### **1. Corporate Information**

RHI India Private Limited (the 'Company') was incorporated on June 15, 2007, under the provisions of the Companies Act, 2013.

The Company is in the business of trading refractories items and rendering management services related to refractories for steel and non ferrous industry.

#### **2.1 Basis of preparation**

The Special Purpose Financial Statements of the Company have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013.

Pursuant to a Scheme of Amalgamation ('the Scheme') as approved by the Board of Directors of the Company in their meetings held on July 31, 2018, the Company is proposed to be merged with Orient Refractories Limited (the 'Transferee Company') under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. Appointed date specified in the Scheme is January 1, 2019 which is subject to the approval by the National Company Law Tribunal (NCLT).

The Special Purpose Financial Statements have been prepared as pursuant to the Scheme, the Transferee Company is required to file the latest audited financial statements of the Transferor Company (not more than six months old) together with an audit report thereon, along with its application for approval of the Scheme to Securities and Exchange Board of India ('SEBI'), National Company Law Tribunal ('NCLT'), National Stock Exchange of India Limited ('NSE'), BSE Limited ('BSE'), income tax authorities and other regulatory authorities.

These Special Purpose Financial Statements are not the statutory financial statements of the Company under the Companies Act, 2013 and have been prepared on a going concern basis. The accounting policies used in the preparation of the Special Purpose Standalone Financial Statements are consistent with the audited statutory financial statements for the year ended March 31, 2018.

These Special Purpose Financial Statements do not include the Statement of Profit and Loss and Statement of Cash Flow for the nine months period from April 1, 2017 to December 31, 2017 as those are not considered to be relevant by the intended users of these statements for which these have been prepared.

The Special Purpose Financial Statements are presented in Rupees.





## **2.2 Significant Accounting Policies**

### **a. Use of estimates**

The preparation of the Special Purpose Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. The actual results could differ from those estimates. Examples of such estimates include employee benefit plans, provision for income taxes and the useful life of assets.

These estimates could change from period to period and also the actual results could vary from the estimates. The changes are reflected in the financials statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Special Purpose Financial Statements.

### **b. Tangible assets**

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met.

An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

Assets other than project assets costing Rupees 5,000 or below are charged to the Statement of Profit and Loss.

### **c. Intangible assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.



**RHI India Private Limited****Notes to the special purpose financial statements for the nine months period from April 1, 2018 to December 31, 2018****d. Depreciation on tangible assets**

Depreciation on property, plant & equipment is calculated on straight line basis using the rate arrived at based on the useful life estimated by the management supported by the internal technical assessment which is different than that indicated in the Schedule II of the Act. The Company has used the following rates to provide depreciation on its fixed assets.

<b>Tangible assets</b>	<b>Useful life</b>
Machinery and equipment	6 years
Computers and accessories	5 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipment	5 years

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of purchase.

**e. Amortization of intangible assets****Software**

Software is amortized using the straight-line method over its useful life of five years.

**f. Inventories**

Inventories includes traded goods, work in progress and stores and spares. Traded Goods inventory is valued at cost or net realizable value, whichever is lower. Stores and spares and Goods in Transit are valued at cost. The cost is determined on first in first out basis and comprises of cost of purchase and other costs incurred to bring the inventory to its present location and condition. Cenvatable duties are neither considered as part of purchase cost nor inventory cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**g. Impairment of assets**

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. An asset whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that ~~would have been~~ determined if no impairment loss had previously been recognised.



**h. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sale of traded goods**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, based on the terms of the contract and are recognised net of sales taxes, value added tax, goods and services tax.

**Service Income**

Revenue from services is recognised on rendering of services in accordance with the contractual agreement with the customers and are recognised net of service tax and goods and services tax.

**Revenue from Support Services**

Revenue from support services is recognised on rendering of services in accordance with the contractual agreement with the customers on accrual basis.

**Interest income**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable, which includes interest receivable from customers as per the terms of the contract. Interest income is included under the head "other income" in the Statement of profit and loss.

**i. Foreign currency transaction/translation**

**(i) Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Subsequent Recognition**

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

**j. Employee benefits**

Provident Fund and Labour Welfare Fund: Contribution towards provident fund and labour welfare fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.





**RHI India Private Limited****Notes to the special purpose financial statements for the nine months period from April 1, 2018 to December 31, 2018**

**Gratuity:** The Company provides for gratuity, a defined benefit plan (the “Gratuity Plan”) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. The Company’s liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

**Compensated Absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company’s liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

**k. Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

**l. Current and Deferred Tax**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.



**RHI India Private Limited****Notes to the special purpose financial statements for the nine months period from April 1, 2018 to December 31, 2018**

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**m. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

**n. Provisions**

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value other than provision for site restoration cost which is discounted to its present value at the pre-tax rate that reflect the current market assessment of the time value of money and risk specific to the liability.

**o. Contingent liabilities**

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 or a reliable estimate of the amount cannot be made.

**p. Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**q. Segment reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company.



**RHI India Private Limited**

**Notes to the special purpose financial statements for the nine months period from April 1, 2018 to December 31, 2018**

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**r. Borrowings costs**

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing 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 or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

**s. Measurement of Earnings before interest, tax, depreciation and amortization (EBITDA)**

As permitted by the Guidance note on the Schedule III to the Companies Act, 2013, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations, in its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.





	As at December 31, 2018	As at March 31, 2018
	Rupees	Rupees
<b>3. Share Capital</b>		
<b>Authorised</b>		
350,000 (Previous year : 350,000) Equity shares of Rs.10 each	3,500,000	3,500,000
	<u>3,500,000</u>	<u>3,500,000</u>
<b>Issued, Subscribed and Paid-up</b>		
342,844 (Previous year: 342,844) Equity shares of Rs.10 each, fully paid-up	3,428,440	3,428,440
<b>Total Issued, Subscribed and Paid-up share capital</b>	<u>3,428,440</u>	<u>3,428,440</u>

**A) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period / year**

**Equity Shares**

	As at December 31, 2018	As at March 31, 2018
	No. of Shares	No. of Shares
At the beginning of the period/year	342,844	342,844
Outstanding at the end of the period/year	342,844	342,844

**B) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive 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.

**C) Shares held by the holding company**

Dutch Brasil Holding B.V., Netherlands., the holding company  
292,744 (Previous year: 292,744) Equity Shares of Rs 10 each, fully paid-up

	As at December 31, 2018	As at March 31, 2018
	Rupees	Rupees
	2,927,440	2,927,440

**D) Details of shareholders holding more than 5% shares in the Company**

VRD Americas B.V., Netherlands.  
Dutch Brasil Holding B.V., Netherlands, the holding company

No. of Shares	% holding	No. of Shares	% holding
50,100	14.6%	50,100	14.6%
292,744	85.4%	292,744	85.4%



	As at December 31, 2018	As at March 31, 2018
	Rupees	Rupees
<b>4. Reserves and Surplus</b>		
Securities Premium	649,397,376	649,397,376
	<u>649,397,376</u>	<u>649,397,376</u>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial statements	850,057,030	440,988,850
Add: Profit for the period/year	243,575,610	409,068,180
<b>Net surplus in the Statement of Profit and Loss</b>	<u>1,093,632,640</u>	<u>850,057,030</u>
<b>Total Reserves and surplus</b>	<u>1,743,030,016</u>	<u>1,499,454,406</u>

**5. Short-term borrowings**

Short-term loan from bank*	200,000,000	230,000,000
Bank overdraft	233,592,556	119,413,226
<b>Total</b>	<u>433,592,556</u>	<u>349,413,226</u>

Short-term borrowings are secured against the corporate guarantee issued by Subsidiary of Ultimate Holding Company, RHI Magnesita GmbH (Previously known as RHI Feuerfest GmbH)

\* Rs. 200,000,000 is repayable by February 8, 2019 and interest payable at the rate of 9.25 % p.a. on a monthly basis.

**6. Trade payables and other current liabilities****Trade payables**

Total outstanding dues of creditors other than micro and small enterprises	957,228,970	1,140,740,832
Total outstanding dues of micro and small enterprises	24,868,695	-
<b>Total</b>	<u>982,097,665</u>	<u>1,140,740,832</u>

**Other current liabilities**

Statutory Dues including Provident Fund, Income Tax, Goods and Services Tax, Professional Tax	10,705,623	35,386,523
Advances from customers	181,023,913	190,315,861
Employees benefit payable	14,440,304	14,441,120
Capital Creditors	618,206	102,876
<b>Total</b>	<u>206,788,046</u>	<u>240,246,380</u>

**7. Provisions**

	Non- Current		Current	
	As at December 31, 2018	As at March 31, 2018	As at December 31, 2018	As at March 31, 2018
	Rupees	Rupees	Rupees	Rupees
Provision for gratuity (Refer Note 23)	2,952,520	-	2,500,000	3,405,924
Provision for compensated absences	-	-	3,409,013	2,889,106
Provision for taxation (net of advance income tax of Rs. 379,547,623 ;[Previous year : Rs. 220,915,206])	-	-	31,265,461	15,255,878
<b>Total</b>	<u>2,952,520</u>	<u>-</u>	<u>37,174,474</u>	<u>21,550,908</u>



**RHI India Private Limited**

Notes to the special purpose financial statements for the nine months period from April 1, 2018 to December 31, 2018

**8. Fixed Assets**
**a. Tangible Assets**

(Rupees)

Gross Block Own Assets	Machinery and equipments *	Office equipment	Furniture and fixtures	Computer and accessories	Vehicles	Total
As at April 1, 2017	343,340,952	2,056,319	1,612,294	11,673,732	8,023,255	366,706,552
Additions	22,372,738	210,166	184,082	1,127,322	-	23,894,308
Disposal/ Adjustments	-	-	-	(1,226,766)	-	(1,226,766)
<b>As at March 31, 2018</b>	<b>365,713,690</b>	<b>2,266,485</b>	<b>1,796,376</b>	<b>11,574,288</b>	<b>8,023,255</b>	<b>389,374,094</b>
Additions	37,518,390	61,170	776,590	1,584,081	-	39,940,231
Disposal/Adjustments	-	-	-	-	750,000	750,000
<b>As at December 31, 2018</b>	<b>403,232,080</b>	<b>2,327,655</b>	<b>2,572,966</b>	<b>13,158,369</b>	<b>7,273,255</b>	<b>428,564,325</b>
<b>Accumulated Depreciation</b>						
As at April 1, 2017	129,139,496	1,043,007	938,235	6,059,005	7,473,881	144,653,624
Charge for the year	51,529,259	328,360	375,437	1,877,495	503,354	54,613,905
Disposal/Adjustments	-	-	-	1,226,766	-	1,226,766
<b>As at March 31, 2018</b>	<b>180,668,755</b>	<b>1,371,367</b>	<b>1,313,672</b>	<b>6,709,734</b>	<b>7,977,235</b>	<b>198,040,763</b>
Charge for the period	39,732,465	221,949	281,890	1,481,615	46,020	41,763,939
Disposal/Adjustments	-	-	-	-	750,000	750,000
<b>As at December 31, 2018</b>	<b>220,401,220</b>	<b>1,593,316</b>	<b>1,595,562</b>	<b>8,191,349</b>	<b>7,273,255</b>	<b>239,054,702</b>
<b>Net Block</b>						
<b>As at March 31, 2018</b>	<b>185,044,935</b>	<b>895,118</b>	<b>482,704</b>	<b>4,864,554</b>	<b>46,020</b>	<b>191,333,331</b>
<b>As at December 31, 2018</b>	<b>182,830,860</b>	<b>734,339</b>	<b>977,404</b>	<b>4,967,020</b>	<b>-</b>	<b>189,509,623</b>

\* Machineries and equipments are physically lying at customer's locations.

**b. Intangible assets**

(Rupees)

Gross Block	Software	Total
As at April 1, 2017	1,352,073	1,352,073
Additions	473,247	473,247
Disposal/Adjustments	60,665	60,665
<b>As at March 31, 2018</b>	<b>1,764,655</b>	<b>1,764,655</b>
Additions	-	-
Disposal/Adjustments	-	-
<b>As at December 31, 2018</b>	<b>1,764,655</b>	<b>1,764,655</b>
<b>Accumulated Amortisation</b>		
At April 2017	889,771	889,771
Charge for the year	217,854	217,854
Disposal/Adjustments	60,665	60,665
<b>As at March 31, 2018</b>	<b>1,046,960</b>	<b>1,046,960</b>
Charge for the period	156,219	156,219
Disposal/Adjustments	-	-
<b>As at December 31, 2018</b>	<b>1,203,179</b>	<b>1,203,179</b>
<b>Net Block</b>		
<b>As at March 31, 2018</b>	<b>717,695</b>	<b>717,695</b>
<b>As at December 31, 2018</b>	<b>561,476</b>	<b>561,476</b>

c. Capital work in progress includes assets in transit of Rs. NIL (Previous year Rs. 3,861,481).





	As at December 31, 2018	As at March 31, 2018
	Rupees	Rupees
<b>9. Deferred Tax Assets (net)</b>		
Deferred tax assets, on account of ;		
Depreciation and amortization	18,173,183	13,301,856
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	3,096,574	2,199,735
Provision for inventories and debtors	63,022,744	24,308,878
	<b>84,292,501</b>	<b>39,810,469</b>

**10. Loans and advances**

	Non- Current		Current	
	As at December 31, 2018	As at March 31, 2018	As at December 31, 2018	As at March 31, 2018
	Rupees	Rupees	Rupees	Rupees
<b>Capital Advances</b>				
(Unsecured, considered good)	-	-	1,044,715	-
(A)	-	-	1,044,715	-
<b>Security deposits</b>				
(Unsecured, considered good)	4,154,426	14,412,777	11,406,041	3,663,618
(B)	4,154,426	14,412,777	11,406,041	3,663,618
<b>Advances recoverable in cash or kind</b>				
(Unsecured, considered good)	-	-	-	-
Advances to employees *	-	3,938,662	990,033	782,044
Advances to suppliers	-	-	267,676	503,869
(C)	-	3,938,662	1,257,709	1,285,913
<b>Other loans and advances</b>				
(Unsecured, considered good)	-	-	-	-
Balances with government authorities	2,153,199	5,610,310	135,855,196	123,189,277
Prepaid expenses	-	-	3,874,652	6,910,795
Prepaid Interest	-	-	10,633,611	3,783,235
Unbilled revenue / Other receivable	-	-	89,226,260	15,933,637
(D)	2,153,199	5,610,310	239,589,719	149,816,944
<b>Total (A + B + C + D)</b>	<b>6,307,625</b>	<b>23,961,749</b>	<b>253,298,184</b>	<b>154,766,475</b>

\* Advance to employees includes Rs. Nil (Previous year: Rs. 3,938,662) receivable from Ex-CEO and received during the period

**11. Other current assets**

	As at December 31, 2018	As at March 31, 2018
	Rupees	Rupees
<b>Unsecured, considered goods unless stated otherwise</b>		
Interest accrued on Customer Dues	10,426,480	17,126,005
	<b>10,426,480</b>	<b>17,126,005</b>

**12. Inventories**

	As at December 31, 2018	As at March 31, 2018
	Rupees	Rupees
<b>Traded goods</b>		
(including in transit Rs. 290,789,962 ; [Previous year: Rs. 362,709,313])	1,378,368,106	1,192,688,493
Stores and spares (including in transit Rs. 4,644,016 ; [Previous year: Rs. 781,963])	75,170,286	43,096,750
	<b>1,453,538,392</b>	<b>1,235,785,243</b>

**Note:**

Provision for slow moving inventories: Stores and Spares Rs. 13,946,266 (Previous year: Rs.Nil)



	As at December 31, 2018	As at March 31, 2018
	Rupees	Rupees
<b>13. Trade Receivables</b>		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	252,304,022	37,234,038
Unsecured, considered doubtful	166,203,746	56,176,184
Provision for doubtful receivables	(166,203,746)	(56,176,184)
(A)	<u>252,304,022</u>	<u>37,234,038</u>
<b>Others</b>		
Unsecured, considered good	1,079,158,280	1,424,076,865
Unsecured, considered doubtful	203,536	13,389,056
Provision for doubtful receivables	(203,536)	(13,389,056)
(B)	<u>1,079,158,280</u>	<u>1,424,076,865</u>
<b>Total (A + B)</b>	<u>1,331,462,302</u>	<u>1,461,310,903</u>
<b>14. Cash and bank balances</b>		
	As at December 31, 2018	As at March 31, 2018
	Rupees	Rupees
<b>Cash and cash equivalents</b>		
Balance with banks:		
On current accounts	39,442,483	77,656,463
Cash on hand	1,716	647
	<u>39,444,199</u>	<u>77,657,110</u>



	Nine months period ended December 31, 2018 Rupees
<b>15. Revenue from operations</b>	
Sale of traded goods	3,745,619,182
Service income and support services rendered	511,016,328
Other operating revenue	1,861,645
<b>Revenue from operations</b>	<b>4,258,497,155</b>
<b>16.1 Other income</b>	
	Nine months period ended December 31, 2018 Rupees
Liabilities no longer required written back	1,013,027
Profit on sale of fixed assets	21,186
Miscellaneous income	173,930
	<b>1,208,143</b>
<b>16.2 Interest income</b>	
	Nine months period ended December 31, 2018 Rupees
Interest income on	
Customer dues	19,843,231
	<b>19,843,231</b>
<b>17. Changes in inventories of traded goods</b>	
	Nine months period ended December 31, 2018 Rupees
Inventories at the end of the period/year	
- Traded goods	1,378,368,106
	<b>1,378,368,106</b>
Inventories at the beginning of the period/year	
- Traded goods	1,192,688,493
	<b>1,192,688,493</b>
	<b>(185,679,613)</b>
<b>18. Employee benefits expense</b>	
	Nine months period ended December 31, 2018 Rupees
Salaries, wages and bonus	98,129,237
Contribution to provident and other funds	4,363,006
Gratuity expense (Refer Note 23)	2,046,852
Staff welfare expenses	2,812,097
	<b>107,351,192</b>





**Note:**

The Company is required to expend CSR related expenditure during the financial year as stated in Section 135 of the Companies Act, 2013. Since the Company would not be in existence as at March 31, 2019 on account of amalgamation with Orient Refractories Limited (refer Note 2.1), the Company is not obligated to spend the entire amount during the period from April 1, 2018 to December 31, 2018.

## 20. Finance costs

	Nine months period ended December 31, 2018 Rupees
Interest on	
Bank overdraft	15,887,953
Short-term loan	3,887,671
Bill discounting	30,586,697
	<u>50,362,321</u>

## 21. Depreciation and amortization expense

	Nine months period ended December 31, 2018
	Rupees
Depreciation on tangible assets	41,763,939
Amortization on intangible assets	156,219
	<u>41,920,158</u>

## 22. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computation

	<b>Nine months period ended December 31, 2018</b> <b>Rupees</b>
Net profit for the period	243,575,610
Net profit for calculation of basic and diluted EPS	<b>243,575,610</b>
Weighted average number of equity shares in calculating basic and diluted EPS (Nos)	<b>No. of shares</b>
Basic and diluted EPS	342,884
Note: There are no dilution instruments.	710



**RHI India Private Limited**

Notes to the special purpose financial statements for the nine months period from April 1, 2018 to December 31, 2018

**23. Employee benefit obligations**

The Company has in accordance with the Accounting Standard-15 'Employee Benefits' has calculated the benefit provided to employees as under:

**(a) Defined contribution plans**

The Company makes Provident Fund and Labour Welfare Fund contributions to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to registered provident fund and labour welfare fund administered by government. The Company recognised Rs. 4,361,182 for Provident Fund contributions and Rs. 1,824 for Labour Welfare Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at the rates specified in the rules of the schemes.

**(b) Defined benefit plan**

The Company has a defined benefit gratuity plan. Every employee who has completed at least five years of service is entitled to a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service in line with the Payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

The following tables summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

**Net employee benefit expense recognised in the employee cost**

Current service cost	728,657
Interest cost on benefit obligation	700,490
Expected return on plan assets	(576,449)
Past service cost	
Net actuarial (gain) / loss recognised in the period	1,194,154
<b>Net benefit expense</b>	<b>2,046,852</b>

Actual return on plan assets

406,121

**Balance sheet**
**Benefit asset / (liability) recognised in the balance sheet**

Present value of defined benefit obligation

Fair value of plan assets

**Plan asset / (liability)**

Classified as:

Long-Term

Short-Term

Nine months period ended	
December 31, 2018	
Rupees	
	728,657
	700,490
	(576,449)
	1,194,154
	<b>2,046,852</b>
	406,121

As at	As at
December 31, 2018	March 31, 2018
Rupees	Rupees
(17,162,838)	(17,218,328)
11,710,318	13,812,404
<b>(5,452,520)</b>	<b>(3,405,924)</b>
2,952,520	
2,500,000	3,405,924

**Changes in the present value of the defined benefit obligation are as follows:**

Opening defined benefit obligation

Current service cost

Interest cost

Benefits paid

Actuarial (gains) / losses on obligation

Past service cost

**Closing defined benefit obligation**

As at	As at
December 31, 2018	March 31, 2018
Rupees	Rupees
17,218,328	13,956,749
728,657	1,540,909
700,490	1,010,371
(2,508,463)	(638,198)
1,023,826	(611,101)
	1,959,598
<b>17,162,838</b>	<b>17,218,328</b>

**Changes in the fair value of plan assets are as follows:**

Opening fair value of plan assets

Expected return

Contributions by employer

Benefits paid

Actuarial gains / (losses)

**Closing fair value of plan assets**

13,812,404	10,568,105
576,449	767,244
255	3,132,045
(2,508,462)	(638,198)
(170,328)	(16,792)
<b>11,710,318</b>	<b>13,812,404</b>

The Company expects to contribute Rs.2,500,000 to gratuity in the next year (Previous year: Rs.3,405,924).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	As at	As at
	December 31, 2018	March 31, 2018
Investments with insurer (LIC)	100%	100%



**RHI India Private Limited****Notes to the special purpose financial statements for the nine months period from April 1, 2018 to December 31, 2018**

The principal assumptions used in determining gratuity and compensated absences obligations for the Company's plans are shown below:

	As at December 31, 2018 Rupees	As at March 31, 2018 Rupees
Discount rate	8.40%	7.85%
Expected rate of return on assets	8.40%	7.85%
Employee turnover	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous four periods are as follows:

	As at December 31, 2018 Rupees	As at March 31, 2018 Rupees	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>Gratuity</b>					
Defined benefit obligation	17,162,837	17,218,328	13,956,749	11,579,154	9,686,121
Plan assets	11,710,317	13,812,404	10,568,105	8,324,073	7,051,487
Surplus / (deficit)	(5,452,520)	(3,405,924)	(3,388,644)	(3,255,081)	(2,634,634)
 Experience adjustments on plan liabilities	 1,882,375	 318,730	 (273,407)	 (211,636)	 (227,664)
Experience adjustments on plan assets	(170,328)	(16,792)	(80,645)	9,888	24,419

**24. Segment information**

As the Company is engaged in the business of trading of refractory goods and services thereto, it operates in a single segment. Further, based on current operations of the company there are no secondary segments, consequently no information under the Accounting Standard 17 on Segment Reporting has been presented.

**25. Leases****Operating Leases :**

The company has taken various commercial premises / property under cancellable operating lease for a period of twelve months. The lease agreements are normally renewed on expiry.

Nine months  
period ended  
December 31, 2018

Lease payments recognised in the Statement of Profit and Loss for the period

Rupees  
18,570,118





## 26. Particulars of unhedged foreign currency exposure

Particulars	Currency	As at December 31, 2018		As at March 31, 2018	
		Foreign Currency Value	Rupees	Foreign Currency Value	Rupees
Sundry Creditors	EUR	3,418,227	272,890,632	6,555,609	529,742,381
	USD	6,059,887	423,025,463	4,538,540	295,799,332
	CHF	700,757	49,598,617	75,392	5,164,327
Sundry Debtors	EUR	308,151	24,615,305	308,634	24,939,934

## 27. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

As at December 31, 2018 Rupees	As at March 31, 2018 Rupees
6,641,318	6,298,059

## 28. Contingent Liabilities

Nature of the statute	Nature of dues	Period to which the amount relates	Forum where the dispute is pending	As at December 31, 2018 Rupees	As at March 31, 2018 Rupees
Foreign Trade Policy (FTP 2004-2009 & FTP 2009-2014) and Customs Act, 1962	Customs Duty	April 1, 2013 to August 31, 2016	Directorate of Revenue Intelligence	25,728,018	25,728,018
West Bengal Sales tax	VAT / CST	April 1, 2015 to March 31, 2016	Sr. Joint Commissioner	1,823,464	

## Notes:

- It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- The Company does not expect any reimbursements in respect of the above contingent liabilities.
- The amount above excludes interest and penalty, pending quantification by respective authorities.



## Notes to the special purpose financial statements for the nine months period from April 1, 2018 to December 31, 2018

**i. Names of related parties where control exists**

- Holding company

- Ultimate holding company

- Subsidiary of the Ultimate Holding Company

**(b) Key Management Personnel**

- Chief Financial Officer (w.e.f. July, 31 2018)

- Fellow subsidiary

- Fellow subsidiary

- Fellow subsidiary

- Fellow subsidiary

- Fellow subsidiary

The following table provides the total amount of transactions that have been entered into with related parties and the balances outstanding as at the end of the period

	Nine months period ended December 31, 2018
	Rupees
<b>A) Nature of transactions</b>	
<b>a) Purchase of material</b>	
RHI Magnesita GmbH (Previously known as RHI Feuerfest GmbH)	2,161,605,863
RHI Clasil Private Limited	833,792,055
Stopinc Aktiengesellschaft	344,699
Orient Refractories Limited	66,850,662
Magnesita Envoy Asia Limited	22,557,311
<b>b) Purchase of spares</b>	
RHI Magnesita GmbH (Previously known as RHI Feuerfest GmbH)	14,201,510
Stopinc Aktiengesellschaft	36,361,652
Orient Refractories Limited	6,300
<b>c) Purchase of assets</b>	
RHI Magnesita GmbH (Previously known as RHI Feuerfest GmbH)	10,389,318
Stopinc Aktiengesellschaft	16,579,528
<b>d) Reimbursement of expenses</b>	
RHI Magnesita GmbH (Previously known as RHI Feuerfest GmbH)	314,605
Orient Refractories Limited	906,370
<b>e) Remuneration to key managerial personnel (for the nine months period from April 1, 2018 to December 31, 2018)</b>	
Mr. Jagdish Parikh	5,306,375
<b>f) Service income</b>	
RHI Magnesita GmbH (Previously known as RHI Feuerfest GmbH)	94,528,431



**RHI India Private Limited**

Notes to the special purpose financial statements for the nine months period from April 1, 2018 to December 31, 2018

	Nine months period ended December 31, 2018 Rupees	
<b>g) Sale of material</b>		
RHI Clasil Private Limited	3,449,725	
Orient Refractories Limited	13,840,492	
<b>h) Sales support income</b>		
RHI Clasil Private Limited	1,861,645	
<b>i) Rent (income)</b>		
Magnesita Refractories Private Limited	80,000	
	As at December 31, 2018 Rupees	As at March 31, 2018 Rupees
<b>B) Balances outstanding as at period/year end</b>		
<b>a) Payable</b>		
RHI Magnesita GmbH (Previously known as RHI Feuerfest GmbH)	655,848,197	796,494,186
RHI Clasil Private Limited	128,609,298	123,121,986
Stopinc Aktiengesellschaft	49,598,616	5,164,327
Orient Refractories Limited	9,994,727	18,000,864
Magnesita Envoy Asia Limited	8,554,907	
<b>b) Receivable</b>		
RHI Magnesita GmbH (Previously known as RHI Feuerfest GmbH)	1,365,049	1,689,677
RHI Clasil Private Limited	101,498	173,620
Orient Refractories Limited	12,819,570	93,456
Magnesita Refractories Private Limited	94,400	25,313
<b>c) Other Transaction</b>		
Guarantee given to Bank by RHI Magnesita GmbH	1,097,478,306	1,055,787,500
(Outstanding balance of borrowings as on December 31, 2018 - Rs. 433,592,556 (March 31, 2018: Rs.349,413,226))		

**30. Value of imports calculated on CIF basis**

 Capital goods  
 Traded goods  
 Spares

**Total**

Nine months period ended December 31, 2018 Rupees
26,968,846
2,315,201,818
51,229,272
<b>2,393,399,936</b>

**31. Activity in foreign currency**
**31.1 Expenditure in foreign currency (accrual basis)**

 Travelling and conveyance  
 Bank charges  
 Professional fees

**Total**

Nine months period ended December 31, 2018 Rupees
2,821,619
314,605
<b>3,136,224</b>

**31.2 Earnings in foreign currency (accrual basis)**

Service income

**94,528,431**




**RHI India Private Limited**

Notes to the special purpose financial statements for the nine months period from April 1, 2018 to December 31, 2018

		Nine months period ended December 31, 2018 Rupees
<b>32. Details of consumption of traded goods and spares</b>	<b>31 December 2018 %</b>	<b>31 December 2018 Rupees</b>
<b>Imported and indigenous traded goods consumed</b>		
Imported	59%	1,867,119,882
Indigenous	41%	1,311,039,509
	<b>100%</b>	<b>3,178,159,391</b>
<b>Imported and indigenous spares consumed</b>		
Imported	70%	11,251,187
Indigenous	30%	4,839,226
	<b>100%</b>	<b>16,090,413</b>

**33. Previous Year Figures**

Previous years figures have been regrouped wherever necessary, to conform the current period's classification

As per our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No : 012754N / N500016



Abhishek Rara  
Partner  
Membership No: 077779  
Place: Gurugram  
Date: February 14, 2019



Jagdish Parikh  
Chief Financial Officer

Place: Mumbai  
Date: February 14, 2019

**For and on the behalf of the Board of Directors**  
**RHI India Private Limited**

  
Sanjeev Bhardwaj  
Director

Place: Gurugram  
Date: February 14, 2019  
DIN : 07379141

  
Lewin Dankovits  
Director

Place: Gurugram  
Date: February 14, 2019  
DIN : 07089589



## Price Waterhouse Chartered Accountants LLP

The Board of Directors  
M/s. RHI Clasil Private Limited  
301-302, Orbit Plaza New  
Prabhadevi Road, Prabhadevi  
Mumbai - 400025  
Maharashtra

### Report on Special Purpose Financial Statements

1. This report is issued in accordance with the terms of our agreement dated December 10, 2018.
2. We have audited the accompanying special purpose financial statements (the "Financial Statements") of RHI Clasil Private Limited (the "Company") which comprise the balance sheet as at December 31, 2018, the statement of profit and loss and cash flow statement for the nine months period ended on that date and a summary of significant accounting policies and other explanatory notes, which we have signed under reference to this report.

### Management's Responsibility for the Financial Statements

3. Management is responsible for the preparation of these special purpose financial statements in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013, to the extent considered relevant by it for the purpose for which these special purpose financial statements have been prepared (the "accounting principles generally accepted in India"). The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

4. Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

7. Based on our audit, we report that:
  - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - b. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;



Price Waterhouse Chartered Accountants LLP, Plot No. 77/A, 8-2-624/A/1, 3rd Floor, Road No. 10, Banjara Hills  
Hyderabad - 500 034

T: +91 (40) 4424 6000; F: +91 (40) 4424 6300

Registered office and Head Office: Business Process, 11A Varma, Durgam Cheruvu, Hyderabad - 500 002

Price Waterhouse is a Partnership Firm incorporated in India. Price Waterhouse Chartered Accountants LLP is a Limited Liability Partnership with LLP identity no. 1137W AAC-0001, established from July 21, 2014. It is covered by Price Waterhouse Coopers Accountants LLP, its ICAI registration number is 012754/INS00016 (ICAI registration number) and its ICAI registration number is 012754/INS00016.

## Price Waterhouse Chartered Accountants LLP

- (c) In our opinion and to the best of our information and according to the explanations given to us, the special purpose financial statements, together with the notes thereon and attached thereto, fairly present, in all material respects, in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, the state of affairs of the Company as at December 31, 2018;
  - (ii) in the case of the Statement of Profit and Loss, the profit for the nine months period ended on that date; and
  - (iii) in the case of the Cash flow statement, of the cash flows for the nine months period ended on that date.

### Emphasis of Matter – Basis of Preparation

8. We draw attention to Note 3 (ii) to the Special Purpose Financial Statements, which describes the basis of its preparation. The Special Purpose Financial Statements are not the financial statements of the Company required to be prepared under the provisions of the Act, and therefore are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Act, as those are considered irrelevant by the Management and the intended users of the Special Purpose Financial Statements for the purposes for which those have been prepared. Our opinion is not modified in respect of this matter.

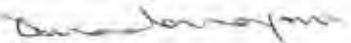
### Other Matter

9. The special purpose financial statements dealt with by this report, have been prepared for the express purpose of internal management use and for onward sharing with the Transferee Company for the purpose of preparation of the merged accounts of the Transferee Company pursuant to the Scheme of merger of the Company with Orient Refractories Limited as approved by the Board of Directors on July 31, 2018 and in order to enable the Company to assist the Transferee Company for submission to SEBI, NSE and BSE for information purpose only to comply with the SEBI Regulations in connection with the listing of the equity shares of the Transferee Company, as long as you inform the Transferee Company, in advance, that – (i) we owe no liability to or any claim from the Transferee Company (including liability or claims for negligence), (ii) no onward submission/ sharing of our Deliverable or any part of the same shall be made by the Transferee Company other than to the parties mentioned in this Engagement Letter without our prior written consent except where required by law or regulation, (iii) the Deliverable shall be kept confidential and (iv) our Deliverable shall not be used for any purpose by the Transferee Company other than in connection with the Subject Matter.

### Restriction on Use

10. Our obligations in respect of this report 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 report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.
11. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 9 above. This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing. Price Waterhouse Chartered Accountants LLP neither accepts nor assumes any duty, responsibility or liability to any other party or for any other purpose.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No. PRN 012754N/N500016  
Chartered Accountants

  
N.K. Varadachari  
Partner  
Membership No. 60190

Place: Hyderabad  
Date: FEBRUARY 14, 2019




**RHI Clasil Private Limited**  
(formerly known as RHI Clasil Limited)  
**Balance Sheet as at December 31, 2018**  
(All amounts in Indian Rupees (₹), unless otherwise stated)

	Note	As at 31 Dec 2018
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	2.1	18,40,00,000
Reserves and surplus	2.2	32,35,66,749
		<u>50,75,66,749</u>
<b>Non-current liabilities</b>		
Long-term borrowings	2.3	55,51,70,864
Deferred tax liabilities (net)	2.4	63,53,385
Long-term provisions	2.5	1,03,07,979
		<u>57,18,32,228</u>
<b>Current liabilities</b>		
Short-term borrowings	2.6	7,51,92,825
Trade payables	2.7	-
(i) total outstanding dues of micro enterprises and small enterprises		32,54,04,457
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		10,98,64,642
Other current liabilities	2.8	15,14,156
Short-term provisions	2.9	51,19,76,080
		<u>1,59,13,75,057</u>
<b>TOTAL</b>		<u><u>1,59,13,75,057</u></u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets		
- Tangible assets	2.10	71,90,74,760
- Capital work-in-progress	2.10	4,58,86,601
Long-term loans and advances	2.11	1,65,96,662
		<u>78,15,58,023</u>
<b>Current assets</b>		
Inventories	2.12	49,82,91,838
Trade receivables	2.13	25,90,96,205
Cash and bank balances	2.14	13,81,538
Short-term loans and advances	2.15	5,08,47,453
		<u>80,98,17,034</u>
<b>TOTAL</b>		<u><u>1,59,13,75,057</u></u>

Significant accounting policies and notes to the special purpose financial statements 1 & 2  
The notes referred to above form an integral part of the special purpose financial statements.

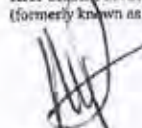
As per our report of even date attached.  
For Price Waterhouse Chartered Accountants LLP


Firm Registration Number: 012754/N/500016


  
N.K. Varadarajan  
Partner  
Membership No.: 90396

Place: HYDERABAD  
Date: FEBRUARY 14, 2019

For and on behalf of the Board of Directors  
of  
RHI Clasil Private Limited  
(formerly known as RHI Clasil Limited)

  
Dr. R.V. Raju  
Managing Director  
DIN - 00390746

  
Erwin Jankovits  
Additional Director  
DIN - 0089589

  
Dushheech Jyothi  
Company Secretary  
Membership No. 53223


Place: NEW DELHI  
Date: FEBRUARY 14, 2019

**RHI Clasil Private Limited**  
(formerly known as RHI Clasil Limited)  
**Statement of Profit and Loss for the period ended December 31, 2018**  
(All amounts in Indian Rupees (₹), unless otherwise stated)

	Note	For the period ended 31 Dec 2018
<b>Revenue from operations</b>		
Sale of products (gross)	2.16	2,09,20,73,308
Other operating revenue		5,19,81,777
		<u>2,14,40,55,085</u>
Other Income	2.17	35,37,250
<b>Total revenue</b>		<u>2,14,75,92,335</u>
<b>Expenses</b>		
Cost of materials and packing materials consumed	2.18	1,38,89,99,327
Changes in inventories of finished goods and work-in-progress	2.19	12,30,34,954
Employee benefits expense	2.20	4,78,69,058
Finance costs	2.21	2,34,73,437
Depreciation and amortisation	2.10	5,25,32,655
Other expenses	2.22	34,00,51,215
<b>Total expenses</b>		<u>1,97,59,60,646</u>
<b>Profit before tax</b>		<u>17,16,31,689</u>
<b>Tax expenses</b>		
Current tax		4,46,68,959
Deferred tax		70,99,572
<b>Profit for the year</b>		<u>11,98,63,158</u>
<b>Earnings per share (equity shares, par value ₹ 10 each)</b>	2.24	
Basic		6.51
Diluted		6.51

Significant accounting policies and notes to the special purpose financial statements 1 & 2  
The notes referred to above form an integral part of the special purpose financial statements.

As per our report of even date attached.  
**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number.: 012754N/N500016

  
**N.K Varadarajan**  
Partner  
Membership No.: 90196

**For and on behalf of the Board of Directors of**  
**RHI Clasil Private Limited**  
(formerly known as RHI Clasil Limited)

  
**Dr. R V Raju**  
Managing Director  
DIN - 00390746

  
**Erwin Jankovits**  
Additional Director  
DIN - 07089589

  
**Dadheech Jyothi**  
Company Secretary  
Membership No. 53223

Place: **HYDERABAD**  
Date: **FEBRUARY 14, 2019**

Place: **NEW DELHI**  
Date: **FEBRUARY 14, 2019**

**RHI Clasil Private Limited**

(formerly known as RHI Clasil Limited)

**Cash Flow Statement for the period ended December 31, 2018**

(All amounts in Indian Rupees (₹), unless otherwise stated)

**For the year ended  
31 Dec 2018****A. Cash flows from operating activities**

Profit before tax	17,16,31,689
<b>Adjustments for:</b>	
Depreciation and amortisation	5,25,32,655
Loss/ (Profit) on sale of fixed assets	1,98,313
Finance cost	1,98,17,460
Interest income	(6,267)
Unrealised Loss/(gain) on foreign exchange fluctuations	(17,51,390)
<b>Operating profit before working capital changes</b>	<b>24,24,22,460</b>
Decrease/ (Increase) in receivables	3,23,84,686
Decrease/ (Increase) in inventories	10,31,83,889
Decrease / (Increase) in loans and advances	(45,57,628)
(Decrease)/ Increase in current liabilities and provisions	(7,85,80,275)
<b>Cash generated from operations</b>	<b>29,48,53,132</b>
Income-tax paid	(4,28,30,710)
<b>Net cash provided by/ (used) in operating activities</b>	<b>25,20,22,422</b>

**B. Cash flows from investing activities**

Purchase of fixed assets	(20,06,44,677)
Proceeds from sale of fixed assets	31,90,996
Interest received	3,22,839
<b>Net cash used in investing activities</b>	<b>(19,71,30,842)</b>

**C. Cash flows from financing activities**

Proceeds from long-term borrowings	
Repayment of long-term borrowings	(32,30,293)
Proceeds from/(Repayment) of short-term borrowings (net)	(5,42,53,283)
Interest paid	(1,70,25,130)
Dividend paid including tax thereon	
<b>Net cash provided by financing activities</b>	<b>(7,45,08,706)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,96,17,126)</b>
Cash and cash equivalents at the beginning of the year	2,10,87,264
<b>Cash and cash equivalents at the end of the period (refer note below)</b>	<b>14,70,138</b>

**Note:**

Cash and cash equivalents comprise of the following:

Cash on hand	1,77,070
Balance with banks- on current accounts	12,93,068
	<b>14,70,138</b>

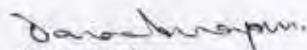
Significant accounting policies and notes to the special purpose financial statements

The notes referred to above form an integral part of the special purpose financial statements.

As per our report of even date attached.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number.: 012754N/N500016

**N.K. Varadarajan**

Partner

Membership No.: 90196

Place : Hyderabad

Date : FEBRUARY 14, 2019

1 &amp; 2

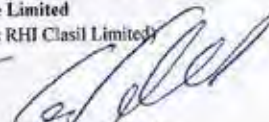
**For and on behalf of the Board of Directors of****RHI Clasil Private Limited**

(formerly known as RHI Clasil Limited)

**D.P. V. Raju**

Managing Director

DIN - 00390746

**Edwin Jankovits**

Additional Director

DIN - 07089589

**Dadheech Jyothi**

Company Secretary

Membership No. 53223

Place : **New Delhi**

Date : FEBRUARY 14, 2019



**RHI Clasil Private Limited**  
(formerly known as RHI Clasil Limited)

Notes to the special purpose financial statements for the period ended December 31, 2018

**Background**

RHI Clasil Private Limited ("the Company") was incorporated on 7 December 2005 as a private limited company under the name and style of Arsha Ceramics Private Limited under the provisions of the Companies Act, 1956. Subsequently, the name of the Company was changed to 'Clasil Refractories Private Limited' on 17 April 2006. Subsequent to the acquisition of 51% stake by VRD Americas B.V, Netherlands (wholly owned subsidiary of RHI AG, Austria) the name of the Company was changed to RHI Clasil Private Limited on 12 January 2007. The Company was registered as a limited company in the name of RHI Clasil Limited on 25 January 2007. The Company changed its status to a private limited company in the name of RHI Clasil Private Limited with effect from 17 July 2015. The Company is engaged in the manufacture and sale of refractory bricks and other refractory products.

**1. Significant accounting policies**

**a. Basis of preparation of special purpose financial statements**

The Special Purpose Financial Statements of the Company have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act 2013. Pursuant to a Scheme of Amalgamation as approved by the Board of Directors of the Company in their meetings held on July 31, 2018, the Company is proposed to be merged with Orient Refractories Limited (the 'Transferee Company') under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Scheme').

The Special Purpose Financial Statements have been prepared as pursuant to the Scheme, the Transferee Company is required to file the latest audited financial statements of the Transferor Company (not more than six months old) together with an audit report thereon, or extracts thereof along with its application for approval of the Scheme to Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited ('NSE'), BSE Limited ('BSE'). The Special Purpose Financial Statements are not the financial statements of the Company required to be prepared under the provisions of the Act, and therefore are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Act, as those are considered irrelevant by the Management and the intended users of the Special Purpose Financial Statements for the purposes for which those have been prepared.

The Special Purpose Financial Statements are presented in Rupees.

**b. Inventories**

Inventories which comprise of raw materials, work-in-progress, finished goods, stores and spares are valued at the lower of cost and net realisable value.

The cost of raw materials, Goods-in-transits, Stores and spare parts comprises of all cost to purchase and other cost incurred in bringing the inventories to their present location and condition.

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads.



**RHI Clasil Private Limited**  
**(formerly known as RHI Clasil Limited)**  
**Notes to the special purpose financial statements (continued)**

**1. Significant accounting policies (continued)**

The methods of determining cost of various categories of inventories are as follows:

Raw materials and packing materials	Weighted average/ cost basis
Finished goods (manufactured) and work-in-progress	Weighted average basis and including appropriate share of production overheads based on normal operating capacity
Goods-in-transit	At cost
Stores and spare parts	Weighted average basis

Inventories are valued at lower of cost or net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

**c. Fixed assets, depreciation and amortization**

**Tangible assets**

Tangible fixed assets are stated at their cost of acquisition or construction less accumulated depreciation. The cost of tangible fixed assets includes no refundable taxes and duties, freight and any other expenses incidental to the acquisition and installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. The exchange differences on account of tangible fixed assets imported arising in respect of foreign currency loans or other liabilities incurred for the purpose of their acquisition are recognised as income or expense in the period in which they arise except to the extent they are regarded as an adjustment to interest cost which are capitalised in accordance with AS 16, Borrowing costs.

The cost of tangible fixed assets acquired but not ready for their intended use before balance sheet date are disclosed as capital work-in-progress. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are included in long term loans and advances.

**Intangible assets**

Intangible assets are stated at cost of acquisition less accumulated amortisation.

**Depreciation and amortization**

Depreciation on tangible fixed assets is provided on straight-line method ("SLM") over the estimated useful lives of the assets estimated by the Management. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. Individual assets costing less than Rs 5,000 are depreciated in full in the year of acquisition. The Management estimated useful lives for the tangible fixed assets and rates prescribed under Part C of Schedule II to the Act are as follows:





**RHI Clasil Private Limited**  
(formerly known as RHI Clasil Limited)  
Notes to the special purpose financial statements (continued)

**1. Significant accounting policies (continued)**

Description of asset	Useful life (in years) estimated by Management	Useful life (in years) under Schedule II
Buildings	30	30 to 60
Road works	10	3
Plant and machinery	10-15	15-25
Furniture and fixtures	10	10
Computers	6	3
Office equipment	10	5
Electrical equipment	14	10
Vehicles	10	6-10

Based on internal assessment, the management believes that the useful lives of the tangible fixed assets as given above best represent the period over which management expects to use these tangible fixed assets. Hence, the useful lives of the above tangible fixed assets are different from the useful lives as prescribed under Part C of Schedule II of the Act.

Intangible assets are amortized over the estimated useful lives on straight-line basis from the date the asset is available to the Company for its use. The estimated useful life of intangible asset considered by the management is 3 years.

**d. Revenue recognition**

- (i) Revenue from sale of goods in the ordinary course of business is recognised when significant risks and rewards in respect of ownership are transferred to customers, no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection and the Company retains no effective control of the goods transferred to a degree usually associated with ownership.

Revenue from product sales is stated net of returns, sales tax and applicable trade discounts.

- (ii) Income from interest on deposits is recognised on the time-proportion basis using the underlying interest rates.
- (iii) Export incentives under various schemes as notified by the Government are recognised on accrual basis as and when the revenue from sale of goods is recognised and there is no significant uncertainty regarding the ultimate collection of the export proceeds.

**e. Foreign currency transactions**

Foreign currency transactions are recorded at the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the period are recognised in the statement of profit and loss including the exchange differences related to acquisition of imported fixed assets except such differences to the extent they are regarded as an adjustment to interest cost which are capitalised in accordance with AS 16, Borrowing Costs.





**1. Significant accounting policies (continued)**

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian Rupees at the closing exchange rate on that date. Non-monetary assets and non-monetary liabilities which are carried at historical cost denominated in a foreign currency, are translated into Indian Rupees at the exchange rate prevalent at the date of the transaction, non-monetary assets and non-monetary liabilities which are carried at fair value or other similar valuation, translated into Indian Rupees at the exchange rate existed on the date such valuation has been carried on.

Forward contracts are entered in order to hedge the foreign currency risk of the underlying assets/ liabilities outstanding at the balance sheet date. The premium or discount on all such contracts is amortised as income or expense over the life of the forward contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognised in the statement of profit and loss.

The exchange difference on such a forward exchange contracts are recognised in the statement of profit and loss in the reporting period in which the exchange rates change.

**f. Employee benefits**

**Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services are recognised as an expense in the statement of profit and loss in the period in which the related service is rendered by employees.

**Post-employment benefits**

**Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which the Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

**Defined benefit plans:**

The Company's gratuity benefit scheme is a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected-unit-credit method.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the statement of profit and loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the statement of profit and loss. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.



**1. Significant accounting policies (continued)**

**Compensated absences:**

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period-end. Actuarial gain/losses are immediately recognized in the statement of profit and loss and are not deferred.

**g. Borrowing costs**

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

**h. Leases**

Leases, where the lessor effectively retains all the significant risks and rewards of ownership of the leased asset are classified as operating leases. The total lease rentals in respect of an asset taken on operating lease are recognised as expense in the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and recognized in the statement of profit and loss over the lease term.

**i. Earnings per share**

The basic earnings per share is computed by dividing the net profit or loss attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The Company does not have any potentially dilutive equity shares outstanding during the period.

**j. Income tax**

Income tax expense comprises Current tax, Deferred tax and Minimum Alternate Tax ("MAT").

**Current tax**

The current charge for the income taxes is calculated in accordance with the relevant Income-tax laws applicable to the Company.





**1. Significant accounting policies (continued)**

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred tax**

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the deferred tax assets can be realised in future. However, where there is unabsorbed depreciation or carry forward of losses under the Income-tax laws, deferred tax assets are recognised only if there is a virtual certainty supported by the convincing evidence of realisation of such deferred tax assets. Deferred tax assets/ liabilities are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably / virtually certain to be realised.

The break-up of the deferred tax assets and liabilities as at the balance sheet date has been arrived at after setting-off deferred tax assets and liabilities where the Company has a legally enforceable right and an intention to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing Income-tax laws.

**MAT Credit entitlement**

MAT under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the period for which the MAT credit can be carried forward for set-off against the normal Income-tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

**k. Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that any assets forming part of its cash generating units may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost.





**RHI Clasil Private Limited**  
(formerly known as RHI Clasil Limited)  
Notes to the special purpose financial statements (continued)

**1. Significant accounting policies (continued)**

**l. Provisions and contingent liabilities**

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

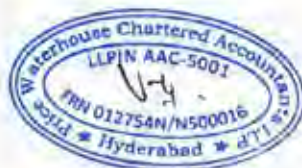
**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present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

**m. Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows of the Company are classified into regular revenue generating (operating activities), investing activities and financing activities.

**n. Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, cheques on hand, deposits with banks and highly liquid investments with maturities of 3 months or less.



**RHI Clasil Private Limited**  
(formerly known as RHI Clasil Limited)  
**Notes to the Special purpose financial statements for the period ended December 31, 2018**  
(All amounts in Indian Rupees (₹), unless otherwise stated)

**As at**  
**31 Dec 2018**

**2.1 Share Capital**

**Authorised**

**Equity shares**

18,400,000 equity shares of ₹ 10 each

18,40,00,000

18,40,00,000

**Issued, subscribed and fully paid-up**

**Equity shares**

18,400,000 equity shares of ₹ 10 each fully paid-up

18,40,00,000

18,40,00,000

**(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 Dec 2018	
	Number of shares	Amount in ₹
Equity shares outstanding at the beginning of the period	1,84,00,000	18,40,00,000
Equity shares issued during the period	-	-
<b>Shares outstanding at the end of the period</b>	<b>1,84,00,000</b>	<b>18,40,00,000</b>

**(b) Rights, preferences and restrictions attached to equity shares:**

**Equity Shares :** The Company has only one class of equity shares having a par value of ₹ 10 per share. Each Share holder of equity shares is eligible for one vote per share held. The dividend proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, assets shall be distributed in proportion to the paid-up capital, and in case assets to be distributed is in excess of the amount of capital to be paid-up, the excess shall also be distributed amongst the members in proportion of their shareholding.

**(c) Equity shares held by Company's holding company is as below:**

Name of shareholder	As at 31 Dec 2018	
	No. of shares held	Amount in ₹
VRD Americas B.V. Netherlands (Holding Company)	98,84,100	9,88,41,000

**(d) Particulars of equity share holders holding more than 5% shares of a class of share:**

Name of shareholder	As at 31 Dec 2018	
	Number of shares	% of holding
VRD Americas B.V. Netherlands	98,84,100	53.72%
R. Udaya Rekha	30,98,900	16.84%
Minoshi Maheshwari	9,25,000	5.03%
A.V. Narasimha Raju	18,00,000	9.78%

**(e) No equity shares have been bought back during the five-year period ended 31 December 2018.**



**RHI Clasil Private Limited**

(formerly known as RHI Clasil Limited)

Notes to the Special purpose financial statements for the period ended December 31, 2018

(All amounts in Indian Rupees (₹), unless otherwise stated)

As at  
31 Dec 2018**2.2 Reserves and surplus****General reserve**

At the commencement of the year

26,175,067

Add: Amount transferred from surplus in the statement of profit and loss

-

**Closing balance (A)****26,175,067****Surplus in the statement of profit and loss**

At the commencement of the period

177,528,524

Add: profit for the period

119,863,158

**Closing balance (B)****297,391,682****Total reserves and surplus (A+B)****323,566,749**



**RHI Clasil Private Limited**  
**(formerly known as RHI Clasil Limited)**  
**Notes to the Special purpose financial statements for the period ended December 31, 2018**  
 (All amounts in Indian Rupees (₹), unless otherwise stated)

As at  
**31 Dec 2018**

**2.3 Long-term borrowings**

Unsecured

Foreign currency term loans

- from holding company (refer note 2.32)

55,51,70,864

**55,51,70,864**

**a) Following are the terms and conditions of aforementioned unsecured loans from the holding company:**

**Term loan 4:** External commercial borrowing of EUR 578,000 was taken from the holding company during the financial year 2013-14 which carries interest at applicable 3 month Euribor plus 200 basis points. It is repayable in single installment of EUR 578,000 on 31 March 2019. Interest will be accrued till 31 March 2014 and are payable from 31 March 2014 onwards. Thereafter, interest will be paid at the end of each quarter.

**Term loan 5:** External commercial borrowing of EUR 450,000 was taken from the holding company during the financial year 2013-14 which carries interest at applicable 3 month Euribor plus 200 basis points. It is repayable in single installment of EUR 450,000 on 31 December 2020. Interest will be accrued till 30 September 2014 and are payable from 30 September 2014 onwards. Thereafter, interest will be paid at the end of each quarter.

**Term loan 6:** External commercial borrowing of EUR 3,000,000 was taken from the holding company during the financial year 2014-15 which carries interest at applicable 6 month Euribor plus 200 basis points. It is repayable in single installment of EUR 3,000,000 on 31 December 2022. Interest will be accrued till 30 September 2016 and are payable from 30 September 2016 onwards. Thereafter, interest will be paid at the end of each quarter.

**Term loan 7:** External commercial borrowing of EUR 3,950,000 was taken from the holding company during the financial year 2016-17 which carries interest at applicable 6 month Euribor plus 150 basis points. It is repayable in single installment of EUR 3,950,000 on 31 December 2023. Interest will be accrued till 31 December 2016 and are payable from 31 December 2016 onwards. Thereafter, interest will be paid at the end of each quarter.



**RHI Clasil Private Limited**  
**(formerly known as RHI Clasil Limited)**  
**Notes to the Special purpose financial statements for the period ended December 31, 2018**  
**(All amounts in Indian Rupees (₹), unless otherwise stated)**

**2.4 Deferred tax liability** **As at**  
**31 Dec 2018**

Deferred tax liability:	
- Fixed assets: Excess of depreciation/ amortisation on fixed assets under	1,41,70,031
Income-tax law over depreciation/ amortisation provided in accounts	
	<u>1,41,70,031</u>
Deferred tax asset:	
- On account of provision for employee benefits	50,85,111
- On account of provision for doubtful advances	2,47,472
- On account of provision for doubtful receivables	24,84,063
	<u>78,16,646</u>
	<u>63,53,385</u>

**As at**  
**31 Dec 2018**

**2.5 Long-term provisions**

Provision for employee benefits	
- Gratuity (Refer note 2.27)	71,04,914
- Compensated absences	32,03,065
	<u>1,03,07,979</u>

**2.6 Short-term borrowings**

*Unsecured*

Loans repayable on demand from banks:	
- Cash credit (refer note 1 below)	7,51,92,825
	<u>7,51,92,825</u>

**Note:**

1. Cash credit from bank is guaranteed by RHI AG, Vienna, Austria, the ultimate holding company. The cash credit is repayable on demand and carries an interest at 9.25% p.a (previous year : 10% p.a) computed on a daily basis on the actual amount utilised.

**2.7 Trade payables**

- Total outstanding dues of micro enterprises and small enterprises	-
- Total outstanding of creditors other than micro enterprises and small enterprises*	32,54,04,457
	<u>32,54,04,457</u>

Refer note 2.32 for balances outstanding to related parties

**2.8 Other current liabilities**

Current maturities of long term borrowings (refer note 2.3(a))*	8,21,17,360
Interest accrued and due on borrowings	27,92,330
Capital creditors	1,12,35,129
Advances from customers	8,17,826
Statutory liabilities	34,60,045
Employee payables*	94,41,952
	<u>10,98,64,642</u>

Refer note 2.32 for balances outstanding to related parties

**2.9 Short-term provisions**

Provision for employee benefits	
- Gratuity (Refer note 2.27)	9,74,942
- Compensated absences	5,39,214
	<u>15,14,156</u>





**RHI Clasil Private Limited**  
(formerly known as RHI Clasil Limited)

Notes to the Special purpose financial statements for the period ended December 31, 2018  
(All amounts in Indian Rupees (₹), except share data and where otherwise stated)

**2.10 Fixed assets**

2.10 Fixed assets									
Description	Gross block at cost			As at 31 Dec 2018	Accumulated depreciation / amortisation			Net block	
	As at 1 April 2018	Additions	Deletions		As at 1 April 2018	Charge for the period	Deletions	As at 31 Dec 2018	As at 31 March 2018
<b>Tangible assets</b>									
<i>Owned assets</i>									
Freehold land	7,47,34,724	-	-	7,47,34,724	-	-	-	7,47,34,724	7,47,34,724
Buildings	20,06,81,990	3,36,44,406	-	23,43,26,396	4,07,50,749	54,01,288	4,61,52,037	18,81,74,359	15,99,31,241
Plant and machinery	63,75,19,041	13,49,90,867	62,64,165	76,62,45,743	30,67,75,968	4,23,65,895	34,28,77,698	42,33,68,045	33,07,43,073
Internal road	1,38,78,130	23,82,590	-	1,62,60,720	58,51,350	8,08,181	66,59,531	96,01,189	80,26,780
Electrical equipment	3,34,21,540	9,35,681	-	3,43,57,221	2,32,12,343	18,44,862	2,50,57,205	93,00,016	1,02,09,197
Office equipment	45,15,481	3,39,212	-	48,54,693	24,00,830	4,16,712	28,17,542	20,37,151	21,14,651
Furniture and fixtures	31,73,725	2,68,950	-	34,42,675	17,57,210	1,81,130	19,38,340	15,04,335	14,16,515
Computers	1,07,69,723	4,37,586	-	1,12,07,309	85,55,076	8,30,531	93,85,607	18,21,702	22,14,647
Motor vehicles	88,24,598	56,90,384	51,71,888	93,43,094	19,08,378	6,84,056	8,09,855	85,33,239	69,16,220
Total	98,75,18,952	17,86,89,676	1,14,36,053	1,15,47,72,575	39,12,11,904	5,25,32,655	43,56,97,815	71,90,74,760	59,63,07,048
Previous year	90,45,41,863	8,60,41,689	30,64,600	98,75,18,952	33,31,74,313	5,95,30,546	39,12,11,904	59,63,07,048	-
<b>Intangible assets</b>									
Software	11,87,280	-	-	11,87,280	11,87,280	-	11,87,280	-	-
Total	11,87,280	-	-	11,87,280	11,87,280	-	11,87,280	-	-
Previous year	11,87,280	-	-	11,87,280	39,23,99,184	5,25,32,655	43,68,85,095	71,90,74,760	59,63,07,048
Grand total	98,87,06,232	17,86,89,676	1,14,36,053	1,15,59,59,855	33,43,61,593	5,95,30,546	39,23,99,184	59,63,07,048	91,61,318
Previous year	90,57,29,143	8,60,41,689	30,64,600	98,87,06,232	-	-	14,92,955	4,58,86,601	-
Capital work-in-progress									





**RHI Clasil Private Limited**

(formerly known as RHI Clasil Limited)

Notes to the Special purpose financial statements for the period ended December 31, 2018

(All amounts in Indian Rupees (₹), unless otherwise stated)

As at  
31 Dec 2018**2.11 Long-term loans and advances**

Unsecured, considered good

Capital advances	85,37,820
Security and other deposits	62,20,593
Advance tax (including tax deducted at source and net of provision for taxation)	18,38,249

Unsecured, considered good doubtful

Capital advances	8,49,836
Less: Provision for doubtful advances	(8,49,836)
	<u>1,65,96,662</u>

**2.12 Inventories**

(Valued at lower of cost or net realisable value)

Raw materials and packing materials [including Goods-in-transit ₹ NIL]	33,04,22,972
Work-in-progress	9,28,08,103
Finished goods	5,70,92,535
Stores and spares	1,79,68,228
	<u>49,82,91,838</u>

**2.13 Trade receivables\***

Unsecured and considered good

- Outstanding for period exceeding six months from the date they became due for payment:	9,84,921
- Other debts	25,81,27,228

Unsecured and considered doubtful

- Outstanding for period exceeding six months from the date they became due for payment:	-
- Other debts	85,30,436
- Less: Provision for doubtful debts	(85,30,436)
	<u>25,91,12,148</u>

Note:

\* Refer note 2.32 for dues from related parties



**RHI Clasil Private Limited**

(formerly known as RHI Clasil Limited)

**Notes to the Special purpose financial statements for the period ended December 31, 2018**

(All amounts in Indian Rupees (₹), unless otherwise stated)

	As at 31 Dec 2018
<b>2.14 Cash and bank balances</b>	
<b>Cash and cash equivalents</b>	
Cash on hand	1,77,070
Balance with banks	
- on current accounts	12,93,068
<b>Other bank balances</b>	
Term deposits with maturity more than 3 months but less than 12 months*	1,11,400
	<u>15,81,538</u>
* Represents margin money deposits towards bank guarantees issued.	
<b>2.15 Short-term loan and advances</b>	
(Unsecured, considered good)	
Prepaid expenses	19,61,043
Advance to suppliers	1,36,20,819
Balances with statutory/government authorities	3,52,65,591
	<u>5,08,47,453</u>



**RHI Clasil Private Limited****(formerly known as RHI Clasil Limited)****Notes to the Special purpose financial statements for the period ended December 31, 2018****(All amounts in Indian Rupees (₹), unless otherwise stated)****For the period ended Dec  
31, 2018****2.16 Revenue from operations****Sale of products (gross)**

Refractory bricks	1,18,22,31,341
Monolithics	42,66,69,582
Slide gates	2,43,07,849
Other refractories	45,88,64,536
	<u>2,09,20,73,308</u>

**Sale of products (net)****Other operating revenue**

Duty drawback and export incentives	5,19,81,777
	<u>2,14,40,55,085</u>

**2.17 Other income****Interest income:**

- from bank deposits	6,267
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Reimbursement of Mould Cost	-
Miscellaneous income	35,30,983

Net gain on foreign currency transaction and translation	<u>35,37,250</u>
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**RHI Clasil Private Limited****(formerly known as RHI Clasil Limited)****Notes to the Special purpose financial statements for the period ended December 31, 2018****(All amounts in Indian Rupees (₹), unless otherwise stated)****For the period ended  
Dec 31, 2018****2.18 Cost of materials and packing materials consumed**

Opening stock	29,36,94,667
Add: Purchases	1,42,57,27,632
Less: Closing stock	(33,04,22,972)
	<u><u>1,38,89,99,327</u></u>

**2.19 Change in inventories of finished goods and work-in-progress**

<b>Opening stock</b>	
Finished goods	19,97,31,810
Work-in-progress	7,49,02,190
<b>Less: Closing stock</b>	
Finished goods	(5,70,92,535)
Work-in-progress	(9,28,08,103)
	<u><u>12,47,33,362</u></u>
Less: Own production consumed for construction of kiln capitalised	(16,98,408)
<b>Net decrease/ (increase) inventories of finished goods and work-in-progress</b>	<u><u>12,30,34,954</u></u>

**2.20 Employee benefits expense**

Salaries and wages (Refer note 2.27)	4,55,03,837
Contribution to provident fund and other funds (Refer note 2.27)	14,11,306
Staff welfare expenses	9,53,915
	<u><u>4,78,69,058</u></u>

**2.21 Finance costs**

Interest on external commercial borrowings	87,26,589
Interest on working capital loans	1,10,90,871
Interest on tax	36,55,977
	<u><u>2,34,73,437</u></u>



**RHI Clasil Private Limited****(formerly known as RHI Clasil Limited)****Notes to the Special purpose financial statements for the period ended December 31, 2018****(All amounts in Indian Rupees (₹), unless otherwise stated)****For the period ended  
Dec 31, 2018****2.22 Other expenses**

Consumption of stores and spares	3,48,33,263
Power and fuel	11,27,00,085
Man power charges	7,17,72,615
Freight outward	3,73,31,218
Rent (Refer note 2.33)	34,26,320
Repairs and maintenance:	
- Buildings	37,92,697
- Plant and machinery	1,27,16,686
- Others	6,65,955
Hire charges	86,01,453
Rates and taxes	3,71,981
Insurance	28,95,782
Traveling and conveyance	69,14,424
Bank charges	18,06,636
Communication	15,34,135
Legal and professional	93,83,994
Sales promotion and advertisement	32,15,930
Net loss on foreign currency transaction and translation (other than considered as finance cost)	32,16,461
Loss on sale of fixed assets, net	1,98,313
Provision for doubtful/(written back) trade receivables (net)	9,60,538
Patent and royalty fees	1,26,49,661
Sales commission	18,61,644
Security expenses	33,88,139
Printing and stationery	10,22,358
Corporate social responsibility(Refer note 2.34)	19,82,540
Miscellaneous expenses	28,08,387
	<b>34,00,51,215</b>



**RHI Clasil Private Limited**

(formerly known as RHI Clasil Limited)

Notes to the financial statements for the period ended December 31, 2018 (continued)

(All amounts in Indian Rupees (₹), unless otherwise stated)

**2.23 Contingent liabilities, Commitments and pending litigations****a) Claims against the Company not acknowledged as debts in respect of:**

Name of the statute	Nature of dues	Period to which the amount relates	Forum where the dispute is pending	As at 31 December 2018
Central Excise Act, 1944	Excise duty #	April 2007 to September 2011	Customs Excise & Service tax Appellate Tribunal, Bangalore	19,689,729
Central Excise Act, 1944	Excise duty #	October 2011 to December 2013	Customs Excise & Service tax Appellate Tribunal, Bangalore	8,70,443
Central Excise Act, 1944	Excise duty	January 2014 to October 2014	Customs Excise & Service tax Appellate Tribunal, Hyderabad	10,002,309
	Penalty			(750,173)*
Central Excise Act, 1944	Excise duty#	November 2014 to March 2015	Customs Excise & Service tax Appellate Tribunal, Hyderabad	2,505,000
				5,276,136
				(395,710)*
	Excise duty#	April 2015 to September 2015		9,442,949
	Penalty	November 2014 to September 2015		(708,221)*
	Excise duty#	October 2015 to June 2017		1,405,000
				18,833,330
	Penalty			1,005,000
Central Excise Act, 1944	Excise duty#	August 2012 to June 2017	Commissioner (Appeals), Visakhapatnam	790,065
	Penalty			(59,255)*
				632,018

# The aforesaid amount is excluding interest, as demanded by respective authorities.

\* Represents amount deposited under protest.

**b) Capital commitment**

Particulars	As at 31 December 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	29,214,173

**2.24 Earnings per share**

The computation of earnings per share is set out below:

Particulars	For the period ended 31 December 2018
Net profit after tax for the year attributable to equity share holders (₹) (A)	119,863,158
Weighted average number of equity shares of ₹ 10 each used for calculation of basic and diluted earnings per share (B)	18,400,000
Earnings per share - basic and diluted (₹) (A/B)	6.51

The Company does not have any potentially dilutive equity shares.





**RHI Clasil Private Limited**  
(formerly known as RHI Clasil Limited)  
**Notes to the financial statements for the period ended December 31, 2018 (continued)**  
(All amounts in Indian Rupees (₹), unless otherwise stated)

**2.25 Auditor's remuneration** (included in legal and professional fees excluding goods & service tax)

Particulars	For the period ended 31 December 2018
Audit fees	1,000,000
Certification services	-
Reimbursement of expenses	-
<b>Total</b>	<b>50,000</b>

**2.26 Expenditure and earnings in foreign currency**

Particulars	For the period ended 31 December 2018
<b>Expenditure</b>	
Travelling expenses	830,682
Interest on external commercial borrowings	8,726,589
Patent and royalty fees	12,649,661
<b>Total</b>	<b>22,207,112</b>
<b>Earnings</b>	
Export sales on F.O.B. basis	809,441,856
<b>Total</b>	<b>809,441,856</b>

**2.27 Employee benefits**

**a) Defined contribution plan:**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are recognized as an expense in the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund for the year aggregated to ₹ 1,411,306.

**b) Defined benefit plan:**

The Company has a defined benefit gratuity plan. Employees are eligible for gratuity benefits on termination or retirement in accordance with Payment of Gratuity Act, 1972. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit.

The following tables set out the status of the gratuity plan as required under Accounting Standard – 15 "Employee Benefits".

**(i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation is set out below:**

Particulars	As at 31 December 2018
Defined benefit obligation at the beginning of the year	7,446,233
Current service cost	557,107
Interest cost	448,019
Net actuarial (gain)/ loss recognised in the year	27,744
Past Service Cost	-
Benefit paid	(399,247)
<b>Defined benefit obligation at the end of the year</b>	<b>8,079,856</b>



**RHI Clasil Private Limited**  
**(formerly known as RHI Clasil Limited)**  
**Notes to the financial statements for the period ended December 31, 2018 (continued)**  
**(All amounts in Indian Rupees (₹), unless otherwise stated)**

**(ii) Classification of liability into current / non- current:**

Particulars	As at 31 December 2018
Current liability	974,942
Non-current liability	7,104,914
<b>Net liability</b>	<b>8,079,856</b>

**(iii) Amount recognized in Balance sheet:**

Particulars	As at 31 December 2018
Defined benefit obligation at the end of the year	8,079,856
Fair value of plan assets	-
<b>Net liability</b>	<b>8,079,856</b>

**(iv) Expense recognised in the statement of profit and loss:**

Particulars	For the period ended 31 December 2018
Current service cost	557,107
Interest on Defined Benefit Obligation	448,019
Net actuarial (gain)/loss recognized in the year	27,744
Past Service Cost	-
<b>Amount included in "employee benefits expense"</b>	<b>1,032,870</b>

**(v) Principal actuarial assumptions:**

Particulars	For the period ended 31 December 2018
Discount Rate	7.55%
Salary escalation rate	7%
Attrition Rate:	
21-30 years	5.00%
31-40 years	3.00%
41-59 years	2.00%

**(vi) Amounts recognised in current period and previous 4 years:**

Particulars	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Defined benefit obligation	8,079,856	7,446,233	7,137,867	5,677,052	4,751,948
Deficit	(8,079,856)	(7,446,233)	(7,137,867)	(5,677,052)	(4,751,948)
Experience adjustment in plan liabilities	(207,677)	92,390	107,342	(4,908)	(99,219)

**Discount rate:** The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

**Salary escalation:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.





**RHI Clasil Private Limited**  
(formerly known as RHI Clasil Limited)  
**Notes to the financial statements for the period ended December 31, 2018 (continued)**  
(All amounts in Indian Rupees (₹), unless otherwise stated)

**2.28. Details of imported and indigenous raw materials and stores and spares consumed:**

Particulars	For the year ended 31 December 2018	
	Amount in ₹	% of total consumption
<b>Raw materials and packing materials</b>		
Imported	576,706,570	42%
Indigenous	812,292,757	58%
<b>Total</b>	<b>1,388,999,327</b>	<b>100%</b>
<b>Stores and spares</b>		
Imported	3,255,792	12%
Indigenous	24,018,006	88%
<b>Total</b>	<b>27,273,798</b>	<b>100%</b>

**2.29 Value of imports on CIF basis**

Particulars	For the period ended 31 December 2018
Raw materials	623,079,932
Stores & Spares	3,255,792
Capital goods	43,102,351
<b>Total</b>	<b>669,438,075</b>

**2.30 Derivative instruments:**

(i) Outstanding derivative instruments

The Company doesn't use forward contracts to hedge its exposure in external commercial borrowings in foreign exchange rates.

(ii) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31 December 2018	
	Foreign currency	₹
<b>External commercial borrowings</b>		
EUR	8,012,956	640,080,554
<b>Trade payables</b>		
USD	1,409,541	98,396,510
EUR	31,198	2,492,153
<b>Capital advances</b>		
USD	-	-
EUR	-	-
<b>Capital creditors</b>		
USD	81,391	5,681,722
EUR	-	-





**RHI Clasil Private Limited**  
(formerly known as RHI Clasil Limited)  
**Notes to the financial statements for the period ended December 31, 2018 (continued)**  
(All amounts in Indian Rupees (₹), unless otherwise stated)

<b>Trade receivables</b>		
USD	900,981	62,895,213
EUR	-	-
<b>Balance in EEFC account</b>		
USD	-	-
<b>Interest accrued and due on borrowings</b>		
EUR	34,956	2,792,330

## 2.31 Segment information

### A. Segments

The primary and secondary reportable segments are business segments and geographic segments respectively.

#### Business segments

Based on the analysis of the Company's internal organisation and Management structure, Management of the Company has classified its business activities as "Refractory products" segment. No separate financial information is provided since the Company has only one reportable segment.

#### Geographic segments

The Company's business is organized into four key geographic segments Europe, Asia Pacific, India and Others. Revenues are attributable to individual geographic segments based on the location of the customer.

### B. Segment policies

**Segment revenues and expenses:** Revenues in relation to geographical segments are categorised based on items that are individually identifiable to that geography.

**Segment assets:** Segment assets for geographical segments include all operating assets located in that segment and comprise primarily of trade receivables and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet.

**Accounting policies:** The accounting policies consistently used in the preparation of the financial statements are also applied to revenues and assets disclosures in individual segments.

### C. Secondary segment reporting – Geographical segment disclosures

#### (i) Sales by geographic market (net of excise duties):

Particulars	For the period ended 31 December 2018
Europe	227,413,009
Asia Pacific	398,936,110
India	1,278,541,941
Others	187,182,248
<b>Total</b>	<b>2,092,073,308</b>

#### (ii) Cost of tangible and intangible assets acquired by geography

Particulars	For the period ended 31 December 2018
Europe	1,499,076
Asia Pacific	41,603,274
India	135,587,325



**RHI Clasil Private Limited**  
(formerly known as RHI Clasil Limited)  
**Notes to the financial statements for the period ended December 31, 2018 (continued)**  
(All amounts in Indian Rupees (₹), unless otherwise stated)

<b>Total</b>	<b>178,689,676</b>
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**(iii) Assets by geography:**

<b>Particulars</b>	<b>As at 31 December 2018</b>
India	1,591,375,057
Others	-
<b>Total</b>	<b>1,591,375,057</b>

**2.32 Related party disclosures**

Related parties where control / significant influence exist or with whom transactions have taken place during the year:

**a) Entities where control exists**

Ultimate holding company - RHI Magnesita GmbH, Austria (Until October 31, 2018 "RHI Feuerfest GmbH, Austria")

Holding company - VRD Americas B.V. Netherlands

**b) Other Related Parties with whom transactions have taken place during the year**

<b>S. No</b>	<b>Name of Related Parties</b>	<b>Relationship</b>
1	RADEX Vertriebsgesellschaft M.B.H - Austria	Fellow Subsidiary
2	Refractory Intellectual Property GmbH and Co, KG - Germany	Fellow Subsidiary
3	RHI India Private Limited, Mumbai, India	Fellow Subsidiary
4	RHI Refractories Asia Pacific Pte Limited, Hongkong	Fellow Subsidiary
5	Didier Werke AG - Germany	Fellow Subsidiary
6	RHI Refractories Liaoning Co. Ltd. - China	Fellow Subsidiary
7	Orient Refractories Limited - India	Fellow Subsidiary
8	RHI Urmits & CO KG	Fellow Subsidiary

**c) Key Managerial Personnel and their relatives**

<b>S. No</b>	<b>Name of Related Parties</b>	<b>Relationship</b>
1	Dr. R.V. Raju, Chairman and Managing Director	Key Management Personnel
2	R Venkata Suryanarayana Raju, Director	Key Management Personnel
3	Reinhold Steiner, Director	Key Management Personnel
4	George Mathew, Director	Key Management Personnel
5	R V Rama Raju, Chief Financial Officer	Key Management Personnel
6	R. Udaya Rekha	Relative of Key Management Personnel





**RHI Clasil Private Limited**  
**(formerly known as RHI Clasil Limited)**  
**Notes to the financial statements for the period ended December 31, 2018 (continued)**  
**(All amounts in Indian Rupees (₹), unless otherwise stated)**

**2.32. Related party disclosures (continued)**

**d) Transactions and balances with related parties of the Company:**

Sl. No	Name of the transacting party	Relationship	Nature of transactions	31 December 2018	
				Transactions during the period	Receivable/(payable)
1	RHI Magnesita, Austria	Ultimate holding company	Sale of products	812,585,327	(7,521,050)
			Reimbursement of other expenses	18,290,773	4,635,454
			Guarantee commission	149,987	(160,242)
4	VRD Americas B.V, Netherlands	Holding company	Interest on external commercial borrowings	8,726,589	(2,792,330)
			External commercial borrowings taken/(repaid)	-	(637,288,225)
5	Refractory Intellectual Property GmbH and Co, KG – Germany	Fellow Subsidiary	Patent and royalty expense	12,649,661	(13,349,417)
6	RHI India Private Limited	Fellow Subsidiary	Sale of products (net of tax)	830,073,407	126,170,246
			Sales commission expense	1,861,644	(89,731)
			Reimbursement of other expenses	3,922,662	2,062,050
			Purchases	3,472,725	-
8	RHI Refractories Liaoning Co. Ltd.- China	Fellow Subsidiary	Purchases of raw material	-	(217,060)
9	RHI Urmitz AG & Co KG	Fellow Subsidiary	Sale of Products	946,039	-
10	Orient Refractories Limited	Fellow Subsidiary	Purchases of raw material	30,916,120	(1,395,493)
			Sale of Products	19,620,578	-
			Reimbursement of other expenses	550,000	-
11	Dr. R.V. Raju, Chairman and Managing Director	Key Management personnel	Rent	405,000	(40,500)
			Remuneration (including ex-gratia)	7,560,159	(458,090)
12	R Venkata Suryanarayana Raju, Director	Key Management personnel	Remuneration (including ex-gratia)	6,825,127	(394,699)
13	R V Rama Raju, Chief Financial Officer	Chief Financial Officer	Salary (including ex-gratia)	1,443,393	(130,799)





**RHI Clasil Private Limited**

(formerly known as RHI Clasil Limited)

Notes to the financial statements for the period ended December 31, 2018 (continued)

(All amounts in Indian Rupees (₹), unless otherwise stated)

**2.33 Leases**

Rental expense for its office facilities and residential facilities under cancellable operating lease during the year was ₹ 3,426,320 and have been included in the statement of profit and loss.

**2.34 Corporate social responsibility**

a. Gross amount required to be spent by the company during the year 2018-19 amounts to ₹ 2,509,622.

b. Amount spent during the period:


Particulars	In cash	Yet to be paid in cash	Total
Acquisition or construction of assets	-	-	-
On purposes other than acquisition or construction of assets	1,982,540	-	1,982,540
<b>Total</b>	<b>1,982,540</b>	<b>-</b>	<b>1,982,540</b>

**2.35 Transfer Pricing**

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international and domestic transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by 30 November 2019, as required by law. The Management confirms that its international and domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

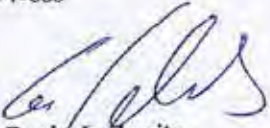
As per our Report of even date attached.

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

  
**N.K. Varadarajan**  
Partner  
Membership No.: 90196

**For and on behalf of Board of Directors**  
**RHI Clasil Private Limited**  
(formerly known as RHI Clasil Limited)  
CIN: U26914TG2005PLC048333

  
**Dr. RV Raju**  
Managing Director  
DIN: 00390746

  
**Erwin Jankovits**  
Additional Director  
DIN: 07089589

  
**Dadheech Jyothi**  
Company Secretary  
Membership No.: 53223

Place: **HYDERABAD**  
Date: **FEBRUARY 14, 2019**

Place: **NEW DELHI**  
Date: **FEBRUARY 14, 2019**

Date: April 1, 2019

**The Board of Directors,**

Orient Refractories Limited,  
C-604, Neelkanth Business Park,  
Opposite Railway Station  
Vidhyavihar (West),  
Mumbai – 400 086, India.

Dear Sir/ Madam,

**Subject: Composite Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder involving RHI India Private Limited (“RHI India” or the “Transferor Company 1”), RHI Clasil Private Limited (“RHI Clasil” or the “Transferor Company 2”) and Orient Refractories Limited (“ORI” or the “Transferee Company” or the “Company”) and their respective shareholders and creditors (the “Scheme”)**

- a. The board of directors of Orient Refractories Limited, a company listed on the BSE Limited and National Stock Exchange of India Limited, has proposed the Scheme involving the merger of RHI India and RHI Clasil (both unlisted companies) with and into the Company.
- b. In this regard, please find enclosed the abridged prospectus (i) dated April 1, 2019 of RHI India (the “**RHI India Abridged Prospectus**”, enclosed as **Annexure 14**) and (ii) dated April 1, 2019 of RHI Clasil (the “**RHI Clasil Abridged Prospectus**”, enclosed as **Annexure 15**), as prepared by RHI India and RHI Clasil, respectively. The RHI India Abridged Prospectus and RHI Clasil Abridged Prospectus will be circulated to the members of the Company at the time of seeking their approval to the Scheme as part of the explanatory statement to the shareholders’ notice.
- c. With regards to the RHI India Abridged Prospectus and the RHI Clasil Abridged Prospectus, we have relied on the information, undertakings, certificates, confirmations, documents and explanations provided by:
  - the Company, RHI India, promoters of RHI India and directors of RHI India in relation to the RHI India Abridged Prospectus; and
  - the Company, RHI Clasil, promoters of RHI Clasil and directors of RHI Clasil in relation to the RHI Clasil Abridged Prospectus.

Based on the above, we hereby confirm that the information and disclosures contained in the RHI India Abridged Prospectus and RHI Clasil Abridged Prospectus are accurate and adequate, in terms of the paragraph 1.A.3(a) of Annexure 1 of the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“**SEBI Circular**”) and the format specified for abridged prospectus as provided in

**JM Financial Limited**

Corporate Identity Number: U57130MH1996PLC0281234

Regd. Office: 7th Floor, Energy, Kppasahab Marathe Marg, Pratiknagar, Mumbai-400 025  
T: +91 22 4630 3030, F: +91 22 4630 3330, www.jmfin.com




Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as applicable.

The above confirmation is based on the information furnished and explanations provided to us by the Company and the entities mentioned in paragraph (c) hereinabove, assuming the same is complete and accurate in all material aspects on an "as is" basis. We have relied on the financials, information and representations furnished to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the RHI India Abridged Prospectus and the RHI Clasil Abridged Prospectus. This certificate is based on the information as at April 1, 2019. This certificate is a specific purpose certificate issued in terms of the SEBI Circular and hence it should not be used for any other purpose or transaction. This certificate is not, nor should it be construed to be, a certification of compliance of the Scheme with the provisions of applicable law including company, taxation and securities markets related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Scheme or as to how the holders of equity shares of the Company should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of Company will trade following the Scheme. Furthermore, we express no opinion, and accordingly, accept no responsibility for or as to the financial performance of the Company or RHI India or RHI Clasil following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility in any manner whatsoever) as to whether shareholders/ investors should buy, sell or hold any stake in the Company or any of its related parties (holding company/ subsidiaries/ associates etc.).

For **JM Financial Limited**



Name: Smidini Kannan

Designation: VP

SEBI registration number: INM000010361

Enclosed as above



**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS**

This document contains applicable information pertaining to the unlisted entity, RHI India Private Limited (**RHI India** or the **Transferor Company 1**) and the proposed composite scheme of amalgamation under Sections 230 to 232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder involving RHI India, RHI Clasil Private Limited (**RHI Clasil** or the **Transferor Company 2**) and Orient Refractories Limited (**ORL** or the **Transferee Company**) and their respective shareholders and creditors (the **Scheme**) which is being issued pursuant to Circular No. CFD/DIL 3/CIR/2017/21 dated March 10, 2017 (**SEBI Circular**) issued by the Securities and Exchange Board of India (**SEBI**). The Scheme is available on the websites of BSE Limited (**BSE**) at <http://www.bseindia.com/companies/NCLT/India.aspx> and the National Stock Exchange of India Limited (**NSE**) at <http://www.nseindia.com/companies/companiesHome.html#scheme/amalgamation>. Nothing in this document constitutes an offer or an invitation by or on behalf of ORL, RHI India or RHI Clasil to subscribe to or purchase any of the securities of RHI India.

**THIS ABRIDGED PROSPETCUS CONTAINS 8 PAGES.  
PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

This disclosure document dated April 1, 2019 should be read together with the Scheme and the notice to the shareholders of ORL in connection with the Scheme.

*Capitalised words not defined herein shall mean the same as defined in the Scheme.*

**RHI INDIA PRIVATE LIMITED**

**Registered Office and Corporate Office:** Neelkanth Business Park, Room Number 604C, Opposite Railway Station, Vidhyavihar (West), Mumbai - 400 086.  
**Telephone:** +91 22 66090600 **Fax:** +91 22 66090601 **E-mail:** [jagdish.parikh@rhimagnesia.com](mailto:jagdish.parikh@rhimagnesia.com)  
**Corporate Identification Number:** U24119MH2007PTC171712  
**Contact Person:** Mr. Jagdish Parikh

**PROMOTERS OF RHI INDIA**

(i) Dutch Brasil Holding B.V., Netherlands (**Dutch Brasil**); and (ii) VRD Americas B.V., Netherlands (**VRD Americas**).

**DETAILS OF THE SCHEME**

The Scheme involves the merger of RHI India and RHI Clasil (both unlisted entities) (together, the **Transferor Companies**) with and into ORL.

The Scheme contemplates the following sequence of events, and it shall be deemed to be effective from the Appointed Date (as defined in the Scheme). The Scheme shall be operative only in the sequence and in the order set out below:

- (i) amalgamation of RHI India and RHI Clasil with and into ORL;
- (ii) transfer of the authorised share capitals of RHI India and RHI Clasil to ORL;
- (iii) issue and allotment of fully paid up equity shares of ORL to the shareholders of RHI India and RHI Clasil; and
- (iv) dissolution of RHI India and RHI Clasil without winding-up. ORL shall make all requisite applications and take all steps to procure the listing of the newly issued shares (pursuant to the step outlined in (iii) above) on the BSE and the NSE.

Following the completion of the steps outlined above, the current shareholders of RHI India shall be issued 24,149,931 equity shares of ORL. Upon the amalgamation becoming effective, the entire businesses of RHI India and RHI Clasil will vest in ORL.

The Scheme is subject to the approval of the shareholders, the creditors, the BSE, the NSE, SEBI and the National Company Law Tribunal (**NCLT**).



## GENERAL RISKS

Specific attention of the readers is invited to the "Details of the Scheme" above and "Internal Risk Factors" at pages 1 and 6 respectively of this disclosure document.

## NAME OF THE CURRENT STATUTORY AUDITORS

Price Waterhouse, Chartered Accountants LLP.

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## PROMOTERS OF RHI INDIA

The promoters of RHI India are Dutch Brasil and VRD Americas. Dutch Brasil and VRD Americas together currently hold 342,844 equity shares of RHI India equivalent to 100% of the pre-merger issued, subscribed and paid-up equity share capital of RHI India. Dutch Brasil is the holding company of RHI India.

### Shareholding of the Promoters in RHI India (as on March 31, 2019):

S. No.	Name of the promoter	No. of shares held	% holding
1.	Dutch Brasil	292,744	85
2.	VRD Americas	50,100	15
	<b>Total</b>	<b>342,844</b>	<b>100</b>

### Details of the promoters:

#### Dutch Brasil

Dutch Brasil was incorporated on July 10, 2007 under the laws of Netherlands.

Dutch Brasil is a private company with limited liability having its registered office at Velperweg 81, 6824 HH, Arnhem, the Netherlands. The issued, subscribed and paid up capital of Dutch Brasil is EUR 18,000 divided into 1,800 equity shares of EUR 10 each.

Dutch Brasil is engaged in the business of, *inter alia*, acting as a holding company, acquiring and / or disposing participating interests or other interests in corporate bodies, and financing particularly (but not exclusively) subsidiary companies.

The following is the shareholding pattern of Dutch Brasil:





Sl. No.	Name of Promoters	No. of shares held	% holding
1.	Veitscher Vertriebs GmbH, Austria	1,800	100
<b>Total shareholding</b>		<b>1,800</b>	<b>100</b>

The board of directors of Dutch Brasil comprises a sole director, Mr. Antonius Marinus van Beest.

Dutch Brasil is ultimately controlled by RHI Magnesita N.V.. RHI Magnesita N.V. is a public company with limited liability under Dutch law and was incorporated on June 20, 2017. It has its corporate seat in Arnhem, the Netherlands, its administrative seat in Vienna, Austria. RHI Magnesita N.V. is the ultimate holding company of the RHI Magnesita group. The shares of RHI Magnesita N.V. have a premium listing on the London Stock Exchange and are a constituent of the FTSE 250 index. The board of directors of RHI Magnesita N.V. comprise of Stefan Borgas, Celia Frances Baxter, Herbert Cordt, Andrew Joseph Hosty, James William Leng, Stanislaus Otto Ludwig Burghard Prinz zu Sayn-Wittgenstein-Berleburg, John Ramsay, Franz Andreas Reiter, Wolfgang Rutenstorfer, David Alexander Schlaff, Michael Wilhelm Schwarz and Karl Sevelde.

#### **VRD Americas**

VRD Americas was incorporated on November 21, 1983 under the laws of Netherlands as PIN Magnesitmaatschappij B.V.. Its name was later changed: (i) on February 6, 1984 to Société d'Intérêts Magnésiens B.V.; and (ii) on February 17, 1999 to VRD Americas B.V..

VRD Americas is a private company with limited liability having its registered office at Velperweg 81, 6824 HH, Arnhem, Netherlands. The issued, subscribed and paid up capital of VRD Americas is EUR 33,750,450 divided into 75,001 equity shares of EUR 450 each.

VRD Americas is engaged in the business of, *inter alia*, acting as a holding company, acquiring and / or disposing participating interests or other interests in corporate bodies, and financing particularly (but not exclusively) subsidiary companies.

The following is the shareholding pattern of VRD Americas:

Sl. No.	Name of Promoters	No. of shares held	% holding
1.	Radex Vertriebs GmbH, Austria	75,000	99.99
2.	RHI Magnesita GmbH (formerly RHI Feuerfest GmbH), Austria	1	0.00
<b>Total shareholding</b>		<b>75,001</b>	<b>100%</b>

The board of directors of VRD Americas comprises a sole director, Mr. Antonius Marinus van Beest.

VRD Americas is also ultimately controlled by RHI Magnesita N.V.. For details relating to RHI Magnesita N.V. please refer section titled "*Details of the promoters – Dutch Brasil*" on page 3.

Listed group companies: the following are RHI India's listed group companies (companies as covered under the applicable accounting standards):

1. Orient Refractories Limited; and
2. RHI Magnesita N.V.





**BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY**

RHI India was incorporated on June 15, 2007 with the Registrar of Companies, Mumbai under the provisions of the Companies Act, 1956 with the corporate identification number U24119MH2007PTC171712 and having its registered office at Neelkanth Business Park, Room Number 604C, Opposite Railway Station, Vidhyavihar (West), Mumbai - 400 086. RHI India is a subsidiary of Dutch Brasil, which is ultimately controlled by RHI Magnesita N.V..

RHI India is authorized by its Memorandum of Association to carry on the business of purchase, sale, import, export and marketing of refractories, refractory products, chemicals, formulations, and related equipment. Refractory materials are used to provide thermal insulating lining in furnaces, kilns, reactors, etc. and are predominantly used in iron and steel industries, metal smelters, cement industries, and glass industries.

With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the businesses of the Transferor Companies.

**BOARD OF DIRECTORS**

S. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current/ past positions held
1.	Mr. Erwin Jankovits	Non-executive Director	Mr. Erwin Jankovits holds a bachelor's degree in material sciences and has vast experience in the steel industry. He has been a director of RHI India since 25 January 2019. He is also a director of: (i) ORL; (ii) RHI Clasil; and (iii) Magnesita Refractories Private Limited.
2.	Mr. Sanjeev Bhardwaj	Non-executive Director	Mr. Sanjeev Bhardwaj holds a bachelor's degree in commerce and is a qualified chartered accountant and a company secretary. He has been a director of RHI India since March 13, 2018. He is also a director of Magnesita Refractories Private Limited.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilisation of issue proceeds of past public issues / rights issues, if any, of RHI India in the preceding 10 years: Not applicable

**SHAREHOLDING PATTERN PRIOR TO THE SCHEME (AS ON MARCH 31, 2019)**

S. No.	Particulars	Number of shares	% holding of the share capital
1.	Promoter and promoter group	342,844	100
2.	Public	NIL	NIL
	<b>Total</b>	<b>342,844</b>	<b>100</b>



# AUDITED FINANCIAL INFORMATION

## Financial information in relation to RHI India:

(All amounts in INR crores, except as stated otherwise)

S. No.	Particulars	For the period ended December 31, 2018	For the year ended				
			March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
1.	Total income from operations (net)	425.85	459.85	376.82	326.28	290.07	203.72
2.	Net Profit / (Loss) before tax and extraordinary items	37.33	62.90	15.58	8.29	4.02	(2.31)
3.	Net Profit / (Loss) after tax and extraordinary items	24.36	40.91	10.26	5.42	3.24	(2.31)
		As at December 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
4.	Equity Share Capital (issued, subscribed and paid up share capital)	0.34	0.34	0.34	0.34	0.08	0.08
5.	Reserves and Surplus	174.31	149.95	109.04	98.78	28.42	25.21
6.	Net worth	174.65	150.29	109.38	99.12	28.50	25.29
7.	Basic earnings per share (INR per share)	710	1,193	442	234	388	(276)
8.	Diluted earnings per share (INR per share)	710	1,193	442	234	388	(276)
9.	Return on net worth (%)	13.95%	27.22%	9.38%	5.47%	11.38%	(9.12)%
10.	Net asset value per share (INR per share)	5,094.03	4,383.58	3,190.42	2,891.17	3,413.54	3,029.28

Notes:

1. Net worth (Item 6) has been calculated by adding the balance of Equity Share Capital (Item 4) and Reserves and Surplus (Item 5).
2. Return on net worth % (Item 9) has been calculated by applying the following formula: net profit / loss after tax and extraordinary items (Item 3) divided by Net Worth (Item 6) and multiplied by 100.





3. *Net asset value per share (Item 10) has been calculated by adding the balance of Equity Share Capital (Item 4) and Reserves and Surplus (Item 5) and dividing the same by number of shares outstanding.*

#### INTERNAL RISK FACTORS

RHI India may be exposed to the following risks:

- Supply chain risk:** RHI India currently depends on various intra-group arrangements for, *inter alia*, supply of products. Around 90% of the products that RHI India trades in are sourced from its group entities. Any change in the terms of such arrangements or its relationship with such group entities may have an adverse effect on its business, financial condition, results of operations and prospects.
- Competitive risk:** RHI India operates in a competitive industry in India and the market in relation to its primary areas of operations such as marketing and trading of refractories is an open market. If RHI India is unable to successfully compete, its business, financial condition, results of operations and prospects could be adversely affected.
- Technology risk:** Emergence of technologies that have the ability to substitute RHI India's current offerings, unless countered in a timely manner, may have an adverse effect on its customer base and revenues. If RHI India is unable to keep pace with technological developments and changing customer preferences, it may experience a decline in the demand for its products or face challenges in implementing its business strategy, and its business, financial condition, results of operations and prospects may be adversely affected.
- Human resources related risk:** RHI India relies on skilled personnel across all levels of its business, including its key managerial personnel. Its business could be adversely affected if it is unable to retain or motivate key managerial personnel and hire suitably qualified personnel.
- Foreign exchange risk:** Foreign exchange rate fluctuations may adversely impact the profitability of operations since a significant part of the supplies are imported by RHI India from overseas.

#### SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

##### A. Total number of outstanding litigations against RHI India and amount involved:

RHI India has three litigations outstanding and the amount involved is INR 2.76 crores. For details, please see "*Brief details of top 5 material outstanding litigations against RHI India*" below.

##### B. Brief details of top 5 material outstanding litigations against RHI India and amount involved:

S. No.	Particulars	Litigation filed by	Current status	Amount involved (INR Crs)
1.	Two show cause notices dated April 25, 2018 and May 16, 2018 have been received by RHI India and Mr. Jagdish Parikh (the chief financial officer of the company) each from the Directorate of Revenue Intelligence Zonal Unit, Ahmedabad alleging that	Show cause notices served by the Directorate of Revenue Intelligence Zonal Unit, Ahmedabad	Pending (reply to show cause notices submitted)	2.57 (without interest and penalty)





	RHI India has wrongfully availed the import duty exemptions under the Served from India Scheme (SFIS) (under the Foreign Trade Policy). Accordingly, RHI India and Mr. Jagdish Parikh have been called upon to substantiate why: (i) the benefits availed under the SFIS should not be denied; (ii) the import duties saved by way of the exemption under SFIS should not be levied along with interest; (iii) the goods imported by wrongfully availing duty exemption should not be confiscated; and (iv) penalty under the Customs Act, 1962 should not be levied.			
2.	Appeal against report dated July 23, 2018 prepared for assessment period April 1, 2015 to March 31, 2016 by the Joint Commissioner, Kolkata (South Circle) on the grounds of incorrect calculation of the taxable turnover of purchase / excess sales determination without giving consideration to the credit notes / way bill.	Appeal filed by RHI India	Appeal pending before the Senior Joint Commissioner Kolkata (South Circle)	0.18 (including interest)
3.	Appeal against report dated July 23, 2018 prepared for assessment period April 1, 2015 to March 31, 2016 by the Joint Commissioner, Kolkata (South Circle) on the grounds of levy of central sales tax on freight expenses at the wrong rate.	Appeal filed by RHI India	Appeal pending before the Senior Joint Commissioner Kolkata (South Circle)	0.01 (including interest)

**C. Regulatory action, if any - disciplinary action taken by SEBI or the stock exchanges against the Promoters / group companies of RHI India in last 5 financial years including outstanding action, if any –**

Dr. Vijay Sharma is presently the Chairman on the board of directors of ORL. Dr. Vijay Sharma was the Managing Director of B.M.M. Ispat Limited (*BMM Ispat*), which has been declared as a defaulter in relation to loans availed by it from Bank of India and Vijaya Bank. '*Non-suit filed accounts – defaulters Rs.1 crore and above for quarter ended 30 June 2018*' classifies BMM Ispat as a defaulter and Dr. Vijay Sharma's name appears as a director of BMM Ispat. Dr. Vijay Sharma has, *vide* his letter dated 10 October 2018, made the following submissions in this regard:

1. Dr. Vijay Sharma was the Managing Director of BMM Ispat from 20 April 2015 to 30 September 2016. He resigned from his directorship in BMM Ispat with effect from 1 October, 2016.
2. Dr. Vijay Sharma has further clarified that the as regards loans from Bank of India and Vijaya Bank (as appearing in the list of '*non-suit filed accounts – defaulters Rs.1 crore and above for quarter ended 30 June 2018*') there were no defaults made by BMM Ispat on its obligations under these two loans during his tenure as Managing Director.



3. Since the expiry of his tenure as director of BMM Ispat with effect from 1 October 2016, Dr. Vijay Sharma has not been associated with BMM Ispat in any capacity whatsoever.
4. Further, Dr. Vijay Sharma has pointed out that the details of non-suit filed accounts are not available in the public domain and Dr. Vijay Sharma has confirmed that he has not received any notice or intimation from any bank/ financial institution of his name being included in any list of defaulters, including as a director of BMM Ispat. Dr. Vijay Sharma was only informed of the same by way of the query from SEBI.

**D. Brief details of outstanding criminal proceedings against the promoters of RHI India; NIL.**

### RATIONALE FOR THE SCHEME

The Scheme involves the merger of RHI Clasil and RHI India with and into ORL. The management of each of RHI Clasil, RHI India and ORL believes that the Scheme will result in, *inter alia*, the following benefits: (i) simplification of the corporate structure and consolidation of the India businesses of the RHI Magnesita N.V. group; (ii) establishing a comprehensive refractory product portfolio; (iii) realising business efficiencies, *inter alia*, through optimum utilisation of resources due to pooling of management, expertise, technologies and other resources of the companies; (iv) improved allocation of capital and optimisation of cash flows contributing to the overall growth prospects of the combined company; (v) creation of a larger asset base and facilitation of access to better financial resources; and (vi) enhanced shareholder value pursuant to economies of scale and business efficiencies.

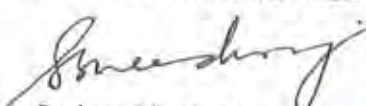
### ANY OTHER IMPORTANT INFORMATION

NIL

### DECLARATION BY RHI INDIA

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India (including the SEBI Circular), established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the abridged prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in the abridged prospectus are true and correct.

**For RHI INDIA PRIVATE LIMITED**

  
Sanjeev Bhardwaj  
Director  
DIN: 07379141

Date: April 1, 2019  
Place: Bhiwadi





**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS**

This document contains applicable information pertaining to the unlisted entity, RHI Clasil Private Limited (*RHI Clasil* or the *Transferor Company 2*) and the proposed composite scheme of amalgamation under Sections 230 to 232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder involving RHI India Private Limited (*RHI India* or the *Transferor Company 1*), RHI Clasil and Orient Refractories Limited (*ORL* or the *Transferee Company*) and their respective shareholders and creditors (the *Scheme*) which is being issued pursuant to Circular No. CFD/DIL 3/CIR/2017/21 dated March 10, 2017 (*SEBI Circular*) issued by the Securities and Exchange Board of India (*SEBI*). The Scheme is available on the websites of BSE Limited (*BSE*) at <https://www.bseindia.com/corporates/NOCLUnder.aspx> and the National Stock Exchange of India Limited (*NSE*) at <https://www.nseindia.com/corporates/corporate/home.html?id=schemeofarrangement>. Nothing in this document constitutes an offer or an invitation by or on behalf of ORL, RHI India or RHI Clasil to subscribe to or purchase any of the securities of RHI Clasil.

**THIS ABRIDGED PROSPETCUS CONTAINS 10 PAGES.  
PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

This disclosure document dated April 1, 2019 should be read together with the Scheme and the notice to the shareholders of ORL in connection with the Scheme.

*Capitalised words not defined herein shall mean the same as defined in the Scheme.*

**RHI CLASIL PRIVATE LIMITED**

Registered Office: 301-302, Orbit Plaza, New Prabhadevi Road,  
Prabhadevi, Mumbai – 400 025, Maharashtra, India  
Corporate Office: 9 - Sree Nilayam, #195, Kavuri Hills Madhapur,  
Hyderabad-500033, Telangana, India

Telephone: +91 40 48486666 Fax: +91 40 48486656 E-mail: [jyothi.dadheech@rhimagnesita.com](mailto:jyothi.dadheech@rhimagnesita.com)

Corporate Identification Number: U26914MH2005PTC311526

Contact Person: Ms. Jyothi Dadheech

**PROMOTERS OF RHI CLASIL**

(i) VRD Americas B.V., Netherlands (*VRD Americas*) (ii) Dr. Rudraraju Venkata Raju; (iii) Rudraraju Venkata Suryanarayana Raju; (iv) V. Narsimha Raju; (v) K. Aruna Kumari; (vi) K. Pavan Kumar; (vii) K. Pradeep Kumar; (viii) A. Srinivasa Raju; (ix) P. Gayathri; and (x) R. Udaya Rekha.

**DETAILS OF THE SCHEME**

The Scheme involves the merger of RHI Clasil and RHI India (both unlisted entities) (together, the *Transferor Companies*) with and into ORL.

The Scheme contemplates the following sequence of events, and it shall be deemed to be effective from the Appointed Date (as defined in the Scheme). The Scheme shall be operative only in the sequence and in the order set out below:

- (i) amalgamation of RHI Clasil and RHI India with and into ORL;
- (ii) transfer of the authorised share capitals of RHI Clasil and RHI India to ORL;
- (iii) issue and allotment of fully paid up equity shares of ORL to the shareholders of RHI Clasil and RHI India; and
- (iv) dissolution of RHI Clasil and RHI India without winding-up. ORL shall make all requisite applications and take all steps to procure the listing of the newly issued shares (pursuant to the step outlined in (iii) above) on the BSE and the NSE.

Following the completion of the steps outlined above, the shareholders of RHI Clasil shall be issued 16,707,200 equity shares of ORL. Upon the amalgamation becoming effective, the entire businesses of RHI Clasil and RHI India will vest in ORL.

The Scheme is subject to the approval of the shareholders, the creditors, the BSE, the NSE, SEBI and the National Company Law Tribunal (*NCLT*).





### GENERAL RISKS

Specific attention of the readers is invited to the "Details of the Scheme" above and "Internal Risk Factors" at pages 1 and 7 respectively of this disclosure document.

### NAME OF THE CURRENT STATUTORY AUDITORS

Price Waterhouse, Chartered Accountants LLP.

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### PROMOTERS OF RHI CLASIL

The promoters of RHI Clasil are: (i) VRD Americas (ii) Dr. Rudraraju Venkata Raju; (iii) Rudraraju Venkata Suryanarayana Raju; (iv) V. Narasimha Raju; (v) K. Aruna Kumari; (vi) K. Pavan Kumar; (vii) K. Pradeep Kumar; (viii) A. Srinivasa Raju; (ix) P. Gayathri; and (x) R. Udaya Rekha. VRD Americas is the holding company of RHI Clasil.

#### Shareholding of the Promoters in RHI Clasil (as on March 31, 2019):

S.No.	Name of the promoter	No. of shares held	% holding
1.	Dr. Rudraraju Venkata Raju	300,000	1.63
2.	Rudraraju Venkata Suryanarayana Raju	615,000	3.34
3.	V. Narasimha Raju	1,800,000	9.78
4.	K. Aruna Kumari	200,000	1.09
5.	K. Pavan Kumar	250,000	1.36
6.	K. Pradeep Kumar	50,000	0.27
7.	A. Srinivasa Raju	500,000	2.72
8.	P. Gayathri	50,000	0.27
9.	R. Udaya Rekha	3,098,900	16.84
10.	VRD Americas	9,884,100	53.72
	<b>Total</b>	<b>16,748,000</b>	<b>91.02</b>

The promoters together currently hold 16,748,000 equity shares of RHI Clasil equivalent to 91.02% of the pre-merger issued, subscribed and paid-up equity share capital of RHI Clasil.

#### Details of Corporate Promoter - VRD Americas

VRD Americas was incorporated on November 21, 1983 under the laws of Netherlands as PIN Magnesitmaatschappij B.V.. Its name was later changed: (i) on February 6, 1984 to Société d'Intérêts Magnesiens B.V.; and (ii) on February 17, 1999 to VRD Americas B.V..

VRD Americas is a private company with limited liability having its registered office at Velperweg 81,





6824 HH, Arnhem, Netherlands. The issued, subscribed and paid up capital of VRD Americas is EUR 33,750,450 divided into 75,001 equity shares of EUR 450 each.

VRD Americas is engaged in the business of, *inter alia*, acting as a holding company, acquiring and / or disposing participating interests or other interests in corporate bodies, and financing particularly (but not exclusively) subsidiary companies.

The following is the shareholding pattern of VRD Americas:

Sl. No.	Name of Promoters	No. of shares held	% holding
1.	Radex Vertriebs GmbH, Austria	75,000	99.99
2.	RHI Magnesita GmbH (formerly RHI Feuerfest GmbH), Austria	1	0.00
<b>Total shareholding</b>		<b>75,001</b>	<b>100%</b>

The board of directors of VRD Americas comprises a sole director, Mr. Antonius Marinus van Beest.

VRD Americas is ultimately controlled by RHI Magnesita N.V.. RHI Magnesita N.V. is a public company with limited liability under Dutch law and was incorporated on June 20, 2017. It has its corporate seat in Arnhem, the Netherlands, its administrative seat in Vienna, Austria. RHI Magnesita N.V. is the ultimate holding company of the RHI Magnesita group. The shares of RHI Magnesita N.V. have a premium listing on the London Stock Exchange and are a constituent of the FTSE 250 index. The board of directors of RHI Magnesita N.V. comprise of Stefan Borgas, Celia Frances Baxter, Herbert Cordt, Andrew Joseph Hosty, James William Leng, Stanislaus Otto Ludwig Burghard Prinz zu Sayn-Wittgenstein-Berleburg, John Ramsay, Franz Andreas Reiter, Wolfgang Rutenstorfer, David Alexander Schlaff, Michael Wilhelm Schwarz and Karl Sevelde.

#### Details of individual promoters:

The details of the individual promoters of RHI Clasil are set out below:

#### (i) Dr. Rudraraju Venkata Raju

Rudraraju Venkata Raju is a qualified doctor and has experience in the areas of hospital, refractories and tourism. He currently works in RHI Clasil as the Managing Director and Chairman of RHI Clasil. He has been a director of RHI Clasil since December 7, 2005. He is also a director of: (i) Dindi Resorts Private Limited; (ii) Dindi Holidays Private Limited; (iii) Hybiscus Hotels Private Limited; and (iv) Kaluva Resorts Private Limited (Formerly known as Hybiscus Resorts Private Limited).

#### (ii) Rudraraju Venkata Suryanarayana Raju

Rudraraju Venkata Suryanarayana Raju holds a bachelor's degree in mechanical engineering and has experience in the area of refractories of over 10 years. He has been a director of RHI Clasil since August 19, 2014. He is also a director of: (i) Dindi Resorts Private Limited; (ii) Dindi Holidays Private Limited; (iii) Hybiscus Hotels Private Limited; (iv) Kaluva Resorts Private Limited (Formerly known as Hybiscus Resorts Private Limited); and (v) Indian Refractory Makers Association.

#### (iii) V. Narasimha Raju

V. Narasimha Raju holds a bachelor's degree in pharmacy. He is currently working in his own pharmacy. He is not a director of any company.



(iv) K. Aruna Kumari

K. Aruna Kumari is a director of Kolluri Impex Private Limited, which is primarily engaged in activities relating to coal and steel trading.

(v) K. Pavan Kumar

K. Pavan Kumar holds a bachelor's degree in technology (computer science and engineering). He is also a director of: (i) Kolluri Impex Private Limited; (ii) Manne Fisheries Private Limited; and (iii) Com Pak Plus India Private Limited. He is also a designated partner of Aruna Avenues LLP. He has experience in the areas of marketing and trading.

(vi) K. Pradeep Kumar

K. Pradeep Kumar holds a master's degree in science. He is a director of Kolluri Impex Private Limited, which is primarily engaged in activities relating to coal and steel trading. He is also a designated partner of Aruna Avenues LLP. He has work experience of 6 years in the area of imported coal.

(vii) A. Srinivasa Raju

A. Srinivasa Raju holds a bachelor's degree in engineering in the civil branch. He is also a director of Clearight Infotech Limited and has experience of around 11 years in the area of drug safety and co-vigilance.

(viii) P. Gayathri

P. Gayathri holds a bachelor's degree in science. She is not a director of any company.

(ix) R. Udaya Rekha

R. Udaya Rekha holds a degree of Doctor of Dental Medicine. She is not a director of any company.

The above-mentioned individual promoters of RHI Clasil do not form part of the RHI Magnesita group.

Listed group companies: the following are RHI Clasil's listed group companies (companies as covered under the applicable accounting standards):

1. Orient Refractories Limited; and
2. RHI Magnesita N.V.

#### **BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY**

RHI Clasil is a private company, limited by shares, incorporated on December 7, 2005 as Arsha Ceramics Private Limited with the Registrar of Companies, Hyderabad under the provisions of the Companies Act, 1956 with the corporate identification number U26914TG2005PTC048333. Its name changed: (a) from Arsha Ceramics Private Limited to Clasil Refractories Private Limited on April 17, 2006; and (b) further to RHI Clasil Private Limited on January 12, 2007. RHI Clasil was converted to a public company on January 25, 2007 and was re-converted to a private company on July 17, 2015. The registered office of RHI Clasil was situated at Plot Number 195, Flat Number 9, Srinilaya Apartments, Kavuri Hills, Madhapur, Hyderabad – 500 081. RHI Clasil had filed an application for shifting of its registered office from the State of Telangana to the State of Maharashtra with the Regional Director (South East region), Hyderabad and the Regional Director allowed the shifting of RHI Clasil's registered office to the State of Maharashtra vide its order dated May 11, 2018. RHI Clasil has been issued a Certificate of Registration of





Regional Director Order for Change of State on July 4, 2018 by the Registrar of Companies, Mumbai with corporate identification number U26914MH2005PTC311526 and its registered office is now situated at 301-302, Orbit Plaza, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025.

RHI Clasil is authorized by its Memorandum of Association to carry on the business of manufacturing and marketing of refractories and allied products. Refractory materials are used to provide thermal insulating lining in furnaces, kilns, reactors, etc. and are predominantly used in iron and steel industries, metal smelters, cement industries, and glass industries.

With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the businesses of the Transferor Companies.

BOARD OF DIRECTORS			
S. No.	Name	Designation (Independent/ Whole time/ Executive/ Nominee)	Experience including current / past positions held
1.	Dr. Rudraraju Venkata Raju	Executive Director	Dr. Rudraraju Venkata Raju is a qualified doctor and has experience in the areas of hospital, refractories and tourism. He is currently working in RHI Clasil. He has been a director of RHI Clasil since December 7, 2005. He is also a director of: (i) Dindi Resorts Private Limited; (ii) Dindi Holidays Private Limited; (iii) Hybiscus Hotels Private Limited; and (iv) Kaluva Resorts Private Limited (Formerly known as Hybiscus Resorts Private Limited).
2.	Mr. George Mathew	Non-executive Director	Mr. George Mathew holds a master's degree in business administration (M.B.A. from University of Dayton, Ohio State, USA). He has been a director of RHI Clasil since December 27, 2006 and has vast experience in the field of refractories. He is also a director of: (i) N.T.S. Private Limited; (ii) Maritime Montering Norinco India Private Limited; (iii) Tahir Properties Limited; (iv) Kongsberg Maritime India Private Limited; (v) Norinco Private Limited; and (vi) NTS (Asia Pacific) Pte Ltd, Singapore.
3.	Mr. Rudraraju Venkata Suryanarayana Raju	Executive Director	Mr. Rudraraju Venkata Suryanarayana Raju holds a bachelor's degree in mechanical engineering and has experience in the area of refractories of over 10 years. He has been a director of RHI Clasil since August 19, 2014. He is also a director of: (i) Dindi Resorts Private Limited; (ii) Dindi Holidays Private Limited; (iii) Hybiscus Hotels Private Limited; (iv) Kaluva Resorts Private Limited (Formerly known as Hybiscus Resorts Private Limited); and (v) Indian Refractory Makers Association.
4.	Mr. Erwin Jankovits	Non-executive Director	Mr. Erwin Jankovits holds a bachelor's degree in material sciences and has vast experience in the steel industry. He has been a director of RHI Clasil since 25 January 2019. He is also a director of: (i) ORL; (ii) RHI India; and (iii) Magnesita Refractories Private



		Limited.
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Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilisation of issue proceeds of past public issues/ rights issues, if any, of RHI Clasil in the preceding 10 years: Not applicable.

#### SHAREHOLDING PATTERN PRIOR TO THE SCHEME (AS ON MARCH 31, 2019)

S.No.	Particulars	Number of shares	% holding of share capital
1.	Promoter and Promoter Group	16,748,000	91.02
2.	Public	1,652,000	8.98
	<b>Total</b>	<b>18,400,000</b>	<b>100</b>

#### AUDITED FINANCIAL INFORMATION

Financial information in relation to RHI Clasil:

(All amounts in INR crores, except as stated otherwise)

S.No	Particulars	For the period ended December 31, 2018	For the year ended				
			March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
1.	Total income from operations (net)	214.41	266.18	231.89	234.31	192.04	163.26
2.	Net Profit/ (Loss) before tax and extraordinary items	17.16	19.97	15.40	14.82	13.37	11.02
3.	Net Profit/ (Loss) after tax and extraordinary items	11.99	13.85	10.12	7.70	6.70	7.95
		As at December 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
4.	Equity Share Capital (issued, subscribed and paid up share capital)	18.40	18.40	18.40	18.40	18.40	18.40
5.	Reserves and Surplus	32.36	20.37	15.38	9.69	9.08	6.80
6.	Net worth	50.76	38.77	33.78	28.09	27.48	25.20
7.	Basic earnings per share (INR per share)	6.51	7.52	5.5	4.19	3.64	4.32
8.	Diluted earnings per share (INR per share)	6.51	7.52	5.5	4.19	3.64	4.32
9.	Return on net worth (%)	23.62%	35.71%	29.96%	27.42%	24.37%	31.56%
10.	Net asset value per share (INR per share)	27.59	21.07	18.36	15.27	14.93	13.69





**Notes:**

1. Net worth (Item 6) has been calculated by adding the balance of Equity Share Capital (Item 4) and Reserves and Surplus (Item 5).
2. Return on net worth % (Item 9) has been calculated by applying the following formula: net profit / loss after tax and extraordinary items (Item 3) divided by Net Worth (Item 6) and multiplied by 100.
3. Net asset value per share (Item 10) has been calculated by adding the balance of Equity Share Capital (Item 4) and Reserves and Surplus (Item 5) and dividing the same by number of shares outstanding.

### INTERNAL RISK FACTORS

RHI Clasil may be exposed to the following risks:

1. **Supply chain risk:** RHI Clasil currently depends on various local and international suppliers for the supply of its raw materials, machineries and other consumables. Any change in the terms of arrangements or its relationship with such suppliers may have an adverse effect on its business, financial condition, results of operations and prospects.
2. **Competitive risk:** RHI Clasil operates in a competitive industry in India and the market in relation to its primary areas of operations such as manufacture, marketing and trading of refractories is an open market. If RHI Clasil is unable to successfully compete, its business, financial condition, results of operations and prospects could be adversely affected.
3. **Technology risks:** Emergence of technologies that have the ability to substitute RHI Clasil's current offerings, unless countered in a timely manner, may have an adverse effect on its customer base and revenues. If RHI Clasil is unable to keep pace with technological developments and changing customer preferences, it may experience a decline in the demand for its products or face challenges in implementing its business strategy, and its business, financial condition, results of operations and prospects may be adversely affected.
4. **Human resources related risk:** RHI Clasil relies on skilled personnel across all levels of its business, including its key managerial personnel. Its business could be adversely affected if it is unable to retain or motivate key managerial personnel and hire suitably qualified personnel.
5. **Foreign exchange risk:** Foreign exchange rate fluctuations may adversely impact the profitability of operations since a significant part of the supplies are imported by RHI Clasil from overseas.

### SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

**A. Total number of outstanding litigations against RHI Clasil and amount involved:**

RHI Clasil has five litigations outstanding and the total amount involved is INR 7.05 crores. For details, please see "Brief details of top 5 material outstanding litigations against RHI Clasil" below.

**B. Brief details of top 5 material outstanding litigations against RHI Clasil and amount involved:**

S.No.	Particulars	Litigation filed by	Current Status	Amount involved (INR Crs)
1.	The central excise department had issued show cause notices in relation to undervaluation of goods cleared to RHI India for the period between October	RHI Clasil	RHI Clasil is in the process of filing an appeal against the order of the	1.98 (excluding interest).



7



	2015 and June 2017 demanding a sum of INR 18,833,328. The Principal Commissioner of Customs and Central Tax (Visakhapatnam Central GST Commissionerate) (the <i>Commissioner</i> ) ordered RHI Clasil to pay a sum of INR 19,838,330 (excluding interest).		Commissioner before the Customs, Excise and Service Tax Appellate Tribunal, Hyderabad (CESTAT).	
2.	<p>The central excise department had issued show cause notices in relation to payment of statutory duties (i.e. excise duty) under the Central Excise Act, 1944 for the period between April 2007 and March 2010 and April 2010 and December 2010 demanding a sum of INR 18,576,635. The show cause notices were quashed by the Commissioner of Central Excise and Customs (Visakhapatnam - II Commissionerate) (the <i>Commissioner</i>).</p> <p>In addition, the Company has received five other show cause notices demanding a sum of INR 1,983,537 (excluding interest and penalty) for non-payment of duty on additional consideration received during the period between January 2011 and December 2013. Given that the issues involved in these show cause notices are connected, these show cause notices are currently pending and will be disposed of as per the order of the CESTAT.</p>	The central excise department	The central excise department filed an appeal against the order of the Commissioner which is currently pending before CESTAT.	1.86 (excluding interest and penalty, if any) and; 0.20 (excluding interest and penalty, if any).
3.	The central excise department had issued show cause notices in relation to undervaluation of goods cleared to M/s RHI India for the period between November 2014 and September 2015 demanding a sum of INR 16,788,559. The Commissioner of Central Excise, Customs and Service Tax (Kakinada Commissionerate) (the <i>Commissioner</i> ) ordered RHI Clasil to pay a sum of INR 16,124,085 (excluding interest).	RHI Clasil	RHI Clasil filed an appeal against the order of the Commissioner which is currently pending before CESTAT.	1.61 (excluding interest).
4.	The central excise department had issued a show cause notice in relation to undervaluation of goods cleared to RHI India for the period between July 2014 and October 2014 demanding a sum of INR 10,002,309. The Commissioner of Central Excise and Service Tax (Kakinada Commissionerate) (the	RHI Clasil	RHI Clasil filed an appeal against the order of the Commissioner which is currently pending before CESTAT.	1.25 (excluding interest).





	<i>Commissioner</i> ) ordered RHI Clasil to pay a sum of INR 12,507,309 (excluding interest).			
5.	The central excise department had issued show cause notices in relation to non - inclusion of freight charges in the assessable value of good demanding a sum of INR 790,065. The Assistant Commissioner of Central Tax (Central GST Division, Visakhapatnam South) (the <i>Assistant Commissioner</i> ) ordered RHI Clasil to pay a sum of INR 1,422,083 (excluding interest).	RHI Clasil	RHI Clasil is in the process of filing an appeal against the order of the Assistant Commissioner before the Commissioner - Appeals, Guntur Commissionerate at Visakhapatnam.	0.14 (excluding interest).

**C. Regulatory action, if any - disciplinary action taken by SEBI or the stock exchanges against the Promoters/ group companies of RHI Clasil in last 5 financial years including outstanding action, if any:**

Dr. Vijay Sharma is presently the Chairman on the board of directors of ORL. Dr. Vijay Sharma was the Managing Director of B.M.M. Ispat Limited (*BMM Ispat*), which has been declared as a defaulter in relation to loans availed by it from Bank of India and Vijaya Bank. '*Non-suit filed accounts - defaulters Rs.1 crore and above for quarter ended 30 June 2018*' classifies BMM Ispat as a defaulter and Dr. Vijay Sharma's name appears as a director of BMM Ispat. Dr. Vijay Sharma has, vide his letter dated 10 October 2018, made the following submissions in this regard:

1. Dr. Vijay Sharma was the Managing Director of BMM Ispat from 20 April 2015 to 30 September 2016. He resigned from his directorship in BMM Ispat with effect from 1 October, 2016.
2. Dr. Vijay Sharma has further clarified that the as regards loans from Bank of India and Vijaya Bank (as appearing in the list of '*non-suit filed accounts - defaulters Rs.1 crore and above for quarter ended 30 June 2018*') there were no defaults made by BMM Ispat on its obligations under these two loans during his tenure as Managing Director.
3. Since the expiry of his tenure as director of BMM Ispat with effect from 1 October 2016, Dr. Vijay Sharma has not been associated with BMM Ispat in any capacity whatsoever.
4. Further, Dr. Vijay Sharma has pointed out that the details of non-suit filed accounts are not available in the public domain and Dr. Vijay Sharma has confirmed that he has not received any notice or intimation from any bank/ financial institution of his name being included in any list of defaulters, including as a director of BMM Ispat. Dr. Vijay Sharma was only informed of the same by way of the query from SEBI.

**D. Brief details of outstanding criminal proceedings against the promoters of RHI Clasil: NIL**

**RATIONALE FOR THE SCHEME**

The Scheme involves the merger of RHI Clasil and RHI India with and into ORL. The management of each of RHI Clasil, RHI India and ORL believes that the Scheme will result in, *inter alia*, the following benefits: (i) simplification of the corporate structure and consolidation of the India businesses of the RHI Magnesita N.V. group; (ii) establishing a comprehensive refractory product portfolio; (iii) realising business efficiencies, *inter alia*, through optimum utilisation of resources due to pooling of management, expertise, technologies and other resources of the companies; (iv) improved allocation of capital and optimisation of cash flows contributing to the overall growth prospects of the combined company; (v) creation of a larger asset base and facilitation of access to better financial resources; and (vi) enhanced shareholder value pursuant to economies of scale and business efficiencies.



**ANY OTHER IMPORTANT INFORMATION**

NIL

**DECLARATION BY RHI CLASIL**

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India (including the SEBI Circular), established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the abridged prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in the abridged prospectus are true and correct.

For RHI CLASIL PRIVATE LIMITED



Dr. Rudraraju Venkata Raju  
Managing Director  
DIN: 00390746

Date: April 01, 2019  
Place: Hyderabad





# Orient Refractories Limited

(An RHI Magnesita Company)

**Registered Office :** C-604, Neelkanth Business Park, Opp. Railway Station, Vidhyavihar (West),  
Mumbai, MAHARASHTRA-400086

**Corporate Identity Number (CIN) :** L28113MH2010PLC312871

**Tel. :** + 91-22-66090600 • **Fax :** + 91-22-66090601 • **Email :** info@orlindia.com

**Website :** www.orientrefractories.com



**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENCH, AT MUMBAI  
CA(CAA) NO. 1556/MB/2018**

In the matter of the Companies Act, 2013; And In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013; And In the matter of Orient Refractories Limited; And In the matter of the Composite Scheme of Amalgamation among RHI India Private Limited and RHI Clasil Private Limited and Orient Refractories Limited and their respective shareholders;

## Orient Refractories Limited

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at C-604, Neelkanth Business Park, Opp. Railway Station, Vidhyavihar (West), Mumbai, MAHARASHTRA-400086.



.....Applicant Company

## UNSECURED CREDITORS FORM OF PROXY

I/We, the undersigned Unsecured Creditor/s of Orient Refractories Limited, being the Applicant Company above named, do hereby appoint Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_ and failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy, to act for me/us at the meeting of the unsecured creditors of the Applicant Company to be held at Kohinoor Continental, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai – 400 059, India, on Friday, the 17th day of May, 2019 at 6:00 p.m. , for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Composite Scheme of Amalgamation of RHI India Private Limited, RHI Clasil Private Limited and Orient Refractories Limited and their respective shareholders and creditors (the "Scheme") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) \_\_\_\_\_ (here, if 'for', insert 'FOR', if 'against', insert 'AGAINST', and in the latter case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)\*, as my/our proxy may approve. (\*Strike out whatever is not applicable)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Affix  
Revenue  
Stamp

(Signature)

Signature of Unsecured Creditor : \_\_\_\_\_

Signature of Proxy : \_\_\_\_\_

Notes:

1. The proxy must be deposited at the registered office of Orient Refractories Limited at C-604, Neelkanth Business Park, Opp. Railway Station, Vidhyavihar (West), Mumbai, MAHARASHTRA-400086, at least 48 (forty-eight) hours before the scheduled time of the commencement of the said meeting.
2. All alterations made in the form of proxy should be initialed.
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be an unsecured creditor of Orient Refractories Limited.
6. No person shall be appointed as a proxy who is a minor.
7. The proxy of a unsecured creditor, blind or incapable of writing, would be accepted if such unsecured creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address: provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the unsecured creditor before he attached his signature or mark.
8. The proxy of a unsecured creditor who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the unsecured creditor in the language known to him, and gives the unsecured creditor's name in English below the signature.



# Orient Refractories Limited

(An RHI Magnesita Company)



**Registered Office :** C-604, Neelkanth Business Park, Opp. Railway Station, Vidhyavihar (West),  
Mumbai, MAHARASHTRA-400086

**Corporate Identity Number (CIN) :** L28113MH2010PLC312871

**Tel. :** + 91-22-66090600 • **Fax :** + 91-22-66090601 • **Email :** info@orlindia.com

**Website :** www.orientrefractories.com

## Unsecured Creditors

### ATTENDANCE SLIP

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL  
MEETING OF THE UNSECURED CREDITORS ON FRIDAY, THE 17TH DAY OF MAY, 2019 AT 6.00 P.M.**

I/We hereby record my/our presence at the meeting of the unsecured creditors of Orient Refractories Limited, the Applicant Company, convened pursuant to the order dated 29th day of March 2019 of the NCLT at Kohinoor Continental, Andheri-Kurla Road, J.B. Nagar, Andheri (East), Mumbai – 400059, on Friday, the 17th day of May, 2019 at 6.00 p.m.

Name and address of unsecured creditor

**(IN BLOCK LETTERS)** :

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Signature :

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Name of the Proxy\* :

**(IN BLOCK LETTERS)**

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Signature :

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\*(To be filled in by the Proxy in case he/she attends instead of the unsecured creditor)

#### Notes:

1. Unsecured creditors attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Unsecured creditors who come to attend the meeting are requested to bring their copy of the Scheme with them.





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