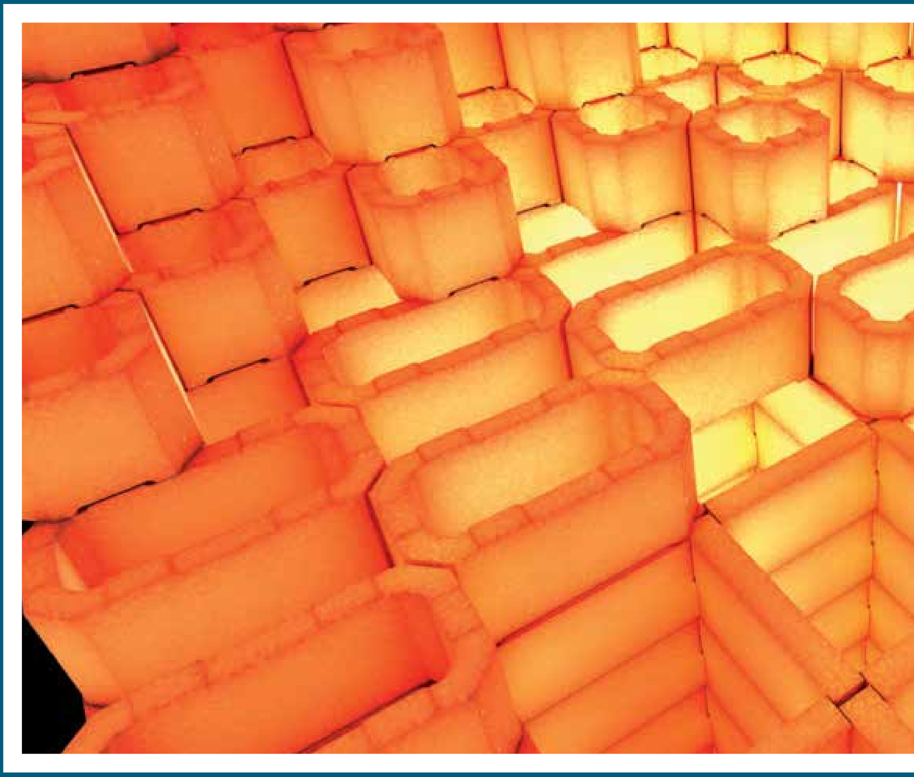
RHI MAGNESITA

The driving force of the Indian Refractory Industry

RHI MAGNESITA INDIA LIMITED

ANNUAL REPORT 2021-22

Corporate **information**



BOARD OF DIRECTORS

Independent Directors
Dr. Vijay Sharma, Chairman
Mr. Nazim Sheikh
Ms. Sonu Chadha

Non-Executive Directors
Mr. Gustavo Lucio Goncalves Franco
Mr. Erwin Jankovits

Executive Directors
Mr. Parmod Sagar, Managing Director & CEO
Mr. R V S Rudraraju

CHIEF FINANCIAL OFFICER
Ms. Vijaya Gupta

COMPANY SECRETARY
Mr. Sanjay Kumar

STATUTORY AUDITORS
M/s. Price Waterhouse Chartered Accountants LLP

SECRETARIAL AUDITORS
M/s. Naresh Verma & Associates

COST AUDITORS
M/s. K. G. Goyal & Associates

INTERNAL AUDITORS
M/s. Chaturvedi & Partners

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CORPORATE IDENTITY NUMBER (CIN)
L28113MH2010PLC312871

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)
INE743M01012

BSE Limited
Stock Code: 534076
National Stock Exchange of India Limited
Stock Code: RHIM

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WORKS

Bhiwadi Plant
SP-148 A+B,
RIICO Industrial Area,
Bhiwadi, Dist.-Alwar,
Rajasthan-301019

Cuttack Plant
Village- Bainchua,
Damaka Village Road,
Thana-Tangi, Cuttack,
Odisha- 754022

Visakhapatnam Plant
Survey No.255,256,303,305,
Venkatapuram,
Munagapaka Mandal,
Visakhapatnam,
Andhra Pradesh-531021

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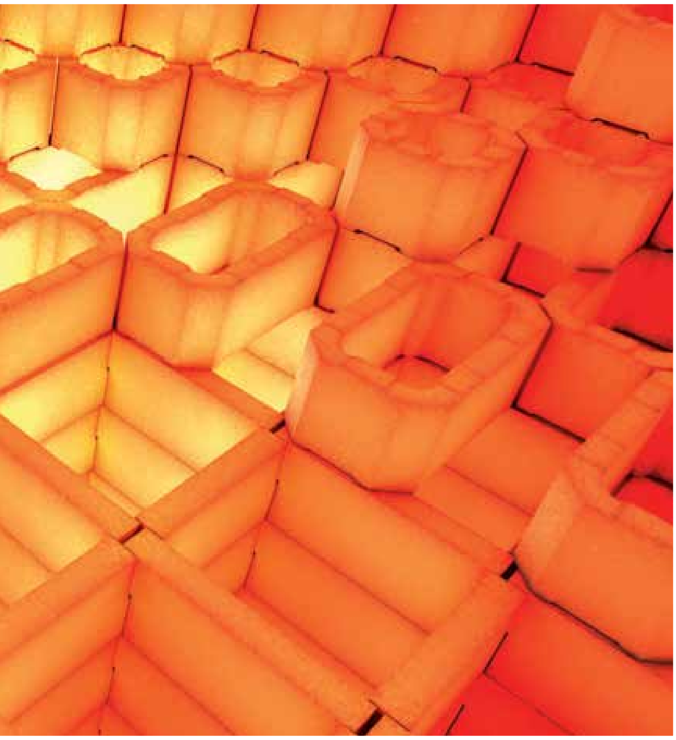

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Chairman's **message**

Dr. Vijay Sharma
Chairman

We successfully completed the merger of the three legal entities in India to emerge as one strong company that is the refractory market leader in India. The company is well positioned now to provide customers with one-stop solution for all their refractory product, systems and service needs.

Dear Shareholders,

I am pleased to report that RHI Magnesita India has successfully navigated another challenging year in 2021 whilst continuing to build business efficiencies to better serve our stakeholders and to grow our leadership position in the refractory industry.

Merger and emergence of the market leader

During the year, we successfully completed the merger of the three legal entities in India to emerge as one strong company that is the refractory market leader in India. The financial results of the company stand testimony to the benefits that the merger has delivered. The company is well positioned now to provide customers with one-stop solution for all their refractory product, systems and service needs.

COVID-19 aftermath

The COVID-19 pandemic continued to run havoc during the initial part of the year. The company took adequate safety measures to ensure health & safety of its employees as well as communities around it. Special vaccination camps were organized at the manufacturing locations for the employees and communities. The COVID-19 preventive measures were strictly deployed in all the operational locations of the company through the year.

We are in the business of manufacturing and supply of refractory products, systems and solutions, predominantly for the steel industry in India and globally. Hence, it is impacted by the dynamics of the steel industry in India and worldwide. As the country emerged out of the shadows of the COVID-19 pandemic, there was upswing in demand for the steel makers second quarter onwards post COVID-19, primarily led by surge in demand in the export markets and revival of domestic infrastructure sector, while it continued to face the pressure of higher input costs. India's crude steel production grew 18% y-o-y to 120.10 mn ton during the year. The newly integrated company was able to react quickly and effectively to the fast-recovering market.

However, we were highly challenged by a volatile global economic environment post COVID-19. The steep rise in raw material prices that took off in the previous financial

year, continued through most part of the year. This was further complicated by multifold rise in sea freight. The container unavailability in major ports made delivery schedules unpredictable. The company, with support from its global market forecasting and supply chain management capabilities of the parent company, could navigate through this. We could relay well to the customers the raw material and sea freight situation and global supply chain disruptions. The company could ensure genuine price realization vis-à-vis the high raw material and freight costs to protect its margins. The newly amalgamated company reported total income of Rs. 2005 crores during the FY 2021-22 as compared to Rs. 1383 crores the previous year. The company posted net profit of Rs. 269 crores as against net profit of Rs. 137 crores in 2020-21.

Doing business responsibly

While the company continues to grow in the market, we have put in place well-defined and adequate internal control system commensurate to the size of the business and the nature of the industry we operate in. The internal control system ensures safeguarding and protecting the assets of the company. RHI Magnesita India Code of Conduct sets out our commitment to uphold high ethical standards wherever we operate. We train our employees on ethical business conduct, and we expect them to follow the Code. Any reported ethical concerns are investigated thoroughly by our Internal Audit, Risk & Compliance team.

Capacity expansion and outlook

The Indian steel production is estimated to continue its growth well in line with the goal of achieving 300 mn ton of production by 2030. World Steel Association expects India's steel demand to rise 7.5% in CY 2022 followed by 6% in CY 2023. RHI Magnesita India is gearing up to fulfill the refractory demand that would be created by expanding the capacities of our existing plants. During the year, the capacity of the Vizag plant was expanded by almost 30%. Capacity expansion projects are ongoing at the other two plants. To support the plants, a world-class R&D centre has been operationalized at the RHI Magnesita Bhiwadi plant.

Thanking you

I, on behalf of the Board of Directors, would like to thank all our valued stakeholders, including our customers, vendors, lenders, and shareholders for continuing their support and upholding their confidence and trust in us. We remain deeply grateful to all our employees for their contribution and commitment to the growth of the organization.

Warm regards,

Vijay Sharma
Chairman

Managing Director's **message**

Mr. Parmod Sagar
Managing Director & CEO

We have set for ourselves a strategic business goal of doubling our production capacity and revenue by FY 2025-26 as compared to 2020-21. This will be achieved through organic and inorganic means. In 2020-21, we earmarked a phased capex investment of Rs. 400 crores up to 2025-26 for expanding capacities and automation of our three plants.

Dear Shareholders,

2021-22 was the year of great rising for your company. A year when we rose to become the true driving force of the Indian refractory industry with the highest revenue and market share. Thank you for your continued trust on us through our rise.

Leadership is not just about being the biggest or strongest. To us, it's about using those advantages to set the pace of innovation in our industry — and deliver the best for our customers. And that is what we have laid as our future path to progress as we aim to stay No.1 by driving positive change in our industry, and the industries that rely on us.

Innovation for Atmanirbhar Bharat

During the year we started number of projects at the Bhiwadi and Vizag plant to make certain high-grade import substitute products like purge plugs, coke oven blocks, tap hole clay mass, etc. These are being done via technology transfer arrangements with the European and American plants of the parent company. We have also completed the project for the cost effective and light weight patented HEXAROD monoblock stopper development through local innovation done with the global technical support.

The year saw the setting up of a world-class R&D centre at our Bhiwadi plant. The centre works in close collaboration with RHI Magnesita global R&D network to provide faster localized support to our customers in India and service the product development needs of the plants.

Doubling production and revenue

We have set for ourselves a strategic business goal of doubling our production capacity and revenue by FY 2025-26 as compared to 2020-21. This will be achieved through organic and inorganic means. In 2020-21, we earmarked a phased capex investment of Rs. 400 crores up to 2025-26 for expanding capacities and automation of our three plants. During 2021, we already increased the non-basic brick making capacity of the Vizag plant by almost 30% as we operationalized a new tunnel kiln. The capacity expansion of the basic bricks making facility at the Cuttack plant is work in progress and is expected to take place over next two years. Once completed, it will help us in Chinese import substitution.

Building a digital culture

During the year, your company transitioned to the latest and arguably the most modern ERP system -SAP S/4 HANA. This implementation has helped us improve upon our business efficiencies and serve the customer better. We also brought two patented digital refractory solutions of RHI Magnesita global to India — Automatic Process Optimization technology (APO) and Electromagnetic Level Indication Platform (EMLI), which have been deployed at a major steel plant in the country. There is concerted effort within the company to build a digital culture. A team of Digital Transformation Ambassadors have been created who regularly run sensitization and training programs for the employees to enhance their digital capabilities.

Safety & Sustainability remains priority

We strive towards ensuring 100% safety at work. During the year, we started the implementation of 6S (5S+Safety) at all the three plants with an aim to improve our productivity and safety performance. We led the safety initiatives at our customer sites also, as we launched a major Safety Awareness campaign during the first fortnight of the new calendar year of 2022. While safety remains a core pillar of our sustainability strategy, continuous efforts are is being made on reducing our CO2 emission and energy consumption. During the year we successfully converted our oil and electrical fired kilns and driers to gas fired kilns at the Bhiwadi and Cuttack plant. Also, a full-fledged function has been established to drive the agenda for increasing our recycling share.

Building a diverse, performance driven organization

Your company has been able to attract young talent. Almost 10-15% of the current employees joined the company in last 12-15 months bringing in a plethora of varied experience from different industries. Along with the employees who have gained in experience within the company over the years, the new set of talent brings the required diversity in ideas, opinions, and actions. To drive our people to excel in their performance, your company has adopted the RHI Magnesita global best practices for continuous performance feedback and enhancement termed as People Cycle. We intend to increase the gender diversity within the organization. A diversity committee has been established to drive this with a set goal to have 30% women employees in coming years.

Navigating through challenging times

2021-22 was marked by high demand for refractories from particularly the steel industry. However, the post COVID-19 volatility of the global economy created humongous challenge for us. The unprecedented rise in sea freight and continuous upswing in raw material prices, coupled with erratic container availability challenged our margins. Supported by our parent company's global forecasting and supply chain expertise, we could leverage our market leadership to provide the customers with realistic information on the market environment. This helped us mitigate the challenge from the volatility and ensure more realistic delivery schedule and price realization.

As we continue our growth journey, I take this opportunity to thank you and all our stakeholders — customers, vendor partners, bankers, govt. authorities and our employees for the continuous support. We are committed to continue creating shared value for all of us in days to come.

Warm regards,

Parmod Sagar
Managing Director & CEO

Board of **directors**

Dr. Vijay Sharma
Chairman

Dr. Vijay Sharma is a Metallurgist with over 43 years of rich experience in Special Steel Manufacturing. He had worked in some of the large steel making companies like BMM Ispat Ltd. (Managing Director), Usha Martin Ltd. (Joint Managing Director), JSW Steel Ltd. (Joint Managing Director), Hospet Steels Ltd. (Executive Director). Dr. Sharma has put up a number of prestigious Special Steel Projects in long products. He received "National Metallurgist Award" from the Government of India in 1988 and the "Eminent Engineers Award" from the Institute of Engineers, Jharkhand in 2010. Dr. Sharma is a Metallurgical Engineering Graduate from Indian Institute of Technology (IIT) Kharagpur (1977), Master of Science from Rensselaer Polytechnic Institute, Troy, NY, USA (1980), Master of Business Administration from XLRI, Jamshedpur (1984) and PhD holder from Anna University (Chennai) in EOF Steel Manufacturing Technology (2010). He has 23 publications to his credit.

Mr. Nazim Sheikh
Independent, Non-Executive Director

Mr. Nazim Sheikh is a metallurgical expert with over 44 years of varied experience in Ferroalloys, Manganese and Iron Ore mining operations, procurement, and raw materials management. Mr. Sheikh served as the Managing Director of Sandur Manganese & Iron Ores Ltd. (SMIORE) before he retired in 2020. He played a key role in strategizing mining operations for the company along with setting up of a new 32 MW thermal power plant. He led the efficient implementation of a Coke Oven Plant to produce 4 mn ton of Metallurgical Coke, with a WHR Boiler Unit to provide alternate free fuel for the 32 MW Power Plant. Mr. Sheikh had also been involved in the direct administration of the company's Corporate Social Responsibility (CSR) activities in Sandur and neighboring villages. He is a Bachelor of Engineering in Metallurgy from National Institute of Technology, Surathkal (1976).

Mrs. Sonu Chadha
Independent, Non-Executive Director

Mrs. Sonu Chadha is an entrepreneur with an extensive experience of more than 25 years in managing all aspects of business operations. Mrs. Chadha is the Founder-Director of Impressions Services Pvt. Ltd. She has been responsible for expanding the company's geographic service footprint to over 45 cities and towns throughout the country. She has also facilitated the establishment of a single-window procurement experience as a Partner at Wildflower Mercantile. In addition, Mrs. Chadha serves as a principal advisor to the founder of Cartellagroup.com, an HR technology start-up. She is associated with Unnayan Foundation as its Trustee and is committed to the cause of clean, Open Defecation Free India and promoting dignity of women. She is a Bachelor of Arts degree holder from University of Delhi (1992). She has a diploma in Interior Design from South Delhi Polytechnic (1993) and has a CPSS Certification from British Institute of Cleaning Science (2011).

Mr. Gustavo Franco

Non-independent, Non-Executive Director

Mr. Gustavo Franco was appointed Chief Sales Officer in January 2020, prior to which he was Senior VP of Process Industries and Minerals. He joined Magnesita in 2001 as a Technical Marketing Engineer, after finishing his Bachelor's degree in Mechanical Engineering at the Federal Center for Technological Education of Minas Gerais and since then has developed his career in the refractory industry. Over the course of six years, he progressed through various sales managerial roles in South and North America and was part of the Executive Committee of Magnesita Refratários from 2015 to 2017. In 2018, he completed the Senior Executive Programme with the London Business School.

Mr. Erwin Jankovits

Non-independent, Non-Executive Director

Mr. Erwin Jankovits was appointed as the Vice President Corporate Development, Merger & Acquisitions (M&A) in RHI Magnesita GmbH in 2020 prior to which he was Senior Vice President responsible for sales, service, technical marketing and the company's office structure in the Africa, CIS and Asia region. He joined RHI Magnesita in 1999 as the Sales Director after working in one of the leading steel making companies in Austria from 1995 to 1999. He is a graduate in Material Sciences from Montanuniversität Leoben. In 1994, he completed his Master Thesis at Hüttenwerken Krupp Mannesmann/Duisburg in Controlling, Quality Management and Corporate Planning department.

Mr. Parmod Sagar

Managing Director & CEO

Mr. Parmod Sagar comes with more than 3 decades of extensive experience of serving the steel and refractory industry. A Mechanical Engineer, Mr. Sagar started his career in the steel industry and worked in the sector for over 7 years gaining valuable insights. Thereafter, he transitioned to the refractories business joining Orient Refractories Limited (ORL) as a Manager -Technical Marketing in 1992. In 2013, after RHI AG acquired ORL, Mr. Sagar was appointed in the role of Managing Director & CEO of ORL. He currently holds the position of the Managing Director and CEO of the RHI Magnesita India Ltd. Additionally, he is also the Chairman of the Indian Refractory Makers Association and has recently been appointed as the President of World Refractories Association.

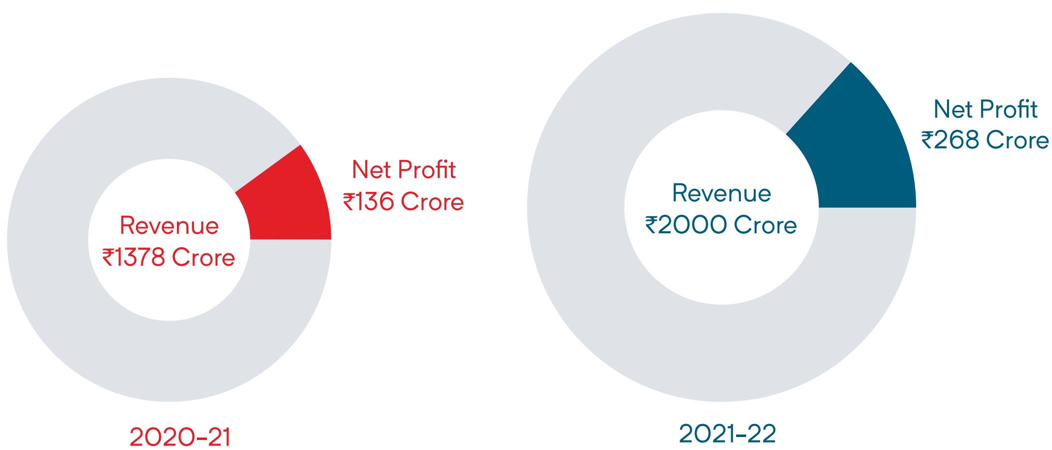
Mr. R V S Rudraraju

Whole Time Director

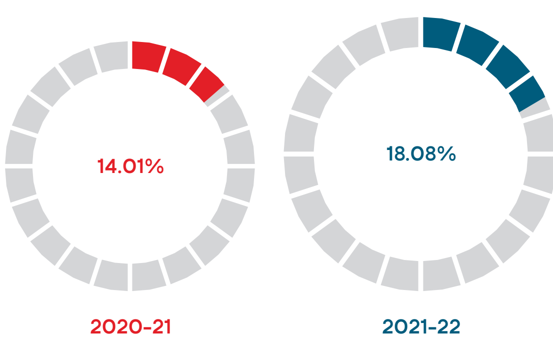
Mr. R V S Rudraraju was appointed as the Whole Time Director in the Board of RHI Magnesita India Ltd. on June 25, 2021. Mr. Rudraraju returned to India in 2005 to join as the Director at erstwhile RHI Clasil Pvt. Ltd. Under his leadership, RHI Clasil emerged as a leading refractory player in domestic as well export markets. He also served as Chairman of CII Andhra Pradesh and Convenor of CII Employability Program. Post-merger of the Indian subsidiaries of RHI Magnesita, he now leads the operations of all the three plants of the company.

Financial **highlights**

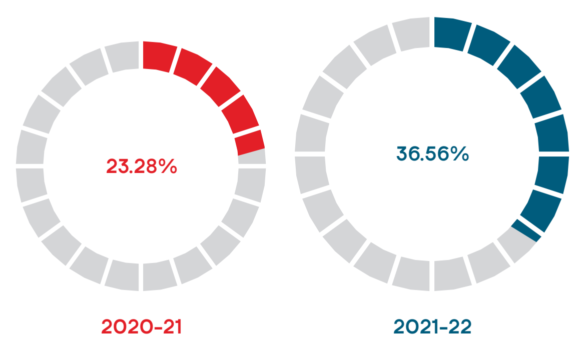
Revenue and Net Profit



EBIT (%)



ROCE (%)



Debt-Equity Ratio

0.08	0.06
2020-21	2021-22

Note - The above mentioned figures are as per the Standalone Financials.

The driving force of the Indian Refractory Industry

FY 2021-22 saw the amalgamation of the three erstwhile group companies of RHI Magnesita in India - RHI Clasil Private Limited (RHI Clasil), RHI India Private Limited (RHI India) and Orient Refractories Limited (ORL). This led to the birth of the largest listed refractory company in India — RHI Magnesita India Ltd.

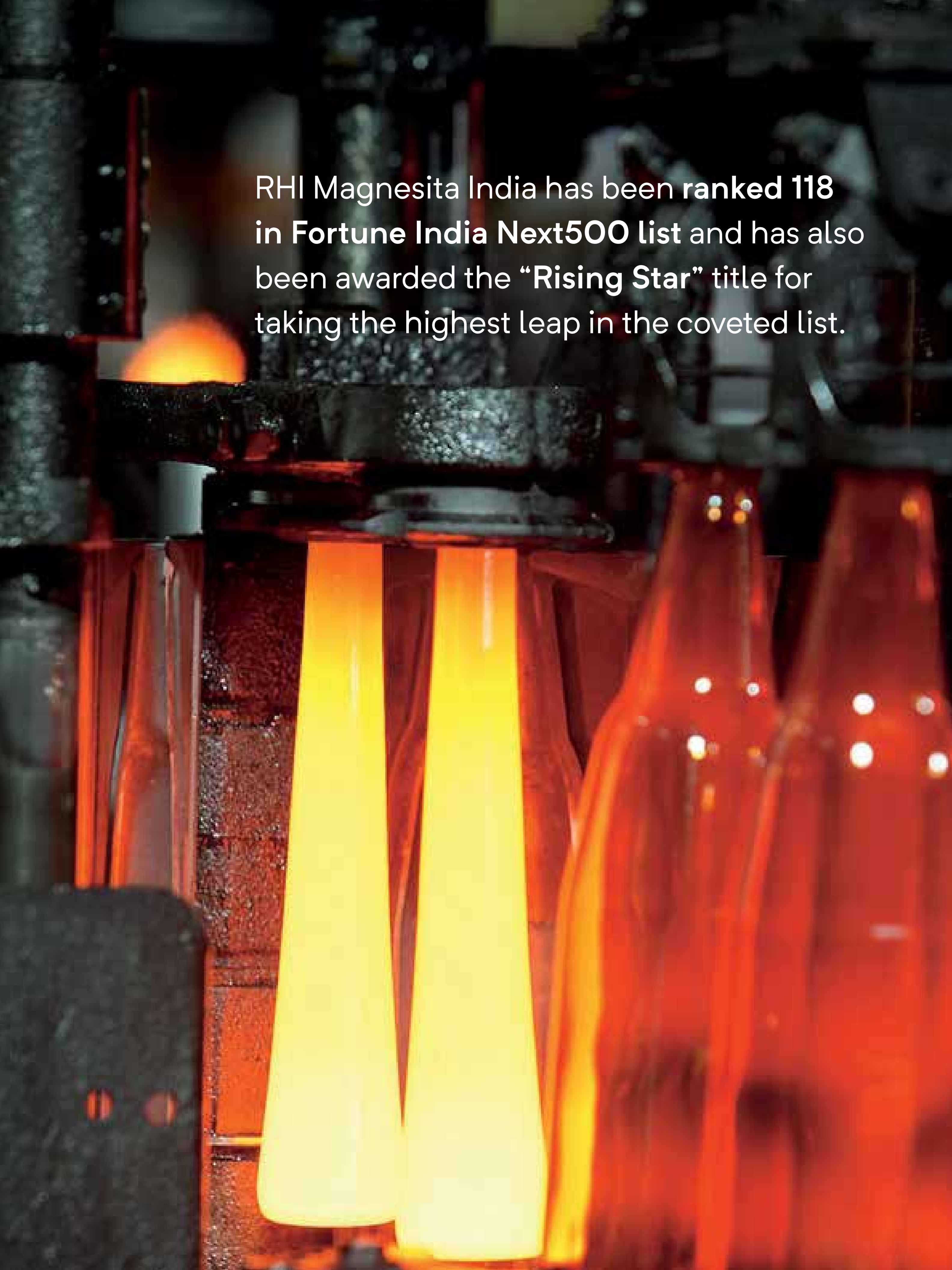
The Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) sanctioned the scheme of amalgamation through an order dated May 5, 2021. The copy of the order issued by the Hon'ble NCLT was made available to ORL through the NCLT website on May 18, 2021. Following this, Orient Refractories Ltd. (ORL), was renamed as RHI Magnesita India Ltd., effective July 2, 2021

The integration of the three separate legal entities has enabled the merged entity to synergize, simplify and consolidate its strength to serve its ever-growing customers better. RHI Magnesita India Ltd. now provides customers with one single refractory solutions platform offering the industry's most comprehensive product and solutions portfolio as an end-to-end solution provider.

The integration also results in improved allocation of capital and optimization of cash flows contributing to the overall growth prospects of the new integrated company, creation of a larger asset base and facilitation of access to better financial resources, and enhancement of shareholder value pursuant to economies of scale and business efficiencies.

The Merger Journey

ORL had approved the proposed scheme in its board meeting on July 31, 2018 and the proposed scheme was also approved by the shareholders (including the public shareholders) and creditors of ORL on May 17, 2019 with overwhelming majority. Subsequently, all necessary regulatory and statutory approvals were duly obtained, and the scheme was filed jointly by the three companies with the NCLT at Mumbai for its approval. However, in an order issued on March 2, 2020, the NCLT rejected the proposed scheme. After carefully assessing the details of the order issued by the NCLT, ORL decided to file an appeal before the National Company Law Appellate Tribunal (NCLAT). The NCLAT by an order dated January 19, 2021, set aside the order passed by the NCLT rejecting the scheme and directed the NCLT to approve the scheme. Subsequently, NCLT, Mumbai Bench, in its order dated May 5, 2021 approved the scheme. Further to this, ORL received the certificate of incorporation of the new amalgamated company — RHI Magnesita India Ltd. on July 2 from the Ministry of Corporate Affairs (MCA). The company formally celebrated the Day 1 of the new integrated entity through a series of internal employee events on Aug 19-21. The Global leadership team of RHI Magnesita, the management of RHI Magnesita India Ltd. and all employees participated in it to define the future growth path for the new company.



RHI Magnesita India has been **ranked 118 in Fortune India Next500 list** and has also been awarded the **"Rising Star"** title for taking the highest leap in the coveted list.

RHI Magnesita India is the top-ranked refractory company in the **Fortune India Next500 list**

RHI Magnesita India is listed in the 2022 edition of the coveted Fortune India Next500 listing as the top-ranked refractory company. In addition, the company is recognized as Rising Star for making the biggest leap in the ranking by achieving the highest growth in 2021 among all ranked companies. The listing is the definitive ranking of India's next 500 largest corporations and stands to recognize growth deliveries made by emerging companies. RHI Magnesita India ranks 118, which is highest among refractory companies operating in India.

On receiving the award, Parmod Sagar, Managing Director & CEO of RHI Magnesita India, said, "On behalf of RHI Magnesita India, I would like to thank Fortune India for this recognition. This has only been possible because of the persistent performance focus of the RHI Magnesita India team. We have managed to remain agile and adapt to dynamic situations swiftly to cope with the highly challenging business environment of the last few years. It also testifies for the fact that we have been able to reap the benefits from the merger of our Indian entities by emerging as one strong, unified company that is driving future growth and leading the industry."

At the awards ceremony held in New Delhi, Vijaya Gupta, CFO of RHI Magnesita India, accepted the award from Shri Sarbananda Sonowal, Minister of Ports, Shipping and Inland Waterways of Govt. of India, in presence of Shri Arjun Ram Meghwal, Minister of State for Parliamentary Affairs & Culture in the Indian Government and Shri Rajeev Dubey, Editor-in-Chief of Fortune India.

World-class Manufacturing

RHI Magnesita India serves its customers through three state-of-the-art manufacturing facilities situated at Bhiwadi (Rajasthan), Visakhapatnam (Andhra Pradesh) and Cuttack (Odisha). All the plants are equipped with technologically advanced machines and deploy modern automation to churn out high quality refractory products. The plants operate in the latest SAP S/4 HANA ERP environment enabling highly efficient production and supply planning. Highest standard of health and safety procedures governed by 6S principle are implemented in the plants to ensure 100% safe and highly productive workplace. Apart from serving customers in the domestic market, all the plants supply to global customer network of RHI Magnesita.

Bhiwadi Plant

The production facility situated at Bhiwadi, Rajasthan, is specialized in development and manufacturing of world-class Flow Control products. Equipped with state-of-the-art machines and technology, the plant is currently scaling up to manufacture certain high-grade products under technology transfer from European plants of the group.

ISO 9001, 14001 & 45001 Certifications

World-Class R&D Centre

Equipped with highly **automated QC lab**

Supplies to **84+ countries**

Spread over **1,05,000 sqm** of area

Hub of **Flow Control** refractories

69,445 MT Annual Production Capacity

1300+ Skilled Workforce

Visakhapatnam Plant

The production facility situated at Visakhapatnam (Vizag), Andhra Pradesh, is specialized in manufacturing of High Alumina products and pre-casts. Equipped with modern machines, equipment and technology, the plant has recently gone through a 30% new capacity addition.

- **ISO 9001** Certifications
- Products approved by **Global R&D Centre**
- Equipped with highly **automated QC lab**
- Supplies to **84+ countries**
- Spread over **1,33,600 sqm** of area
- Hub of **Fire Clay and High Alumina** refractories
- **73,049 MT** Annual Production Capacity
- **500+** Skilled Workforce

Cuttack Plant

The production facility situated at Cuttack, Odisha, is specialized in the production of Magnesia Carbon Bricks. Equipped with latest equipment and technology, the plant has centralized recycling facility with DD kilns and monthly firing capacity of 195 MT.

- Spread over **40,500 sqm** of area
- Hub of **Magnesia Carbon Bricks** refractories
- **18,000 MT** Annual Production Capacity
- **200+** Skilled Workforce
- **ISO 9001, 14001 & 45001** Certifications
- **Recycling Facility** with Downdraft Kilns
- Equipped with highly **automated QC lab**
- Supplies in **India and Worldwide**

Make in India: Doubling of production capacity by 2026

In order to support the ambitious growth plans of the company, RHI Magnesita India aims at substantially increasing its plant capacities through a phased CAPEX plan.

RHI Magnesita India has committed approximately Rs. 400 crore of phased investment by FY 2026 to expand its production capacity in India. The company aims to double its production to almost 3,00,000 tons per annum by 2026. About Rs. 50 crore of this was invested during the FY 2021-22 to expand the capacity of its Vizag plant by almost 30%.

The investment would go towards brownfield expansion and automation of the production plants at Bhiwadi, Vizag and Cuttack. The company is working on scaling up Basic Bricks making facility at the Cuttack plant. The company is also working towards producing import substitute products in India. There are multiple ongoing projects at the Bhiwadi and Vizag plant wherein it is doing technology transfer from the parent company's plants in Europe and elsewhere to make certain high-grade products in India. Towards the end of the year, the company expanded the capacity of its Vizag plant by commissioning a new 11500 TPA capacity tunnel kiln.

New state-of-the-art **R&D Centre** **at Bhiwadi**

The centre is aimed at providing customers in India with faster service delivery, alternate raw material mix development for sustainable production and developing new products custom suited for the Indian customers.

RHI Magnesita India operationalized a state-of-the-art R&D center at Bhiwadi, Rajasthan on November 16. This is the fifth R&D facility in the parent company RHI Magnesita's global R&D network after Leoben (Austria), Contagem (Brazil), Dalian (China) and York (United States).

The centre will help the company to better understand local market needs and react faster to customer requirements. This is a world-class facility that will work closely with global R&D network for local raw materials development, will provide solutions support for customer's performance improvement projects and will support the production at the three plants.

Refractory partner for commissioning **India's largest converter**

A large integrated steel plant trusts RHI Magnesita for providing end-to-end refractory solutions for the commissioning of its new converter with capacity of 350 tons in a single heat.

RHI Magnesita has been the largest refractory partner for a leading steel maker in India with manufacturing facilities in Karnataka, Tamil Nadu and Maharashtra. The steel maker has a total capacity of 28 MTPA in India and USA.

The steel maker commissioned its new Steel Melting Shop (SMS) II integrated plant in one of its facilities in southern India. With a capacity of 5 Million Tons Per Annum, the plant is the largest brownfield expansion in India — comprising two lines of Kanbara Reactor (KR) Hot Metal Processing, a Basic Oxygen Furnace (BOF), a Ladle Furnace (LF), a RH Degasser and a Twin Slab Caster. The equipment also boasts of the largest capacity in India, being able to heat 350 tons in a single heat. RHI Magnesita India successfully executed the commissioning of converter as the refractory partner for the project.

The Sales, Technical Marketing & Solutions team executed the job on the basis of Full Line Service (FLS) for KR Hot Metal Ladles, BOF, Steel Ladles, and a CS100 Slide Gate including a Ladle Shroud. The installation was completed using local knowhow and expertise.

Contributing towards building **circular economy**

Driving emissions down is a key corporate priority for RHI Magnesita India. In addition to charting our own transition, we want to be a trusted partner to our customers on their journey to net zero.

Our strategic objectives are to reduce CO2 emission through technological interventions, increasing recycling share and being more energy efficient.

As part of a global initiative by the parent company RHI Magnesita Gmbh, we have become the first in the refractory industry to make full disclosure of CO2 emission data of all the 2,00,000+ products in our portfolio. With full CO2 transparency for all our products, we are establishing new standards for the refractory industry and are addressing our customers' needs; suitable sustainable solutions can now be easily identified and included in product circles and sustainability reporting

During the year 2021, RHI Magnesita India initiated a major transition of the oil and electrical fired kilns and driers at its plants to gas fired kilns. This has successfully been done at the Bhiwadi and Cuttack plant. The concerted efforts of the company have resulted in a 6.23% reduction in energy consumption (Kwh / Mt production) and 7.72% reduction in CO2 emission (t Co2 / Mt production) during 2021 as compared to the previous year.

Recycling and our circular economy approach are key to driving our ambitious emissions reduction agenda. During the FY 2022, our average recycling share stood at 14%. We have set up a dedicated fulltime function that leads our recycling efforts. The company recently signed its first long-term contract with a major steel maker in India for lifting of spent refractories for recycling.

RHI Magnesita supported 9000 families **with COVID-19 Safety Kits**

Under its Corporate Social Responsibility initiative, RHI Magnesita distributed COVID-19 safety kits containing oximeter, thermometer, sanitizer, N95 masks etc. in the communities around its plants in India.

RHI Magnesita India directly supported more than 9000 families in the fight against COVID-19 during the second wave of the pandemic in 2021 by providing necessary safety tools. Under its Corporate Social Responsibility initiative, the company distributed COVID-19 safety kits to the families in the communities around its manufacturing facilities in India.

The kit contained an oximeter, a digital thermometer, liquid hand sanitizer, liquid soap, 5 units of N95 masks and vitamin supplements. The kits were distributed to families in the neighboring communities of its plants in Bhiwadi (Rajasthan), Vishakhapatnam (Andhra Pradesh) and Cuttack (Odisha). In this initiative, the company also included the families of frontline COVID-19 warriors. Police personnel in 3 local police stations near our plant in Vishakhapatnam were provided with the kits, in addition to the villagers. During the first wave of COVID-19 also, the company had taken up multiple CSR initiatives. The ambulance that was donated to the local PHC in Bhiwadi the previous year and the one provided to the communities around its Cuttack plant as part of the pandemic support, had come in very handy in providing COVID-19 healthcare support during the second wave.

While the country was going through the most challenging times in recent history, as a socially committed organization, standing by the community in such times of crisis is deeply embedded in our company's corporate culture. It's COVID-19 safety strategy has been focused on preventive action. The initiative not only created mass awareness on the preventive safety measures, but also supported the marginalized sections in practically following those measures on a daily basis.

Notice

Notice is hereby given that the 12th (twelfth) Annual General Meeting ("AGM") of RHI Magnesita India Limited (formerly known as Orient Refractories Limited) ("the Company") will be held on **Monday, 26 September 2022 at 3:30 p.m. (IST)** through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:

    a. the audited standalone financial statements of the Company for the financial year ended 31 March 2022, together with reports of the Auditors' and Directors' thereon and

    b. the audited consolidated financial statements of the Company for the financial year ended 31 March 2022, together with report of the Auditors' thereon.

2. To declare final dividend of Rs. 2.50 per equity share for the financial year 2021-22.

3. To re-appoint Mr. Gustavo Lucio Goncalves Franco (DIN-008754857), Director who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **To re-appoint statutory auditors and fix their remuneration**

    To consider and if deemed fit, to pass the following as an **Ordinary Resolution**:

    "**Resolved That** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 012754N/N500016) be and is hereby re-appointed as Statutory Auditors of the Company, for another term of 5 consecutive years, to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the 17th (Seventeenth) AGM to be held in the year 2027, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

    Resolved Further That Board of Directors of the Company ("Board" which term shall be deemed to include any committee thereof) be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

5. **To re-appoint Mr. Parmod Sagar (DIN: 06500871) as Managing Director and Chief Executive Officer and fix his remuneration**

    To consider and if deemed fit, to pass the following as an **Ordinary Resolution**:

    "**Resolved That** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {including any statutory modification(s) or re-enactment(s) thereof for the time being in force} and as per the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such approvals as may be necessary, the approval of the members of the Company, be and is hereby accorded for the re-appointment of Mr. Parmod Sagar (DIN: 06500871) as Managing Director and Chief Executive Officer (MD & CEO) of the Company for a period of five years w.e.f. 4 March 2023 to 3 March 2028 on the following terms and conditions:

    A. **Basic Salary**

    ₹ 12.00 lacs per month with such increments as may be decided by the Board of Directors of the Company from time to time ("Board" which term shall be deemed to include any Committee thereof, including the Nomination and Remuneration Committee of the Board) in the scale of ₹ 12 Lacs to ₹ 21 Lacs per month. First increment shall be due from 1 January 2023.

    B. **Perquisites, Allowances, Retirals & Other Benefits, Reimbursements and Earned Leave**

    As per the Company's policy and/ or as may be recommended by the Nomination and Remuneration Committee and approved by the Board from time to time, subject to a maximum of 150% (One Hundred Fifty Percent) of the Basic Salary {in terms of paragraph (A) above}.

    C. **Performance Linked Incentive/ Bonus**

    As per the Company's policy and/ or as may be recommended by the Nomination and Remuneration Committee and approved by the Board, subject to a maximum of 80% of Gross Salary (Basic plus Perquisites, Allowances & Retirals plus Benefits)

D. **Benefit of Long-Term Incentive Plan**

In recognition of the seniority of his role within the Company, he would be eligible for the Long-Term Incentive Plan of the holding company, as may be applicable from time to time.

E. **Sitting fees**

Mr. Parmod Sagar shall not be paid any sitting fee for attending meetings of the Board of Directors and/ or any Committee(s) of the Board thereof.

F. **Termination**

The appointment of Managing Director & Chief Executive Officer may be terminated by either party giving to the other 6 (six) calendar months' notice in writing.

In the event of termination of appointment of Managing Director by the Company, he shall be entitled to receive compensation in accordance with the provisions of Section 202 of the Act.

G. **Ceiling on Remuneration**

Pursuant to Schedule V and other applicable provisions of the Act, if any, and subject to such approvals as may be necessary, wherein in any financial year during the tenure of his service, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Parmod Sagar, remuneration by way of salary, perquisites and other terms as specified in schedule V of the Companies Act,2013, as minimum remuneration.

Resolved Further That the Board be and is hereby authorized to fix, increase, vary, reduce or amend the remuneration and other terms as it may deem expedient or necessary from time to time during the tenure of his appointment, subject to the limits specified herein above and prescribed under Section 197 of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

Resolved Further That the Board be and is hereby also authorized to execute all such documents and do all acts, deeds and things which are necessary or desirable in order to give effect to the aforesaid resolution including, but not limited to, making applications, reporting and filing of requisite forms with the Registrar of Companies and any other authorities as may be required.

6. **To approve the remuneration of the Cost Auditors for the financial year 2022-23**

To consider and if deemed fit, to pass the following as an **Ordinary Resolution**:

"**Resolved That** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the remuneration payable to M/s. K G Goyal & Associates, Cost Accountants (Firm Registration No. 000024), appointed by the Board of Directors as Cost Auditors to conduct the Audit of the cost records of the Company for the financial year 2022-23, amounting to ₹ 75,000 (Rupees Seventy-Five Thousand only) plus GST as applicable and re-imbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

By Order of the Board of Directors

Sanjay Kumar
Company Secretary
Membership No. A 17021

Gurugram, 10 August 2022

Registered Office:
Unit No. 705, 7th Floor, Lodha Supremus
Kanjurmarg Village Road, Kanjurmarg (East)
Mumbai - 400042
CIN: L28113MH2010PLC312871
Tel: 91 22 66090600
E-mail: corporate.india@RHIMagnesita.com
Website: www.rhimagnesitaindia.com

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 and 17/2020 dated 8 April 2020 and 13 April 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19", General Circular no. 20/2020 dated 5 May 2020, General Circular nos. 02/2021, 21/2021 and 02/2022 dated 13 January 2021 ,14 December 2021 and 5 May 2022 respectively in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 6 of the Notice, is annexed hereto. Further, the relevant details with respect to Item Nos. 3 & 5 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM are also annexed.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with.

Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this Notice.

4. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF's, NRI's, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to RHIM.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-Voting" tab in their login.

5. **The Company has fixed book closure date from Friday, 16 September 2022 to Friday, 23 September 2022 for determining entitlement of Members to final dividend for the financial year ended 31 March 2022, if approved at the AGM.**

6. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made by Friday, 7 October 2022 as under:

   i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on Thursday, 15 September 2022;

   ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Thursday, 15 September 2022.

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,:

   a. **For shares held in electronic form:** to their Depository Participants (DPs)

   b. **For shares held in physical form:** to the Company/ Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 dated 3 November 2021. The Company has sent letters for furnishing the required details.

8. Members may please note that SEBI vide its Circular No. SEBI/ HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR — 4, the format of which is available on the Company's website at https://www.rhimagnesitaindia.com/ and on the website of the Company's Registrar and Transfer Agents, Skyline Financial Services Private Limited ("SFSPL") at https://www.skylinerta.com/downloads_page.php . It may be noted that any service request can be processed only after the folio is KYC Compliant.

9. SEBI vide its notification dated 24 January 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or SFSPL, for assistance in this regard.

10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or SFSPL, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

11. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website https://www.rhimagnesitaindia.com/. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to SFSPL in case the shares are held in physical form.

12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.

13. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company from 20 September 2022 (9:00 am IST) to 23 September 2022 (5:00 pm IST) through email on investors.india@rhimagnesita.com . The same will be replied by the Company suitably.

14. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members,

whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to Corporate Governance Report which is a part of this report.

15. Notice of the AGM along with the Annual Report 2021-22 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.rhimagnesitaindia.com , websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL https://www.evoting.nsdl.com

16. Members attending the meeting through VC/OAVM shall be counted for the purpose of determining the quorum under Section 103 of the Act.

17. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1 April 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their valid PAN with the DPs (if shares held in dematerialized form) and the Company/SFSPL (if shares are held in physical form).

    A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to investors.india@rhimagnesita.com by 11:59 p.m. IST on Thursday, 22 September 2022. Shareholders are requested to note that in case their PAN is not registered or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable.

    Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF/JPG Format) by e-mail to investors.india@rhimagnesita.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on Thursday, 22 September 2022.

18. Instructions for e-voting and joining the AGM are as follows:

    A. VOTING THROUGH ELECTRONIC MEANS

    i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 in relation to "e-voting facility provided by Listed Entities", the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

    ii. The remote e-voting period commences on Friday,23 September 2022 (9:00 a.m. IST) and ends on Sunday, 25 September 2022 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Monday, 19 September 2022 i.e. **cut-off date**, may cast their vote electronically.

    The e-voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-voting facility, either during the period commencing 23 September 2022 to 25 September 2022 or e-voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.

    iii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution again.

    iv. The Board of Directors has appointed Mr. Naresh Verma (Membership No. FCS 5403) of M/s. Naresh Verma & Associates, Company Secretaries as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

    v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

    vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/ she can use his/her existing User ID and Password for casting the vote. In case of individual shareholders holding securities in dematerialized mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "**Login method for remote e-voting and joining virtual meeting for individual shareholders holding securities in dematerialized mode.**"

    vii. The details of the process and manner for remote e-voting are explained herein below:

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 are mentioned below:

I) Login method for remote e-voting and joining the virtual meeting and joining the virtual meeting for individual shareholders holding securities in dematerialized mode

Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/ DPs to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

Login method for individual shareholders holding securities in dematerialized mode is given below:

Type of shareholders	**Login Method**
Individual shareholders holding securities in dematerialized mode with NSDL.	**A. NSDL IDeAS facility** **If you are already registered, follow the below steps:** 1. Visit the e-Services website of NSDL. Open web browser and type the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will need to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. 4. Click on "Access to e-voting" appearing on the left-hand side under e-voting services and you will be able to see e-voting page. 5. Click on options available against Company name or e-voting service provider-NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. **If you are not registered, follow the below steps:** a. Option to register is available at https://eservices.nsdl.com. b. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c. Please follow steps given in points 1-5.
	B. e-voting website of NSDL 1. Open web browser and type the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will need to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting.

Type of shareholders	Login Method
	C. Shareholders/Members can also download NSDL mobile app **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Shareholders holding securities in dematerialized mode with CDSL	1. Existing users who have opted for Easi/Easiest, they can login through their User id and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the e-voting menu. The menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.
Individual shareholders (holding securities in dematerialized mode) login through their DPs	1. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility.

Type of shareholders	Login Method
	2. Once logged-in, you will be able to see the e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. 3. Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot User details/Password option available at respective websites.

Helpdesk for individual shareholders holding securities in dematerialized mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542/43

II) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders holding securities in dematerialized mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by clicking the URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, Password/OTP and a verification code as shown on the screen.

4. Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can login at https://eservices.nsdl.com/ with your existing IDeAS login. Once you login

to NSDL eservices after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

5. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your User ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your User ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if EVEN is 123456 and folio number is 001*** then User ID is 123456001***

6. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-voting, then you can use your existing Password to login and cast your vote.

   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your Password.

   c) How to retrieve your 'initial password'?

      (i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) In case you have not registered your e-mail address with the Company/ Depository, please follow instructions mentioned in this Notice.

7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/ Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) "**Physical User Reset Password?**"

      (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, PAN, name and registered address.

   d) Members can also use the OTP based login for casting the votes on the e-voting system of NSDL.

8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

9. Now, you will have to click on "Login" button.

10. After you click on the "Login" button, home page of e-voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and general meeting is in active status.

2. Select "EVEN" of Company, which is 120930 for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-voting as the voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify or modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep the same. The e-voting website will be disabled upon five unsuccessful attempts . In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the Password.
2. In case of any queries related to e-voting, you may refer the Frequently Asked Questions ("FAQs") for Shareholders and e-voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com. For any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, e-mail: evoting@nsdl.co.in, toll free no: 1800 1020 990/1800 224 430.
3. Members may send a request to evoting@nsdl.co.in for procuring User id and Password for e-voting by providing demat account number/ folio number, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card). If you are an Individual shareholder holding securities in dematerialized mode, you are requested to refer to the login method explained above.
4. The instructions for members for e-voting on the day of the AGM are mentioned in point number 18(A).

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC/ OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com following the steps mentioned above for login to NSDL e-voting system.

   After successful login, you can see VC/ OAVM link placed under Join meeting menu against company name. You are requested to click on VC/OAVM link placed under "Join Meeting" menu. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.
3. Members who need assistance before or during the meeting, can contact NSDL on evoting@nsdl.co.in/ 18001020 990 and 1800 224 430 or contact Amit Vishal, Assistant Vice President — NSDL at amitv@nsdl.co.in/or Sanjeev Yadav, Assistant Manager-NSDL at sanjeevy@nsdl.co.in.
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at investors.india@rhimagnesita.com from 20 September 2022 (9:00 a.m. IST) to 23 September 2022 (5:00 p.m. IST).

   Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.rhimagnesitaindia.com and on the website of NSDL https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

By Order of the Board of Directors

Sanjay Kumar
Company Secretary
Membership No. A 17021

Gurugram, 10 August 2022

Registered Office:
Unit No. 705, 7th Floor, Lodha Supremus
Kanjurmarg Village Road, Kanjurmarg (East)
Mumbai - 400042
CIN: L28113MH2010PLC312871
Tel: 91 22 66090600
E-mail: corporate.india@RHIMagnesita.com
Website: www.rhimagnesitaindia.com

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 RELATING TO SPECIAL BUSINESS MENTIONED IN THE NOTICE CONVENING THE 12TH AGM

Item no. 4.

The Statutory Auditors, M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 012754N/N500016) ("PW"), have been appointed by members of the Company in their 7th Annual General Meeting (AGM) held on 25 September 2017 till the conclusion of 12th AGM to be held in the year 2022. In terms of the provisions of Section 139 of the Companies Act, 2013 (Act), the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as statutory auditors for not more than 2 (two) terms of 5 (five) consecutive years.

M/s PW is eligible for re-appointment for a further period of five years and they have consented to their re-appointment as Statutory Auditors and have confirmed that, if re-appointed, it will be in accordance with the applicable provisions.

Based on the recommendations of the Audit Committee, the Board of Directors, at their meeting held on 10 August 2022, approved the re-appointment of M/s PW as Statutory Auditors of the Company to hold office for second term of five consecutive years effective from the conclusion of this 12th AGM until the conclusion of the 17th AGM to be held in the year 2027.

Besides the audit services, the Company would also obtain certification(s) from the statutory auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms between management and the Auditors.

The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of the appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the statutory auditors.

Considering the evaluation of the past performance, experience and expertise of M/s PW and based on the recommendation of the Audit Committee, it is proposed to appoint M/s Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the Company for a second term of five consecutive years till the conclusion of the 17th AGM of the Company to be held in the year 2027 in terms of the aforesaid provisions.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

Item no. 5

Mr. Parmod Sagar (DIN: 06500871) is Managing Director and Chief Executive Officer (MD & CEO) of the Company since 2013 and was re-appointed in 2018 for a period of five years, and his present term shall expire on 3 March 2023.

Mr. Parmod Sagar is responsible for business diversification, business process re-engineering and organizational development of the Company and has contributed significantly to the overall performance and growth of the Company.

In recognition of his valuable contribution, the Nomination and Remuneration Committee (NRC) has considered it appropriate to recommend his re-appointment, for a period commencing from 4 March 2023 and ending on 3 March 2028 ("Proposed Term"), to the Board, on the terms and conditions, including the remuneration as given in the Item No. 5 of the Notice.

Accordingly, the Board of Directors, based on the recommendation of the NRC, at its meeting held on 10 August 2022, has approved the re-appointment of Mr. Parmod Sagar, as MD & CEO of the Company for the Proposed Term and the remuneration along with the terms and conditions as set out in the resolution at Item No. 5, subject to approval of members of the Company and other necessary approval(s), as may be required, under the applicable laws.

In this regard, the Company has received all statutory disclosures/ declarations/ consent from Mr. Parmod Sagar and Mr. Sagar also satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under sub section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Your directors feel that his continued presence in the deliberations of the Board would be beneficial for the Company's growth.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Parmod Sagar under Section 190 of the Act.

Details of Mr. Parmod Sagar are provided in the "Annexure-A" to the Notice, pursuant to the provisions of (i) SEBI Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

None of the other Directors and/ or Key Managerial Personnel of the Company and/or their relatives are, except Mr. Parmod Sagar, being appointee, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution, as set out in the Item No. 5 of the Notice , for the approval of the members.

Item No. 6:

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. K G Goyal & Associates, Cost Accountants (Firm Registration No. 000024), to conduct the audit of cost records of the Company for the financial year 2022-23. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the resolution mentioned at item no. 6 of the Notice.

The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.

Annexure — A

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LODR REGULATIONS AND APPLICABLE SECRETARIAL STANDARDS

Particulars	Mr. Gustavo Lucio Goncalves Franco	Mr. Parmod Sagar
DIN	08754857	06500871
Date of Birth (Age)	27-November-1977 (44 Years)	04-September-1965 (56 Years)
Date of first Appointment	06-June-2020	04-March-2013
Qualifications	B-Tech (Mechanical)	B-Tech (Mechanical)
Expertise in specific functional areas	Technical Marketing	Techno Commercial (Operation & Marketing) in Refractory Industry
Relationships with other directors and Key Managerial Personnel	None	None
Directorships held in other companies	None	Intermetal Engineers (India) Private Limited
Memberships / Chairmanships of committees of other companies	NIL	NIL
Number of shares held in the Company	NIL	13,698

By Order of the Board of Directors

Sanjay Kumar
Company Secretary
Membership No. A 17021

Gurugram, 10 August 2022

Registered Office:
Unit No. 705, 7th Floor, Lodha Supremus
Kanjurmarg Village Road, Kanjurmarg (East)
Mumbai - 400042
CIN: L28113MH2010PLC312871
Tel: 91 22 66090600
E-mail: corporate.india@RHIMagnesita.com
Website: www.rhimagnesitaindia.com

Board Report

Dear Members,

Your Directors' present the 12th Annual Report of RHI Magnesita India Limited (formerly known as Orient Refractories Limited) ("the Company" or "RHIM") along with the Company's audited standalone & consolidated financial statements for the financial year ("FY") ended 31 March 2022.

1. FINANCIAL RESULTS

(Amount in ₹ Lacs)

Particulars	Standalone		Consolidated	
	2021-22	**2020-21**	**2021-22**	**2020-21**
Gross revenue from operations	199,070.53	136,641.31	199,514.27	137,037.86
Total expenditure before finance cost and depreciation	**160,818.03**	**115,864.22**	**161,131.84**	**116,184.50**
Operating Profit	**38,252.50**	**20,777.09**	**38,382.43**	**20,853.36**
Add: Other income	938.74	1,203.56	966.20	1,232.39
Profit before finance cost, depreciation, exceptional items and taxes	**39,191.24**	**21,980.65**	**39,348.63**	**22,085.75**
Less: Finance costs	217.89	648.31	217.89	648.31
Profit before depreciation, exceptional items and taxes	**38,973.35**	**21,332.34**	**39,130.74**	**21,437.44**
Less: Depreciation	3,363.48	2,961.33	3,382.52	2,979.48
Profit/(Loss) before exceptional items & tax	**35,609.87**	**18,371.01**	**35,748.22**	**18,457.96**
Add/(Less): Exceptional Items	-	-	-	-
Profit before taxes	**35,609.87**	**18,371.01**	**35,748.22**	**18,457.96**
Less: Tax Expense	8,817.55	4,775.55	8,847.78	4,795.63
Profit/(Loss) after taxes (A)	**26,792.32**	**13,595.46**	**26,900.44**	**13,662.33**
Total other comprehensive income (B)	(100.60)	7.26	(101.36)	7.26
Total comprehensive income for the period (C=A + B)	**26,691.72**	**13,602.72**	**26,799.08**	**13,669.59**
Retained Earnings: Balance brought forward from the previous year	**62,298.05**	**52,116.49**	**62,326.40**	**52,077.97**
Add: Profit for the period	26,792.32	13,595.46	26,900.44	13,662.33
Add: Other Comprehensive Income recognised in Retained Earnings	(100.60)	7.26	(101.36)	7.26
Less: Transaction costs (stamp duty) on issue of shares, net of tax	479.67	-	479.67	-
Balance Which the Directors have apportioned as under to:				
Dividend on Ordinary Shares	**4,024.91**	**3,421.16**	**4,024.91**	**3,421.16**
Total Appropriations	4,024.91	3,421.16	4,024.91	3,421.16
Retained Earnings: Balance to be carried forward	84,485.19	62,298.05	84,620.90	62,326.40

2. FINANCIAL PERFORMANCE/ STATE OF COMPANY AFFAIRS

Standalone Revenue from operation has been increased from ₹ 136,641.31 Lacs in previous year to ₹ 199,070.53 Lacs in current year. Profit after tax (PAT) on revenue increased from ₹ 13,595.46 Lacs to ₹ 26,792.32 Lacs. In current year the PAT was 13.46% which is higher as compared to 9.95% previous year.

3. RESERVES

The Board of Directors has decided to retain the entire amount of profits in the statement of profit and loss. For complete details on movement in reserves and surplus during FY 2021-22, please refer the statement of changes in equity and note 9 (b) of standalone financial statements.

4. AMALGAMATION OF RHI INDIA PRIVATE LIMITED AND RHI CLASIL PRIVATE LIMITED WITH AND INTO THE COMPANY

On 31 July 2018 the Board of Directors of the Company and its fellow subsidiaries i.e. RHI India Private Limited (the 'RHI India') and RHI Clasil Private Limited (the 'RHI Clasil') (hereinafter referred as 'erstwhile fellow subsidiaries'), had granted in-principle approval to the scheme of amalgamation of RHI India and RHI Clasil with and into the Company with the proposed appointed date as 1 January 2019 or such other date as may be fixed by the Tribunal ('the Scheme').

The Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai ('NCLT') vide its order dated 5 May 2021 has approved the Scheme with an appointed date of 31 July 2018.

5. CHANGE IN SHARE CAPITAL OF THE COMPANY

Pursuant to the Scheme becoming effective, the authorised share capital of the Company has been increased from ₹ 1,205 Lacs to ₹ 3,080 Lacs and on 25 June 2021, 40,857,131 equity shares of Re. 1/- each fully paid up have been issued and allotted to the shareholders of the erstwhile fellow subsidiaries and the same were got listed on BSE Limited and National Stock Exchange of India Limited on 26 November 2021.

After the aforesaid allotment, paid up share capital of the Company has been increased from ₹ 1,201.39 Lacs to ₹ 1,609.96 Lacs.

6. CHANGE OF NAME OF THE COMPANY

In terms of scheme of amalgamation, the Board of Directors at their meeting held on 11 June 2021 approved to change name of the Company from Orient Refractories Limited to RHI Magnesita India Limited. The Registrar of Companies, Mumbai, Maharashtra gave its approval and issued new certificate of incorporation on 2 July 2021.

The shares of the Company have commenced trading on BSE Limited and National Stock Exchange of India Limited with the new name "RHI Magnesita India Limited" with scrip code "RHIM" with effect from 22 July 2021.

7. CHANGE OF REGISTERED OFFICE OF THE COMPANY

With effect from 1 April 2022, the registered office of the Company has been shifted to Unit No.705, 7th Floor, Lodha Supremus, Kanjurmarg Village Road, Kanjurmarg (East), Mumbai-400042.

8. MANAGEMENT DISCUSSION AND ANALYSIS

RHI Magnesita India Limited ("Company or "RHIM") is in the business of manufacturing and marketing special, basic and non- basic refractory products, systems and services to the steel industry in India and Globally. The Company is market leader for refractories in India and has many global customers for its international quality products. The Company produces nearly 1,40,000 tons of refractory per annum including customized products. Other than this RHIM imports significant value of refractory products which are used for full line service contracts in steel industries.

The refractory products are mainly used in high temperature manufacturing processes in iron and steel industry, metal smelters, cement, glass industry and for other industrial products. Demand for refractory is primarily dependent on the consumption of steel, which accounts for about 75% of the total value of sales and the remaining is used for glass, cement, nonferrous, petrochemicals etc.

Products of RHIM are manufactured at its state-of-the-art manufacturing facility at Bhiwadi, in Rajasthan; Tangi (Cuttack) in Orissa and Vishakhapatnam in Andhra Pradesh. The Company has ongoing programs for improving efficiency of its manufacturing processes, raw material optimization, inventory management systems, stringent quality control, supply-chain integration, digitization & automation, energy efficiency and CO2 emission reduction measures to produce and efficiently supply world class refractory products in sustainable manner to maximise customer value creation. While the Company continuously improve its operational deliveries, best in class safety measures and processes have been put in place and improved upon at the factories and all working sites.

The products of the Company are of global standards in quality and highly cost competitive, which makes it attractive for the customers worldwide. In November'2021, the Group opened a new world-class R&D Centre in India to facilitate a greater understanding of local markets and enable more unified technological know exchange with the Global R&D network of the parent company. Focus areas will be local raw material development, solutions support for customer performance improvement projects and supporting local manufacturing in the three plants.

Impact of COVID-19 on Steel Sector:

In May'2021, COVID-19 second wave has affected most part of the India and cases went up to 4,00,000 plus in May'2021 end. In the first quarter of financial year ("FY") 2021-22, steel production was affected due to manpower issues as well as restriction imposed by the Government on mobility of vehicles. Later on, from second quarter of FY 2021-22 there was down trend in Covid-19 cases, and the business recovered thereafter. The situation improved in October'2021-November'2021, there was some respite in cases and cases came down significantly. There was upswing in demand for the Steel makers in the subsequent quarters post-COVID19 primarily led by surge in demand in the export markets and revival of domestic infrastructure sector, while it continued to face the pressure of higher input costs.

Global Steel industry

World steel demand grew by 2.7% in Calendar Year ("CY") 2021 to reach 1,833 million ("mn") tonnes due to pent-up demand driven by heavy financial stimulus announced in several countries post the first wave of Covid-19 pandemic. All the leading steel producers i.e., India (19% year-on-year growth), USA (21%), Japan (9%) and South Korea (13.5%) witnessed strong growth in steel demand in CY 2021 except China.

Chinese steel demand declined by 5.4% in CY 2021 to 952 mn tonnes due to sharp de-growth in second half as the real estate market weakened due to tough government measures on developers' financing. Chinese steel demand is expected to be muted in CY 2022 due to limitations caused by environmental issues, pandemic, and carbon footprint concerns. World Steel Association (WSA) expects Chinese steel demand to remain flattish in CY 2022.

The global steel industry underwent structural changes in FY 2021-22 due to the COVID-19 pandemic followed by geopolitical tensions and inflationary economic environment limiting steel demand growth and changing supply demand dynamics across steel markets. Steel demand rebounded in first quarter of FY 2020-21 post infusion of heavy financial stimulus by several economies supported by massive vaccination drives conducted across the world. Indian steel sector saw a relatively strong rebound fueled by diversion of steel production to exports especially to Europe. However, second wave of pandemic led to further disruptions of supply chain. Surge in sea freight cost led to inflationary environment across the World. In May'2021, China revoked VAT rebate on exports of 146 steel products along with lifting of import duties on steel making raw materials to limit steel exports and divert production for domestic consumption. There were several instances when China announced production cuts to control pollution and to manage carbons emission targets. All this created opportunity for steel companies in emerging market to increase exports.

Impact of Russia-Ukraine war on global steel trade

Russia and Ukraine exported 31mn tonnes and 15mn tonnes of finished steel respectively in CY 2021(~10% of global steel trade) with major pie of exports flowing to European countries (~15mntonnes) followed by Turkey, Middle East, USA, etc. The impact of Russia-Ukraine war is huge on European Union (EU) countries due to their close trade relations and dependency for energy requirements from Russia. This has delayed the recovery of manufacturing sector in EU which was already impacted by semiconductor shortage in turn also affecting the automobile industry. Therefore, steel demand in EU countries is expected to de-grow by 1.3% (WSA forecast) in CY 2022. EU's trade sanction on Russia has further created a global supply deficit which has led to new avenues of exports for developing economies like India. Cost of raw materials like iron ore and coking coal also surged to all-time highs due to short supply and trade disruptions. As a result, steel prices have exponentially risen by at least 60% across geographies as compared to pre-war prices. World steel demand is expected to grow by a mere 0.4% in CY 2022 to 1,840 mn tonnes (WSA forecast).

India Steel Industry performance in FY 2021-22

India's crude steel production grew 18% yoy to 120.10 mn tonnes in FY 2021-22. Although, large amount of industrial oxygen had to be diverted for medical care of Covid patients which in turn impacted steel production in first quarter of FY 2021-22, production levels recovered exponentially from second quarter of FY 2021-22 due to robust demand in domestic markets and increase in steel exports. Finished steel production also grew by 19% yoy to 113.30 mn tonnes in FY 2021-22. Finished steel consumption grew 11.2% yoy to 113.25 mn tonnes driven by robust demand from manufacturing and construction sector led by massive spending on infrastructure projects. Flat finished steel grew by 11% yoy to 57.10 mn tonnes and finished long steel grew by 12% yoy to 48.70 mn tonnes in FY 2021-22.

HRC and rebar prices surged by at least 70% yoy on the back of heavy raw material cost inflation and short supply in domestic market. The cost of coking coal (HCC Australia) surged five-fold to US $ 670/tonne in March'2022 vs. US $130/tonne in same period last year due to supply side issues created by ban on coals exports from Russia, weather issues in Australia, strong demand from Asian countries and continuity of China's ban on coking coal imports from Australia. Similarly iron ore cost also surged sharply due to global supply chain disruptions.

India's finished steel exports grew 25% yoy to all-time high of 13.5 mn tonnes in FY 2021-22 on the back of global supply deficit created by Russia-Ukraine war and decline in Chinese exports. India's steel exports in March have seen a shift to countries like Turkey, UAE and US which were heavily dependent on CIS nations like Russia & Ukraine in past. India's finished steel imports remained flat at 4.70 mn tonnes in FY 2021-22.

Steel Sector Update

India's crude steel production has continued strong momentum due to tailwinds of heavy financial stimulus announced by government in India for infrastructure development including massive spending for programs like the National infrastructure pipeline (NIP), Production linked incentive schemes, vehicle scrappage policy and expanding water pipelines, incentives for housing, etc. India turning net exporter of steel due to robust global demand has further supported steel production in India. Steel production for Year to Date (April-October FY 2021-22) period has risen by 25% yoy to 66.90 mn tonnes vs 53.50 mn tonnes last year (April-October FY 2020-21). Finished Steel demand for the same period (April-October FY 2021-22) has risen by 25% yoy to 57.40 mn tonnes after a drop of 5% in FY 2020-21. The shortage of semiconductor for automobiles has recently led to slowdown in steel demand. However, revised outlook for automobile production released by Original Equipment Manufacturer's (OEM's) in November'2021 signals gradual recovery.

India's steel exports have found solid traction in global markets and have risen 24% yoy during April - October FY 2021-22 to 8.80 mn tonnes as compared to 7.10 mn in FY 2020-21 (same period). This started with diversion of production to exports due to tepid domestic demand during the pandemic but has now structurally improved due to the void created by China and Russia. China in its revised policy to curb pollution and to reduce carbon emissions has imposed production curbs in several provinces. China has also cut its export rebates on finished steel and duties on imports of semi-finished steel as it plans to reduce production of crude steel. This is one of the reasons for correction in global steel prices, also spilling over on Indian steel prices. As a result, global steel prices have now corrected from the peak of US $ 1,100/ton to US $800/ton as of November'2021. India HRC prices (ex-Mumbai, 2.5-8.0 mm) even after marginal correction are 35% yoy higher at Rs.

68,800/ton (November'2021). Similarly, rebar prices are 25% higher yoy basis at Rs. 59,000/ton after recent correction.

Another reason for correction of prices is the easing of raw material cost, both iron ore and coking coal. Iron ore prices have now eased with increased supply and lower demand from China due to production curbs. From the peak of US $ 200/ton, global iron ore prices have now stabilized at US$100/ton — CNF China as of November'2021. Similarly, coking coal prices had risen to all-time highs of US$ 420/ton, CNF Australia due to weather related disruptions and heavy restocking demand. This has corrected to US$ 330/ton recently but is still 200% higher as compared to prices in November'2020.

Although prices are expected to cool down in medium term along with correction in raw material cost (mainly coking coal), steel production is expected to remain strong on the back of heavy infrastructure spending and recovery in demand from automobiles. WSA expects Indian steel demand to grow by ~17% in CY 2021 followed by ~7% in CY 2022.

Indian Economy and steel sector outlook

However, India's GDP is relatively shielded from this impact and is expected to grow by 8.2% in CY 2022 (8.9% in CY 2021). This is on the back of significant increase in financial stimulus led spending on infrastructure projects which is in turn driving domestic demand. Immense spending through the National Infrastructure pipeline Program, development of roads and highway network, Vande Bharat project for increasing train connectivity, housing projects through Pradhan Mantri Aawas Yojana, Jal Jeevan mission to increase drinking water penetration, PLI schemes to incentivize industrial expansion, etc. are some of the projects which will drive the economy in the medium term. Massive vaccination drives conducted in past is expected to reduce disruption from new wave of pandemic. Rising GST collections and exports are signs of rising manufacturing activity despite headwinds from inflation.

India's domestic steel demand is expected to remain robust for at least next two years irrespective of price movement due to the massive spending announced by the central government on infrastructure projects along with recovery in the real estate markets. Revival of the automotive industry, due to improving availability of semiconductors would further drive steel demand. WSA expects India's steel demand to rise 7.5% in CY 2022 (highest among all steel producers) followed by 6% in CY 2023.

Opportunities and Threat

The Indian steel industry has a good chance to seize the opportunity as the steel mills are gearing up for an increase in demand from overseas buyers as the pandemic has choked the supplies from China. National Steel Policy 2017 states that India's objective is to increase the per Capita Steel Consumption from 60 Kg. to 160 Kg. by 2030-31, this in turn would have 300 tonne capacity.

Also, to achieve 5 trillion USD economy by fiscal year 2025, India needs to spend 1.4 trillion USD on infrastructure. The growing steel industry, along with the elevating infrastructure development, is augmenting the demand for refractory materials. These materials exhibit higher-temperature resistance than conventional ones, thereby positively influencing the market growth. The widespread adoption of unshaped refractories for several construction applications is also inflating the global market. Additionally, the high prevalence of recycling refractory materials for steel production is also augmenting the market growth. The growing popularity of refractories in various sectors, such as aerospace, automotive, medical, and electrical, is anticipated to drive the market.

Indian steel sector faces huge tailwind of demand drivers due to massive spending by government on several infrastructure projects also supported by increased budget allocation in some of these schemes such as Jal Jeevan Mission for steel pipes. Projects like National Infrastructure Pipeline, housing projects, national highways and road projects etc. are other opportunities for massive steel consumption. The Automotive sector faced supply side issues for last 2 years due to semiconductor shortage which is now easing. The vehicle scrappage policy will also drive massive demand for commercial vehicles.

However, one of the largest threats to Indian steel industry is the imposition of 15% duties in May'2022 on exports of several steel products. This was a step taken to ease down the exponential surge in steel prices which were making several infrastructure projects unviable. The immediate impact of this has been the 53% fall in monthly finished steel exports in June' 2022. As a result, Crude steel and finished steel production declined 2% month on month in June'2022. But the positive side of this is the 15% fall in steel prices and substantial reduction in raw material cost due to tepid demand from India. Another threat to India steel industry is the steep depreciation of the Indian Currency (INR) which has now made some imported raw materials expensive. While sea freight has seen some easing but remains elevated from pre-covid levels.

The disruptions created by the Russia-Ukraine war and the interest rate hike by the central government remain major concerns which can limit steel demand growth in the medium term. Although global semiconductor supply has improved, there remains substantial supply demand gap. Further, imposition of export duties by the Indian government has further dampened steel production but is expected to be a temporary phenomenon to ease the sky-high steel prices. Slowdown in Europe due to high energy prices and recessionary risk in USA due to steep tightening of the monetary policy can limit export led steel demand for India in medium term.

- The rise in energy surcharge which we are not able to pass on to all our customers as our competitors are not asking for any energy surcharge (all their supplies are from India and China and not from Europe) is a major concern which have reduced the margins.
- For sourcing of raw materials, the industry is highly dependent on China.
- In China, the key producer of magnesite is the Liaoning province. Production of magnesia there came under stress due to stricter environmental control, and the recent power cuts in the Liaoning province have aggravated the

problem. 97% fused magnesia and white fused alumina prices, which is main raw material of refractory products has increased significantly.

- Industry is operating on thin margins and high working capital due to its nature of business. Over the last few years, we are also facing serious issues of financial sustainability due to constantly rising costs on all fronts, thus reducing margins due to constant price pressure from customers. COVID-19 situation has made the industry even more vulnerable.
- There is an urgent need for all stakeholders, especially our customers to help us by compensating for such cost increases and support through working capital to avoid any adverse impact.
- In India the Government need to abolish the export duty on steel for the growth and capex infusion.

Outlook - Global and Indian Economy and Indian Steel Sector Outlook

Last quarter of CY 2021 again witnessed COVID-19 led disruptions which led to exponential surge in global inflation led by doubling of energy prices, wage pressure and rise in food prices. In CY 2022, tapering of monetary policy in several countries especially USA and slowdown of China's real estate sector has led to downgrades in growth estimates for several economies. This was further disrupted by Russia-Ukraine war which had far reaching consequences on global commodity supply chain especially the energy supply to Europe which further added to Inflation. Several large economies started increasing interest rate to limit inflation which will impact GDP growth in CY 2022. World GDP output which grew by 6.1% in CY 2021 (source: International Monetary Fund - IMF) is now expected to halve to 3.6% each in CY 2022 and CY 2023 led by slowdown in GDP growth in China, EU, and USA. Russia's GDP is expected to de-grow by 8.5% in CY 2022 due to trade ban by several countries.

The important developments in the steel sector during the month of April'2022 in FY 2022-23 are as following:

1. Ministry has initiated preparation of framework document for development of multi-modal connectivity, as envisaged under PM Gati Shakti National Master Plan to provide integrated and seamless connectivity for movement of much larger volumes of raw materials and finished products emanating from the enhanced production capacity of 500 MT for steel industry envisioned over Amrit Kaal i.e., by CY 2047.
2. A meeting with stakeholders of steel Industry was held in April'2022 under the Chairmanship of Hon'ble Minister of Steel to discuss the roadmap for achieving targets as per National Steel Policy (NSP), 2017, creating a globally competitive steel industry in India and achieving Government's vision of Aatmanirbhar Bharat in specialty steel by taking advantage of Production Linked Incentives (PLI) Scheme for Specialty Steel launched by the Ministry. Stakeholders, including private steel sector companies, were urged to contribute towards the target of 500 million tonnes (MT) of green and clean steel capacity in the country in the 25 years of the Amrit Kaal.
3. HSM met a high-level delegation from International Renewable Agency (IRENA) in New Delhi, on 27 April 2022 and discussed issues relating to use of renewable energy in Indian steel industry. Matters like, achievements of the world in the field of decarbonization, international cooperation for technology, need for technical and financial help for establishing pilot plant to develop green hydrogen for green DRI as well as carbon capturing, need for technology to make small industries energy efficient etc., were also discussed.
4. The month-wise production of both crude and finished steel as well as consumption of finished steel over the recent months indicates to an overall increasing trend with month-on-month fluctuations in production and consumption. Production of both crude and finished steel as well as consumption of finished steel was highest in April'2022 when compared to previous three years however, production and consumption of steel was lower than that in the previous month i.e., March'2022

Refractory Sector Update

Refectories business demand is at peak in India due to heavy financial stimulus for infrastructure projects - domestic and global is expected to keep demand for refractories robust soon. Historically, refractory companies have been steady revenue compounder with stable margins, net cash balance sheets and superior return ratios, a remarkable contrast to its customer steel sector, thereby largely obviating the severe cyclicity of commodity companies. We expect recycling and localization to support margins for refractory players.

- **Demand drivers at peak for refractory industry:** 75% of the refractory demand is driven by steel and rebound in steel demand post pandemic is already evident with 25% growth in first half of FY 2021-22 in steel production. We expect this trend to continue due to robust government spending on schemes like National infrastructure projects, PLI scheme, Jal Jeevan Mission, housing schemes, etc. New steel capacity worth ~38mn tonnes in the next 4 years will also drive additional demand for refractories. Strong export demand for Indian steel due to production curbs by China will further accelerate refractory demand. Historically, revenue growth of refractory players has been ~1.5 times of growth in steel production and therefore we expect at least 12% Compound Annual Growth Rate revenue growth for refractory manufacturers over FY 2021-24.
- **Refractory a consumable (does not face commodity-like volatility):** Despite 75% of the demand for refractories being driven by steel and hence perceived as susceptible to commodity price risks, our long-term study of refractory companies concludes that its gross margins vary within a very narrow range, unlike a typical commodity company. Their revenue growth has seen continuous compounding unlike declines seen by metal companies. Refractory companies also have a commendable track record of net cash balance sheets over the last 5 years, superior and

stable return ratios compared to a commodity company, and consistent FCF generation. As a steady consumable business, it deserves a higher multiple than commodity companies.

- Localization and recycling to support margins (discourage imports): Recycled material which saves 30% of the cost. This will also reduce dependence on China. Advanced R&D expertise will further result in localization of several products like Magnesia bricks and pre-casts thereby discouraging imports and controlling cost. However, high sea freight and shortage of raw materials from China can pressurize costs in medium term, partially compensated by higher realizations. We expect export demand to improve on recovery in steel production in EU and US.

Update and Benefits of the new structure

The scheme of amalgamation between the Company and its erstwhile fellow subsidiaries i.e., RHI India Private Limited and RHI Clasil Private Limited is approved by Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 5 May 2021 with appointed date of 31 July 2018.

As a result of substantial restructuring and consolidation in the India steel industry, demand for higher performance and better-quality solutions has increased — a development which corresponds well to our strengths as a Group and enables us to take advantage of this position, whilst also working to further strengthen our position in the market in terms of cost competitive refractory solutions.

As a combined group in India, RHIM's business here will be in a strong position to benefit from this consolidation based on the breath of the combined organization as well as its long-standing relationships with the market-leading customers. All the merged Companies are into same and allied business activities.

The new organization structure came out as one strong entity to seize growth opportunities and enhance the shareholders' value. It helps in simplification of the corporate structure and consolidation of Indian business. One strong entity enhances the business and operational synergies, shareholders value and utilization of resources due to pooling of management expertise, technologies, and other resource of the companies. This also creates a larger asset base and facilitation of access to better financial resources by optimizing cash flow which contributes to overall growth prospects of the combined company. For the customers the new entity provides single window for all refractory solution under one umbrella though establishing comprehensive refractory product portfolio. There is also an ongoing exercise to optimize the production footprint in India through maximizing the operational and supply chain excellence. The merger enhances the shareholder value pursuant to economies of scale and business efficiencies.

Leading innovation and technology in flow control and lining products:

Flow control:

- **Slide gate:** Our market share in the slide gate has increased owing to orders from steel majors in existing operations and other green field expansion projects. Moreover, the Company is converting most of the old generation slide gate systems to the new generation S gates with the help of group Company which provides higher safety standards, higher refractory lifetime and lower cost of operation.
- **Ladle Purging:** There is a significant market share improvement in purge plugs also, the Company has introduced Hybrid plugs with significant performance improvement at various alloy steel makers. Moreover, a new manufacturing facility is being added at Bhiwadi for production of Purge plug aiming for the regional market.
- **Tundish & ISO:** — Apart from being the market leader in the long segment — we have forayed into the slab segment also — recently could achieve world record of successfully casting 10,000 tons through a single tundish for a slab caster, moreover various new technologies like Mono Tube Changers, Tundish slide gate mechanism, Nozzle Changers for billet casters are also being introduced in various customers.

To enter the niche market of thin slab casters, we have got trial permissions for our tailor-made products and soon we shall a be producing all refractories for thin slab casters from our Bhiwadi plant by end of the year 2022.

Digitalization

Other technological offerings: Tundish, Various sensors for continuous casting, Robotics for Slide gate application etc. are also presented to various customers.

Products/ services for steel quality improvement: Various new products like Purgebeam, Magfilter etc. aiming at significant quality improvement is also introduced successfully in various customers. New products are designed with the help of flow simulation studies which enables the customer to visualize the flow of molten steel in mould and tundish.

For brief details on key financial ratios, kindly refer financial statements.

9. DIVIDEND

Based on the Company's performance, your directors are pleased to recommend final dividend of ₹ 2.50 (250%) per equity share on 160,996,331 equity shares of Re. 1.00 each for the FY 2021-22. This payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting ('AGM'). The recommended dividend shall be paid to those shareholders whose name would appear in the Register of Members as on the record date (i.e., 15 September 2022).

In view of the changes made under the Income Tax Act, 1961 by the Finance Act, 2020, dividend paid or distributed by the Company shall be taxable in the hands of the shareholders. The Company shall, accordingly, make the payment of dividend after deduction of tax at source.

The dividend pay-out is in accordance with the Company's dividend distribution policy and the policy is available on the weblink www.rhimagnesitaindia.com/investors/corporate-governance/policies

10. SUBSIDIARY COMPANY

The Company has one subsidiary i.e. Intermetal Engineers (India) Private Limited ("Intermetal") as on 31 March 2022. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). During the period under review, there has been no material change in the nature of business of the Intermetal.

The financial statements of the Company including consolidated financial statements along with relevant documents are available on the website of the Company https://www.rhimagnesitaindia.com/investors

During the period under review, there has been no change (creation or cessation) in any of the subsidiary, associate or joint venture of the Company.

Financial Performance of Subsidiary Company

During FY ended 31 March 2022, revenue from operations of Intermetal has been increased from ₹ 401.19 Lacs in previous year to ₹ 455.98 Lacs in current year. Profit After Tax has been increased from ₹ 66.87 Lacs in previous year to ₹ 101.26 Lacs in current year.

In accordance with Section 129(3) of the Act, a statement containing salient features of financial statements of Intermetal in Form No. AOC-1 is attached to this report as **Annexure-I.**

11. MATERIAL CHANGES AND COMMITMENTS

No material change or commitment affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and date of this report, except as disclosed elsewhere in this report.

12. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control system in place, and also has reasonable assurance on authorizing, recording and reporting transactions of its operations. The Company has a well-placed, proper and adequate internal controls environment, commensurate with its size, scale and complexities of its operations. The Company had already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity level policies, processes and operating level standard operating procedures.

Internal control systems are an integral part of your Company's corporate governance structure. These have been designed to provide reasonable assurance with regard to inter-alia (a) recording and providing reliable financial and operational information; (b) complying with the applicable statutes; (c) safeguarding assets from unauthorized use; (d) executing transactions with proper authorization and ensuring compliance with corporate policies; (e) prevention and detection of frauds / errors and (f) continuous updating of IT systems.

The Company's management has assessed the effectiveness of the Company's internal control over financial reporting as of 31 March 2022.

The Audit Committee reviewed the reports submitted by the Management, Internal Auditors and Statutory Auditors. Based on their evaluation (as defined in section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Committee has concluded that, as of 31 March 2022, the Company's internal financial controls were adequate and operating effectively.

13. HUMAN RESOURCES

For RHIM, employees are its most valuable asset and the Company is committed to the wellbeing and development of its employees. Your Company believes in enhancement of competencies of its employees. Employees are facilitated to participate in various training programs, equal emphasis is given on technical & soft skills. numerous opportunities have been created for the employees to develop.

During recent years, Company's main focus of in-house trainings was on interpersonal skills, behavioral attributes, customer focused culture, lean implementation and 6's at shop floor. The dedicated learning and development programmes enhance the right skill sets and relevant knowledge to employees to achieve operational and futuristic benefits. The Company endeavors to keep the employee's motivation high by providing congenial & respectful work atmosphere and rewarding/remunerating effectively. 100% safety of our employees is one of the important operative targets for RHIM. Various initiatives have been launched to engage employees.

Celebrating festivals and achievements on various occasions is part of RHIM culture. Various activities and programs have been conducted within the organization to create fair and equitable work culture leading to cordial relations between the management and the employees of the Company.

14. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all contracts / arrangements / transactions entered by the Company with related parties were in ordinary course of business and on an arm's length basis, the Company has not entered into any contracts /arrangements / transactions with related parties which could be considered material in accordance with the Company's policy on materiality of related party transactions.

The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and proposed to be entered in the ordinary course of business and at arm's length during the financial year. All related party transactions are placed before the Audit Committee for review and approval.

Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC - 2 is not applicable to your Company.

The Company has obtained approval of shareholders, by way of postal ballot for material related party transaction(s) with

M/s. RHI Magnesita GmbH, for an amount of ₹ 100,000 Lacs (Rupees One thousand crore), for the FY 2021-22 and onwards with yearly increase of 30% every year in the value of such transactions up to the FY 2025-26.

The policy on materiality of related party transactions and dealing with related party transactions can be accessed on the Company's website at the link: www.rhimagnesitaindia.com/investors/corporate-governance/policies

Members can also refer note 36 of the financial statements, which set out related party disclosures.

15. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Company's Corporate Social Responsibility (CSR) Policy as adopted by the Board and its initiatives on CSR activities during the year under review are set out in **Annexure II** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee including composition, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on www.rhimagnesitaindia.com/investors/corporate-governance/policies

Your Company was required to transfer unspent CSR amount of ₹ 135.40 Lacs as on 31 March 2021 to any of the funds prescribed under Schedule VII of the Act within 6 months from the end of the financial year i.e. on or before 30 September 2021. An amount of ₹ 32 Lacs was deposited by the Company within prescribed timelines while due to deteriorating global pandemic of COVID-19 in the initial period of F.Y 2021-22, the Company was not able to transfer rest of the unspent money i.e. ₹ 103.41 Lacs, which was later on deposited by the Company to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund and subsequently filed an application for compounding of offence with the appropriate authorities.

16. RISK MANAGEMENT

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has framed a Risk Management Policy to identify and access the key business risk areas and a risk mitigation process. The policy aims to ensure resilience for sustainable growth and sound corporate governance by having an identified process of risk identification and management in compliance with the provisions of the Companies Act, 2013 and other applicable provisions. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment.

Occupational Safety and Health are considered an integral part of our operations. All statutory legal regulations were compiled as per government norms. The workplace risk assessment of hazards is done after every six months and is reviewed after three months in all the operational plants and extended to the customer sites also. The safety audits were conducted at regular intervals by internal and external agencies. The stage 1 audit for all three standards (ISO 9001, 14001 & 45001) were successfully completed for the Visakhapatnam Unit. The employee involvement in reporting the unsafe conditions and near misses has been excellent. The Global key performance indicators (KPIs) of preventive rate has been successfully achieved. The participation of employees in 6S activities has tremendously changed the work culture and the award of the 6S trophy every month has increased the competitiveness in perfect maintenance of a safe workplace. The Confederation of Indian Industry, Andhra Pradesh has awarded the Best Safety Practices of innovation for the year 2021.

Safety and Health related activities have been the prime focus on customer sites with the introduction of new SOPs and existing procedures reviewed. The safety and risk audits were put into regular practice. Safety training has been always the main continuous agenda. Safety awareness has been created at all customer sites by organizing various safety events during the 51st National Safety Week. Some of the customer sites have been rated as the best performing Vendor in the steel industries.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Rudraraju Suryanarayana Raju Venkata (Mr. RVS Rudraraju) (DIN 00425640) was appointed as an additional and whole time director for a period of 5 years of the Company on 25 June 2021 and his appointment was regularized in the 11th AGM of the Company held on 29 September 2021.

The Board of Directors, in its meeting held on 10 August 2022, has, on the recommendations of Nomination and Remuneration Committee, recommended the re-appointment and remuneration of Mr. Parmod Sagar (DIN: 06500871) as Managing Director and Chief Executive Officer for a period of 5 years w.e.f. 4 March 2023 to 3 March 2028, for shareholders' approval in the ensuing AGM.

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Gustavo Lucio Goncalves Franco (DIN: 008754857) retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

A resolution seeking shareholders' approval for re-appointment alongwith other required details forms part of the Notice.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with rules framed thereunder and Regulation 16 of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Independent Directors have also submitted the declarations that they have registered their names in the independent directors' data bank. Dr. Vijay Sharma and Mr. Nazim Sheikh, Independent Directors are exempt from passing the proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs. The name of Ms. Sonu Chadha as Independent Director was removed from the Independent Director data bank as she did not appear for her proficiency test, later on her name was restored for 1 year.

No independent director was appointed during the period under review.

During the period under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than receipt of sitting fees and reimbursement of expenses, if any.

Pursuant to the provisions of Section 203 of the Act, Mr. Parmod Sagar, Managing Director and Chief Executive Officer, Mr. RVS Rudraraju — Whole Time Director, Mr. Sanjeev Bhardwaj, Chief Financial Officer and Mr. Sanjay Kumar, Company Secretary were Key Managerial Personnel of the Company as on 31 March 2022.

During the year, Mr. RVS Rudraraju — Whole time Director was appointed as Key Managerial Personnel of the Company with effect from 25 June 2021.

Ms. Vijaya Gupta took over as Chief Financial Officer, with effect from 27 May 2022 in place of Mr. Sanjeev Bhardwaj, who has been assigned new roles and responsibilities within the Organization. Ms. Vijaya Gupta is having thirty years of work experience and she is rank holder Chartered Accountant and has completed Special Management Program from IIM(C).

18. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has devised the policy on remuneration and nomination for the selection, appointment and remuneration of the Directors and Key Managerial Personnel (KMP) and also remuneration of other employees who have the capacity and ability to lead the Company towards achieving sustainable development.

Salient features of the Company's policy on remuneration and nomination are as under:

(i) Appointment of KMP and senior management is subject to the approval of the Nomination and Remuneration Committee and Board of Directors. Remuneration of KMP and senior management is decided by the Managing Director on the recommendation by the Whole Time Directors/ Executive Directors concerned, where applicable, broadly based on the Remuneration Policy in respect of Whole Time Directors /Executive Directors. Total remuneration of KMP and senior management comprises of fixed based salary, perquisites, retirement benefit, motivation rewards, bonus and other non-monetary benefits.

(ii) Non-Executive Directors are paid remuneration in the form of sitting fees for attending the Board Meetings and committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions. While deciding the remuneration of Managing Director and Executive Directors, the Nomination and Remuneration Committee considers pay and employment conditions in the industry, merit and seniority of the person. The Committee encourage the balance between fixed and variable component in the remuneration which are based on the performance to achieve the Company's target. The term of office and remuneration of whole time directors are subject to approval of the Board of Directors, shareholders and the limit laid down under the Companies Act,2013 from time to time.

The Nomination and Remuneration Policy of the Company is available on the Company's website and can be accessed on the Company's website at the link www.rhimagnesitaindia.com/investors/corporate-governance/policies

19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departures;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively,

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

20. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and Listing Regulations. The performance of the board was evaluated by the Board of Directors after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5 January 2017.

In a separate meeting of independent directors held on 10 February 2022 performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

21. AUDITORS

i. Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) ("PW") were appointed as statutory auditors of the Company at the 7th AGM held on 25 September 2017 for a period of 5 years for auditing the accounts of the Company from the conclusion of 7th AGM till the conclusion of 12th AGM of the Company for the year 2022.

The Board of Directors of the Company on the recommendation of the Audit Committee, had recommended the re-appointment of M/s. PW as the Statutory Auditors of the Company, by the members at the 12th AGM of the Company for another term of five years.

Accordingly, pursuant to Section 139 of the Companies Act,2013, an ordinary resolution, proposing appointment of M/s. PW, as the Statutory Auditors of the Company for another term of five years i.e. from the conclusion of 12th AGM till the conclusion of 17th AGM of the Company to be held in the year 2027, forms part of the Notice of the 12th AGM of the Company.

The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act,2013 and that the re-appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

ii. Internal Auditors

The Board has appointed M/s. Chaturvedi & Partners as Internal Auditors for the FY 2021-22 under Section 138 of the Companies Act, 2013 and they have completed the internal audit as per the scope defined by the Board. M/s. Chaturvedi & Partners was re-appointed as Internal Auditors of the Company for FY 2022-23.

iii. Secretarial Auditor

The Company has appointed M/s. Naresh Verma & Associates, Company Secretaries in Practice, to conduct Secretarial Audit for the FY 2021-22 as required by Section 204 of the Companies Act, 2013 and rules made thereunder. The Company provided all assistance and facilities to the secretarial auditors for conducting their audit. The Secretarial Audit Report for the FY 2021-22 is annexed herewith marked as **Annexure - III.**

M/s. Naresh Verma & Associates was re-appointed as Secretarial Auditors of the Company for FY 2022-23.

The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. The Secretarial Auditors have confirmed that they are not disqualified to be appointed as the Secretarial Auditors of the Company for FY 2022-23.

iv. Cost Auditor

Pursuant to Section 148 of the Companies Act,2013 read with rules thereunder, your Company is required to maintain cost records and said records are required to be audited by a Cost Accountant in practice. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, appointed M/s. K. G. Goyal & Associates as the Cost Auditors of the Company for FY 2022-23.

In accordance with the provisions of Section 148(3) of the Companies Act,2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company. Accordingly, appropriate resolution forms part of the notice convening the AGM.

M/s. K. G. Goyal & Associates have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the past several years under the provisions of the erstwhile Companies Act, 1956.

The due date of filing the cost audit report for the year ended 31 March 2021 was 30 September 2021 and the same had been filed on 14 August 2021. Cost Audit Report for the year ended 31 March 2022 will also be filed within statutory time limit.

22. AUDITOR'S QUALIFICATION AND MANAGEMENT REPLY THEREON

The observations and comments given by the statutory and secretarial auditors in their report read together with notes to Accounts for the year ended 31 March 2022 are specified herein below alongwith further comments and explanation by Board of Directors under Section 134 of the Act.

There is no qualification or observation in the reports of the Statutory Auditor. Observations of Secretarial Auditors' alongwith management representations are given here in below:

(i) The unspent CSR expenditure of ₹ 135.40 Lacs for the year ended 31 March 2021 was transferred by the Company to the funds prescribed under Schedule VII of the Companies Act 2013 after the due date and an application for compounding of offence in this regard has been filed by the company with the appropriate authorities.

Management Response:

Details given in Corporate Social Responsibility section of this report.

(ii) The expenditure made by the Company towards CSR activities during the year ended 31 March 2022 was less than the prescribed amount by ₹ 187.68 Lacs and as reported by the company the same has been duly transferred by the Company to the funds prescribed under Schedule VII of the Companies Act 2013 within the due date.

Management Response:

As stated in the observation itself, the CSR funds that remained unspent during the year ended 31 March 2022 were deposited with the funds prescribed by the Government of India within the prescribed period.. Further details given in Annexure II of this report.

(iii) The Company filed the Form FC-GPR with the Reserve Bank of India in connection with allotment of 33,124,694 fully paid equity shares of Re. 1 /- each to non-residents on 25 June 2021 pursuant to Composite Scheme of Amalgamation approved by Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 5 May 2021 within the due date, however the same was rejected for want of some documents. The said form FC-GPR has now been registered by the RBI with submission of late fees.

Management Response:

The Form FC-GPR was filed by the Company with the Reserve Bank of India (RBI) within the prescribed time. The said form was rejected for want of certain documents of the Transferor Companies. Later, on resubmission of said form, RBI registered the same after imposing late submission fee.

(iv) The name of Ms. Sonu Chadha as Independent Director was removed from the Independent Director data bank as she did not appear for her proficiency test. The name was later restored for 1 year.

Management Response:

Your Independent Director — Ms. Sonu Chadha, due to her pre-occupancy, could not appear for the self-proficiency test as introduced by the Government of India and her name was temporarily removed from the Independent Director Databank. The Company has received a declaration from Ms. Chadha stating that her name has been restored in the data bank for 1 year.

There are no frauds reported in the reports of the auditors as mentioned under sub-section (12) of Section 143 of the Act.

23. EXPORT HOUSE STATUS

The Company enjoys the status of "One Star Export House".

24. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of your Company during the year under review.

25. DISCLOSURES

i. Vigil Mechanism /Whistle Blower Policy

The Company has adopted a whistle blower policy establishing vigil mechanism for directors and employees to report their concerns about unethical behavior, actual or suspected fraud or any violation of Company's code of conduct.

The policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: www.rhimagnesitaindia.com/investors/corporate-governance/policies

ii. Audit Committee

The composition of the Audit Committee has been given in Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

iii. Number of Board Meeting

The Board of Directors of the Company met five (5) times in the year, the details of which are provided in the corporate governance report.

iv. Particulars of Loans given, Investment made, Guarantees given and Securities provided

The particulars of loans, guarantees and investments as per Section 186 of the Act, have been disclosed in the financial statements.

v. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo, as required to be disclosed under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are provided in **Annexure - IV.**

vi. Annual Return

The Annual Return for the FY 2021-22 is available on Company's website at www.rhimagnesitaindia.com/annualreturns

vii. Particulars of employees and related disclosures

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure - V.**

viii. Corporate Governance Report

Report on Corporate Governance is annexed herewith as **Annexure - VI** to this report.

ix. Business Responsibility Reporting

The Company's ethical and responsible behaviour complements its corporate culture. Being a public listed company, the Company recognises that its accountability is not limited only to its shareholders from a financial perspective but also to the larger society in which it operates. During the year, consequent to the requirements of reporting of its business responsibility initiatives becoming mandatory under the Listing Regulations, the Company formulated a consolidated policy on business responsibility which lays down the broad principles guiding the Company in delivering its various responsibilities to its stakeholders. The policy is intended to ensure that the Company adopts responsible business practices in the interest of the social set up and the environment so that it contributes beyond financial and operational performance.

A copy of the policy is available at www.rhimagnesitaindia.com/investors/corporate-governance/policies and the Business Responsibility Report for FY 2021-22 in terms of Regulation 34 of the Listing Regulations is annexed to this report as **Annexure - VII.**

x. Transfer of amounts to Investor Education and Protection Fund

Details regarding transfer of amount & shares to IEPF has been given in Corporate Governance Report.

xi. Sexual Harassment of Women at Workplace (Prevention, Prohibition &Redressal) Act,2013

The Company has formulated and implemented a policy of prevention of sexual harassment at the workplace with mechanism of lodging/redressal complaints. During the year under review, there were no complaints reported to the Board. The policy may be accessed on the Company's website at the link: www.rhimagnesitaindia.com/investors/corporate-governance/policies

xii. Compliance with the Institute of Company Secretaries of India ("ICSI") Secretarial Standards

The relevant Secretarial Standards issued by the ICSI related to the Board Meetings and General Meeting have been complied with by the Company.

xiii. No disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review:

- Details relating to deposit and unclaimed deposits or interest thereon.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) and Employee Stock Option Scheme of the Company under any scheme.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern and Company's operation in future
- Details of difference between amount of valuation done at the time of one time settlement and the valuation done while taking loan from banks or financial institutions alongwith the reasons thereof.
- No application has been made or no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year or at the end of FY 2021-22.

26. CAUTIONARY STATEMENTS

Certain statements in the "Management Discussion and Analysis" describing the Company's views about the industry, expectations/ predictions, objectives etc., may be forward looking within the meaning of applicable laws and regulations.

Actual results may differ materially from those expressed in the Statement. Company's operations may inter-alia affect with the supply and demand stipulations, input prices and their availability, changes in Government regulations, taxes, exchange fluctuations and other factors such as Industrial relations and economic developments etc. Investors should bear the above in mind.

27. ACKNOWLEDGEMENTS AND APPRECIATION

Your Directors place on record their deep appreciation to the customers, shareholders, suppliers, bankers, business partners/ associates, Central & State Governments and Governments of various countries where we have our operations for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company and its subsidiary for their hard work and commitment. Their dedication and competence have ensured that the Company continues to be a significant and leading player in the refractory industry.

On behalf of the Board of Directors

Dr. Vijay Sharma
Chairman
(DIN:00880113)

Gurugram, 10 August 2022

ANNEXURE-I

Form AOC-1

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

Name of the subsidiary company	:	Intermetal Engineers (India) Private Limited
Date of becoming subsidiary	:	18 May 2019
Start date of accounting period of subsidiary	:	1 April 2021
End date of accounting period of subsidiary	:	31 March 2022
Reporting currency	:	INR
Exchange rate	:	1.00
		(in ₹ Lacs)
Share capital	:	1.60
Reserves and surplus	:	1,146.54
Total Assets	:	1,293.75
Total Liabilities	:	145.61
Investments	:	-
Turnover	:	455.98
Profit before tax	:	131.50
Provision for tax	:	30.23
Profit after tax	:	101.26
Proposed dividend	:	-
% of shareholding	:	100
Country	:	India

On behalf of the Board of Directors

Parmod Sagar
Managing Director & CEO
(DIN: 06500871)

Dr. Vijay Sharma
Chairman
(DIN:00880113)

Sanjay Kumar
Company Secretary
(ACS-17021)

Vijaya Gupta
Chief Financial Officer

Gurugram, 10 August 2022

ANNEXURE II

REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1.	Brief outline on CSR Policy of the Company	RHI Magnesita India Limited ("The Company") aims to establish guidelines regarding charitable contributions and the Sponsorship with regards to Corporate Social Responsibility. RHIM prohibits any direct or indirect contributions that are made to influence a decision impacting RHIM India's business activity. The Company is committed towards sustainable development, active contribution to the Social, Economic and Environmental Development of the Community and inclusive growth. The Company's success depends on the communities in which we live and work; our business can only be sustainable if we are supporting thriving communities. We work with local community leaders, government and NGOs on environmental and social issues of concern. CSR initiatives undertaken by your Company upholds the principles of a responsible corporate citizen and aims to distribute the economic benefits ts derived by it through active collaboration with credible institutions by contributing to the social and economic development of the communities in which it operates. The Company pursue CSR activities in accordance with ScheduleVII of the Companies Act, 2013. The focus areas for spending the funds earmarked for CSR activities are to supports health, education, wellness, water, sanitation and hygiene needs of communities, especially those who are marginalized. RHIM also supports conservation and relief efforts to communities at the timeof natural and man-made disasters.

2. Composition of CSR Committee

Sr. no.	Name of Director, Designation	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i.	Ms. Sonu Chadha, Chairperson	Non-Executive, Independent	2	2
ii.	Mr. Erwin Jankovits, Member	Non-Executive	2	2
iii.	Mr. Parmod Sagar, Member	Executive	2	2

3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company	https://www.rhimagnesitaindia.com/
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014	Not applicable
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule (7) of the Companies (Corporate Social Responsibility Policy)Rules, 2014 and amount required for set off for the financial year, if any.	NIL
6.	Average Net Profit of the Company as per section 135(5)	₹ 19,576.18 Lacs
7.	a) Two percent of average Net Profit of the Company as per section 135(5)	₹ 391.52 Lacs
	b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
	c) Amount required to be set off for the financial year, if any.	NIL
	d) Total CSR obligation for the financial year(7a+7b-7c)	₹ 391.52 Lacs

8. a) **CSR amount spent or unspent for the financial year:**

Total Amount spent for the Financial Year	Amount Unspent - ₹ 187.68 Lacs				
₹ 203.84 Lacs	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any Fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount (In Lakhs)	Date of transfer
	NIL		Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund	100	23 June 2022
				90	12 July 2022

8. b) **Details of CSR amount spent against ongoing projects for the financial year:** NIL

1.	2.	3.	4.	5.		6.	7.	8.	9.	10.	11.	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No.)	Location of the Project		Project duration	Amount allocated for the Project (₹ in lacs)	Amount spent in the current financial year (₹ in lacs)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6) (₹ in lacs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation through Implementing Agency	
				State	District						Name	CSR Registration Number
1	Inaya Foundation	Empowering women	Yes	Rajasthan	Alwar	3 Years	20.35	20.35	NIL	No	Inaya Foundation	CSR00032492

8. c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

1.	2.	3.	4.	5.		6.	7.	8.	
Sr. No	Name of theProject	Item from the list of activities in Schedule VIIto the Act	Local area (Yes/No.)	Location of the Project		Amount spent for the Project (₹ in lacs)	Mode of Implemen-tation Direct (Yes/No)	Mode of Implementation through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Donation to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund	Contribution to the PM Care Fund	NA	PAN India		40.00	Yes	-	-
2	Contribution to Venkatapuram Rural Development Trust	Promoting health care including preventive health care	Yes	Andhra Pradesh	Visakhapatnam	12.00	Yes	-	-
3	Free health checkup camp		Yes	Rajasthan	Alwar	18.61	Yes	-	-
4	Maintenance of ambulance donated to a trust		Yes	Rajasthan	Alwar	14.79	Yes	-	-
5	Contribution to Southeast Asia Institute of Thalassemia for treatment		Yes	Rajasthan	Jaipur	10.00	Yes	-	-
6	COVID-19 Expenses		Yes	Vicinity of plants		49.12	Yes	-	-
7	Rotary Club of Bhiwadi — Shakti	Promotion of Education including employment enhancing vocational skills	Yes	Rajasthan	Bhiwadi	1.56	Yes	-	-
8	Contribution for various educational activities		Yes	Vicinity of plants		8.08	Yes	-	-
9	Making available safe drinking water	Making available safe drinking water	Yes	Andhra Pradesh	Visakhapatnam	1.03	Yes	-	-
10	The Earth Saviours Foundation	Measures for reducing inequalities	Yes	Haryana		21.00	No	The Earth Saviours Foundation	CSR00002026
11	Contribution for water preservation & conservation	Ensuring Environmental Sustainability	Yes	Rajasthan		4.24	Yes	-	-
12	Disaster management expenses towards cyclone victims		Yes	Orissa		0.12	Yes	-	-
13	Renovation of Community Center Hall	Slum Area Development	Yes	Odisha	Cuttack	3.00	Yes	-	-

8 d)	Amount spent in Administrative Overheads	-
8 e)	Amount spent on Impact Assessment, if applicable	-
8 f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	203.84
8 g)	Excess amount for set off, if any	-

Sr. No.	Particulars	Amount (₹ in lacs)
i)	Two percent of average Net Profit of the Company as per section 135(5)	391.52
ii)	Total amount spent for the financial year	393.84
iii)	Excess amount spent for the financial year [(ii)-(i)]	2.32
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (₹ in lacs)	Amount spent in the reporting Financial Year (₹ in lacs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial Year (in Lakhs)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2020-21	-	-	-	-	-	-
2.	2019-20	-	-	-	-	-	-
3.	2018-19	-	-	-	-	-	-
		Total	-	-	-	-	-

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

1.	2.	3.	4.	5.	6.	7.	8.	9.
Sr. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount Allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of Reporting Financial Year (in ₹)	Status of the project-completed/ ongoing
1.	-	-	-	-	-	-	-	-
		Total	-	-	-	-	-	-

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details)**

a)	Date of creation or acquisition of the Capital Asset(s)	-
b)	Amount of CSR spent for creation or acquisition of Capital Asset	-
c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	-
d)	Provide details of the Capital Asset(s) created or acquired (including complete ad-dress and location of the Capital Asset)	-

11.	Specify the reason(s) if the Company has failed to spend two percent of the average Net Profit as per Section 135(5)	The Company was able to spend ₹ 203.84 lacs towards its identified CSR obligations and an amount of ₹ 187.68 lacs remained unspent as on 31 March 2022, since in the initial period of the financial year several officials of the Company were infected and it was difficult for the Company to keep its operations running and management was focused on ensuring smooth functioning of the business which leads to pending due diligence and related matters for identifying potential CSR projects/beneficiaries though the said unspent amount of ₹ 187.68 lacs has been deposited in Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) within prescribed timelines.

On behalf of the Board of Directors

	Parmod Sagar Managing Director & CEO (DIN: 06500871)	**Sonu Chadha** Chairperson CSR Committee (DIN: 00129923)	**Dr. Vijay Sharma** Chairman (DIN:00880113)
Gurugram,10 August 2022			

ANNEXURE-III

Secretarial Audit Report

for the financial year ended 31 March 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

To,
The Members,

RHI MAGNESTIA INDIA LIMITED

(Formerly known as Orient Refractories Limited)

CIN L28113MH2010PLC312871

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RHI MAGNESTIA INDIA LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2022 and made available to us, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

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

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time-

Not Applicable as there was no reportable event during the financial year under review;

   d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2014 & Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 —

   Not Applicable as there was no reportable event during the financial year under review;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, The Securities and Exchange Board of India (Issue and Listing of Non-convertible Redeemable Preference Shares) Regulations, 2013 & The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 —

   Not Applicable as there was no reportable event during the financial year under review;

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client-

   Not Applicable as there was no reportable event during the financial year under review;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 & The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 —

   Not Applicable as there was no reportable event during the financial year under review;

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018—

   Not Applicable as there was no reportable event during the financial year under review;

vi. As per management, there are no specific laws applicable to Company as stated in ICSI guidance note on secretarial audit.

We have also examined compliance with the applicable provisions of the following:

(i) Secretarial Standards issued by "The Institute of Company Secretaries of India",

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments thereto.

We report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except to the extent stated hereunder:-

Observations:

- The unspent CSR expenditure of ₹ 135.40 Lacs for the year ended 31 March 2021 was transferred by the Company to the funds prescribed under Schedule VII of the Companies Act 2013 after the due date and an application for compounding of offence in this regard has been filed by the Company with the appropriate authorities.

- The expenditure made by the Company towards CSR activities during the year ended 31 March 2022 was less than the prescribed amount by ₹ 187.68 Lacs and as reported by the Company the same has been duly transferred by the Company to the funds prescribed under Schedule VII of the Companies Act 2013 within the due date.
- The Company filed the Form FC-GPR with the Reserve Bank of India in connection with allotment of 33,124,694 fully paid equity shares of Re. 1 /- each to non-residents on 25 June 2021 pursuant to Composite Scheme of Amalgamation approved by Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 5 May 2021 within the due date, however the same was rejected for want of some documents. The said form FC-GPR has now been registered by the RBI with submission of late fees.
- The name of Ms. Sonu Chadha as Independent Director was removed from the Independent Director data bank as she did not appear for her proficiency test. The name was later restored for 1 year.

We further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of account has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decision of the Board was unanimous and no dissenting views were found to be recorded.

We further report that, as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period following events have occurred which had a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards etc.

- The Scheme of Amalgamation amongst Orient Refractories Limited ("the Company"), RHI India Private Limited and RHI Clasil Private Limited ("Scheme") was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench, on 5 May 2021.
- Pursuant to approval of Composite Scheme of Amalgamation by the Hon'ble National Company Law Tribunal, Mumbai Bench, the name of the Company was changed from Orient Refractories Limited to RHI Magnesita India Limited and a fresh Certificate of Incorporation consequent upon change of name of Company was issued by the Registrar of Companies, Maharashtra at Mumbai on 2 July 2021.
- Pursuant to approval of Composite Scheme of Amalgamation the authorised share capital of Company was increased to ₹ 308,000,000 (Rupees Thirty Crores and Eighty Lacs) divided into 308,000,000 (Thirty Crores and Eighty Lacs) Equity Shares of Re. 1/- (Rupee One) each and 40,857,131 (Four Crores Eighty five Lacs Seven Thousand One Hundred Thirty One) fully paid equity shares of Re. 1 each were allotted by the Board of Directors of the Company on 25 June 2021 to the shareholders of the Transferor Companies. The shares were duly listed with the National Stock Exchange of India Limited and BSE Limited.

For Naresh Verma & Associates
Company Secretaries

Naresh Verma
CP: 4424, FCS: 5403
UDIN: F005403D000775205
Peer Review Certificate No. 547/2018

Place: Delhi
Date: 10 August 2022

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

Annexure- A

To,
The Members,
RHI MAGNESTIA INDIA LIMITED
CIN L28113MH2010PLC312871

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Naresh Verma & Associates
Company Secretaries

Naresh Verma
CP: 4424, FCS: 5403
UDIN: F005403D000775205
Peer Review Certificate No. 547/2018

Place : Delhi
Date : 10 August 2022

ANNEXURE-IV

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014]

A. ENERGY MANAGEMENT

The Company's integrated operations ensure sustainable usage of the available resources. Joint project opportunities amongst various business units improve efficiencies in sourcing besides resulting in product efficiencies.

Usage of Lean & 6'S methodology resulted in productivity improvement and lower defect rates. Innovative approach has been adopted by the Company by selecting new generation mechanism which has resulted in reduction of refractory consumption. Usage of Piped Natural Gas helps in reduction of carbon dioxide emission and cost reduction.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

In FY 2021-22, new products like Hexa Rod Mono Block Stoppers, Mono Nozzles (NCs) and Hybrid purging plugs have been introduced. New production line for purging plugs has been set up along with shrink fitting of CANS to enhance product value.

All conventional lighting has been replaced by LED lights. Recycled material is being used by the Company.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Amount in ₹ Lacs)

Particulars	**2021-22**	**2020-21**
Earnings	30,940.41	23,134.51
Outgo	43,797.22	33,086.80

ANNEXURE V

Statement of Disclosure pursuant to Section 197 of the Companies Act, 2013

[Read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

   [(Explanation: (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values]

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year:

   The ratio of remuneration of each director to the median remuneration of all employees who were on the payroll of the Company and the percentage increase in remuneration of the Directors, Chief Financial Officer and Company Secretary during the financial year 2021-22 are given below:

(Amount in ₹ Lacs)

	Ratio to median remuneration	%'age increase/ (decrease) in remuneration in the financial year
Non-Executive Directors		
Dr. Vijay Sharma[1]	-	-
Ms. Sonu Chadha[1]	-	-
Mr. Nazim Sheikh[1]	-	-
Mr. Erwin Jankovits[2]	-	-
Mr. Gustavo Lucio Goncalves Franco[2]	-	-
Executive Directors		
Mr. Parmod Sagar	63.21	(3.89)
Mr. RVS Rudraraju[3]	33.76	4.38
Key Managerial Personnel		
Mr. Sanjeev Bhardwaj-Chief Financial Officer	21.91	(1.51)
Mr. Sanjay Kumar-Company Secretary	4.05	6.73

[1] Only sitting fees paid

[2] No sitting fees paid and Non-Executive Non-Independent Directors are not drawing any remuneration/commission from the Company

[3] Appointed as whole time director on 25 June 2021 earlier he was at same designation in erstwhile fellow subsidiary.

3. The percentage increase in the median remuneration of employees in the financial year : 8.23 %

4. The number of permanent employees on the rolls of the Company : 827

5. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   The percentage increase in the salaries of employees other than the managerial personnel in the last financial year was 12.63% on a cost to company basis, as against decrease of 1.16% in the salary of the Managerial Personnel. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India. During pandemic, bonus amount paid to managerial personnel was at reduced rate in comparison to the previous year.

6. Affirmation that the remuneration is as per the remuneration policy of the Company:

   It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

7. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report.

   Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

On behalf of the Board of Directors

Parmod Sagar
Managing Director & CEO
(DIN: 06500871)

Dr. Vijay Sharma
Chairman
(DIN:00880113)

Gurugram, 10 August 2022

ANNEXURE VI

Report on Corporate Governance

This report is prepared in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and report contains the details of Corporate Governance systems and processes at RHI Magnesita India Limited (RHIM or Company).

I. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate Governance for our Company is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses. We believe that any business conduct can be ethical only when it rests on the six core values of customer value, ownership mindset, respect, integrity, one team and excellence.

Statement on Company's Philosophy on Code of Governance

Corporate governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organization. We are committed to meet the aspirations of all our stakeholders.

This is demonstrated in shareholder returns, governance processes and an entrepreneurial performance focused work environment. Additionally, our customers have benefited from high quality products delivered at extremely competitive prices. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance and Assurance teams, Auditors and the Senior Management. Our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity.

At RHIM, we believe that as we move closer towards our aspirations of being a global corporation, our Corporate Governance standards must be globally benchmarked. Therefore, we have institutionalized the right building blocks for future growth. The building blocks will ensure that we achieve our ambition in a prudent and sustainable manner. RHIM not only adheres to the prescribed corporate governance practices as per the listing regulations as prescribed by SEBI, but is also committed to sound Corporate Governance principles and practices. It constantly strives to adopt emerging best practices being followed worldwide. It is our endeavor to achieve higher standards and provide oversight and guidance to the management in strategy implementation, risk management and fulfillment of stated goals and objectives.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in the following pages.

At RHIM, it is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation.

The Company has defined guidelines and an established framework for the meetings of the Board and Board Committees'. These guidelines seek to systematize the decision-making process at the meeting of the Board and Board Committees' in an informed and efficient manner. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The agenda for the Board reviews include strategic review from each of the Board Committees', a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Additionally, the board reviews related party transactions, possible risks and risk mitigation measures and financial reports from the Chief Financial Officer. Frequent and detailed interaction sets the agenda and provides the strategic road map for the Company's future growth. The Institute of Company Secretaries of India (ICSI), one of India's premier professional bodies, has issued secretarial standards on important aspects like board meetings, general meetings, payment of dividend, maintenance of registers and records, minutes of meetings, transmission of shares and debentures, passing of resolutions by circulation, affixing of common seal and board's report. The Company substantially adheres to these standards. Our Company is in compliance with the requirements of corporate governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

II. BOARD OF DIRECTORS

Composition

The Board of Directors of your Company has a good and diverse mix of Executive and Non-Executive Directors with majority of the Board Members comprising Non-executive Directors and the same is also in line with the Companies Act, 2013 ("the Act") and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

As on 31 March 2022, the Board of Directors comprised 7 directors, 5 (70%) of them are Non-Executive out of which 3 Directors are Independent including one women Independent Director. Your Company has Non-executive Independent Chairman.

All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as directors.

All Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and other applicable provisions and the governance guidelines for board effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website.

None of the director of your Company is holding directorship in more than 7 listed entities and Managing Director and Whole-time Director of the Company are not serving as Independent Director in any listed entity. None of the Directors on the Board is a member of more than 10 committees or chairman of more than 5 committees being Audit Committee and Stakeholders' Relationship Committee, as per Regulation 26 (1) of the Listing Regulations, across all the Companies in which he/ she is a director. The necessary disclosures regarding committee positions have been made by all the directors. None of the Directors holds office in more than 20 companies including not more than 10 public companies.

Category and attendance of directors

The names and categories of Directors, their attendance at the Board meetings held during the year and at the last Annual General Meeting, as also the number of directorships and committee positions held by them in other public limited companies are given below:

Director	Category	No. of board meetings attended during FY 2021-22	Attendance at AGM held on 29 September 2021	No. of directorships in other Companies * (As on 31 March 2022)			No. of committee positions in other Companies * (As on 31 March 2022)			Directorship in other listed entity and category
				Chairman	Member	Total	Chairman	Member	Total	
Dr. Vijay Sharma (Chairman) DIN- 00880113	Independent, Non-Executive	5	Yes	-	-	-	-	-	-	-
Ms. Sonu Chadha DIN- 00129923		5	Yes	-	-	-	-	-	-	-
Mr. Nazim Sheikh DIN-00064275		5	Yes	-	-	-	-	-	-	-
Mr. Gustavo Lucio Goncalves Franco DIN- 08754857	Non-Independent, Non-Executive	5	No	-	-	-	-	-	-	-
Mr. Erwin Jankovits DIN- 07089589		5	No	-	-	-	-	-	-	-
Mr. Parmod Sagar (Managing Director & CEO) DIN- 06500871	Non-Independent, Executive	5	Yes	-	-	-	-	-	-	-
Mr. Rudraraju Suryanarayana Raju Venkata[1] DIN: 00425640		3	Yes		-	-	-	-	-	-

**Excludes directorships in associations, private limited companies, foreign companies, government bodies and companies registered under section 8 of the Companies Act, 2013. only Audit Committee and Stakeholders' Relationship Committee of Indian public companies have been considered for committee positions.*

[1] Appointed on 25 June 2021

The Company held 5 board meetings during FY 2021-22. The dates on which the board meetings were held are 11 June 2021; 25 June 2021; 11 August 2021, 12 November 2021 and 10 February 2022. The necessary quorum was present for all the meetings. Along with the Directors, board meetings are usually attended by Chief Financial Officer, Vice President-Finance & Accounts and Company Secretary of the Company. Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in FY 2021-22 were held through video conferencing. The gap between meetings was within prescribed time limit.

Key Board Qualifications, Expertise and Attributes

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. The Board members are committed to maintain high standards of Corporate Governance.

Details of key skills:

Financial	Management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions.
Leadership	Expended leadership experience for a significant enterprise, resulting in a practical understanding of organisations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth
Mergers and Acquisitions	A history of leading growth through acquisitions and other business combinations, with the ability to assess build or buy decisions, analyse the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.
Board service and governance	Service on public company board to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.
Digital/Information Technology	Use of digital/ Information Technology, ability to anticipate technological driven changes & disruption impacting business and appreciation of the need of cyber security and controls across the organization.
Environment	To take care of sustainability (water, sanitation, community development, nutrition) under Creating Shared value/ CSR

The matrix below highlights the skills and expertise of the Board of Directors:

Skills	**Dr. Vijay Sharma**	**Ms. Sonu Chadha**	**Mr. Nazim Sheikh**	**Mr. Gustavo Lucio Goncalves Franco**	**Mr. Erwin Jankovits**	**Mr. RVS Rudraraju**	**Mr. Parmod Sagar**
Financial	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Leadership	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Merger and Acquisitions	Yes	No	Yes	Yes	Yes	Yes	Yes
Board service and governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sales and Marketing	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Digital/Information technology	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Environment	Yes	Yes	Yes	Yes	Yes	Yes	Yes

In the opinion of the Board, the independent directors fulfill the conditions specified in Listing Regulations and are independent of the management.

Board procedure

The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board to arrive at appropriate decisions. The information as required under Part A of Schedule II to the Listing Regulations has been placed before the Board for its consideration. The Board also reviews the declaration made by the Company Secretary regarding compliance with all applicable laws, on a quarterly basis.

Code of conduct

The Company has adopted the RHIM Code of Conduct for all the Directors, including the Non-Executive Directors and Employees of the Company. The Code of Conduct for the Non-Executive Directors of the Company incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The Code is posted on the Company's web site at https://www.rhimagnesitaindia.com/investors/corporate-governance/code-of-conduct. As per Regulation 26 (3) of the Listing Regulations Board members and Senior Management Personnel of the Company have affirmed compliance with the applicable code of conduct. A declaration to this effect, signed by the Managing Director & CEO forms part of this Report.

None of the Directors are inter-se related to each other. The Directors and Senior Management of the Company have made disclosures to the Board confirming that there is no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

Separate meeting of Independent Directors

In compliance with Schedule IV of Companies Act, 2013 and Regulation 25 (3) of the Listing Regulations, separate meeting of independent directors of the Company, without the attendance of non-independent directors and members of management, was held on 10 February 2022. At the meeting, the independent directors:

- reviewed the performance of non-independent directors and the Board of Directors as a whole;
- reviewed the performance of the Chairman of the Company, taking into account the views of the Managing Director & CEO and non-executive directors and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company attended the meeting of Independent Directors. Dr. Vijay Sharma Chaired the meeting.

Familiarization programme for directors including independent directors

The Board members, including Independent Directors are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the directors. Site visits to the plant location are organized for the Directors to enable them to understand the operations of the Company. The details of the familiarization program imparted to Independent Director is available on website at link: https://www.rhimagnesitaindia.com/uploads/pdf/212pdctfile_familiarisationprogrammeforindependentdirectors.pdf

III. BOARD COMMITTEES

i. Audit Committee

Brief description of terms of reference

The Audit Committee functions according to its charter that defines its composition, authority, responsibilities and reporting functions. The terms of reference of the Audit Committee, inter alia, are as follows:

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon,
- approval or any subsequent modification of transactions of the Company with related parties,
- all the roles and responsibilities specified in Section 177 of Companies Act, 2013 and Part C of Schedule II of Listing Regulations and other applicable regulations and decided by Board of Directors of the Company from time to time.

Composition and attendance during the year

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013. All members of the Committee are financially literate, and Dr. Vijay Sharma, Chairman of the Committee, is having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of meetings attended by the Directors during the year are given below:

Name of the member	Category	No. of meetings attended during FY 2021-22
Dr. Vijay Sharma, Chairman	Independent, Non-Executive	4
Mr. Nazim Sheikh, Member		4
Ms. Sonu Chadha, Member		4
Mr. Gustavo Lucio Goncalves Franco, Member	Non-Independent, Non-Executive	4

The Audit Committee met four (4) times during the year. The dates on which the Audit Committee meetings were held were 25 June 2021; 11 August 2021; 12 November 2021 and 10 February 2022. Necessary quorum was present at the above meetings. The gap between meetings was within prescribed time limit.

With the permission of Chairman, the meetings of the Audit Committee are usually attended by non-members Directors, Chief Financial Officer, Regional Head - IA & RC, Head of Internal Audit of RHI Magnesita N.V, Vice President-Finance & Accounts, Company Secretary and representatives of the Statutory Auditors. The Company Secretary acts as the Secretary to the Committee. Dr. Vijay Sharma, Chairman of Audit Committee was present at the Annual General Meeting of the Company held on 29 September 2021.

ii. **Nomination and Remuneration Committee**

Brief description of terms of reference

The brief description of terms of reference of the Nomination and Remuneration Committee are as follows:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management,
- all the roles and responsibilities specified in Section 178 of Companies Act, 2013 and Para A Part D of Schedule II of Listing Regulations and other applicable regulations and decided by Board of Directors of the Company from time to time.

Composition and attendance during the year

The composition of the Committee and the details of meetings attended by the Directors during the year are given below:

Name of the member	Category	No. of meetings attended during FY 2021-22
Mr. Nazim Sheikh, Chairman	Independent, Non-Executive	2
Dr. Vijay Sharma, Member		2
Mr. Erwin Jankovits, Member	Non-Independent, Non-Executive	2

The Committee met two (2) times during the year i.e. on 25 June 2021 and 10 February 2022. The Chairman of the Committee, Mr. Nazim Sheikh was present at the Annual General Meeting of the Company held on 29 September 2021.

Performance evaluation criteria

During the year, performance evaluation of Board, its committees and Directors was undertaken. The Nomination and Remuneration Committee has defined the evaluation criteria and procedure for the performance of the Board, its Committees' and individual directors including independent directors. The criteria for evaluation of Directors include certain parameters i.e.

- Participation and attendance in Board and Committee Meetings actively and consistently;
- Prepares adequately for Board and Committee Meetings;
- Contributes to strategy and other areas impacting Company's performance;
- Brings his/her experience and credibility to bear on the critical areas of performance of the organization;
- Keeps updated knowledge of his/her areas of expertise and other important areas;
- Communicates in open and constructive manner;
- Gives fair chance to other members to contribute, participates actively in the discussions and is consensus oriented;
- Helps to create brand image of the Company and helps the company wherever possible to resolve issues, if any;
- Actively contributes toward positive growth of the Company,
- Conduct himself /herself in a manner that is ethical and consistent with the laws of the land.

For detailed description on performance evaluation criteria of Board and its performance, kindly refer Board Report.

Directors' Remuneration

- **Criteria for making payments to non-executive directors**

  The non-executive directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. The sitting fees as decided by the Board is reasonable and sufficient to attract, retain and motivate non-executive directors aligned to the requirement of the Company. However, it is ensured that the amount of such fees does not exceed the amount prescribed by the Central Government from time to time. In your Company independent directors only received sitting fee and non-independent & non-executive directors are not drawing any remuneration/commission/fee from the Company.

  Other than the above, no other payments are made to the Non-Executive Directors of the Company.

- **Remuneration of the Executive Directors**

(Amount in ₹ Lacs)

Particulars	Mr. Parmod Sagar-Managing Director & CEO	Mr. RVS Rudraraju-Executive Director
Basic Salary (a)	133.27	54.13
Stock Options (b)	-	-
Perquisites and allowances (c)	112.63	61.28
Retirement benefits (d)	29.32	-
Fixed Component (e) = (a)+(b)+(c)+(d)	275.22	115.41
Bonuses (Performance Linked Incentive) (f)	62.96	16.30
Total (g) = (e) + (f)	**338.17**	**131.71**

The tenure of the office of Executive Directors is for a period of five years from their respective date of appointment. The services of said Directors' can be terminated as per the terms approved by the shareholders of the Company.

- **Remuneration paid to the Non-Executive Directors**

The Company pays sitting fees and reimburses the out-of-pocket expenses incurred for attending the meetings of the Board/Committee only to Non-Executive Independent Directors. Non-Executive Non- Independent Directors of the Company decided to forgo their sitting fees, they are also employees of the Promoter group.

Sitting Fees of Non-Executive Independent Directors for attending each Board meeting has been increased from ₹ 75,000/- to ₹ 1,00,000 and for every Audit Committee meeting from ₹ 25,000/- to ₹ 50,000/- with effect from 25 June 2021. The sitting fees paid during FY 2021-22 is as follows:

(Amount in ₹ Lacs)

Name of director	Sitting fees
Dr. Vijay Sharma	6.75
Ms. Sonu Chadha	6.75
Mr. Nazim sheikh	6.75

Apart from sitting fees as mentioned above, Non - Executive Directors, including Independent Directors are not entitled to any remuneration from the Company. As on 31 March 2022, none of the Director hold any share of the Company except Mr. Parmod Sagar, Managing Director & CEO and Mr. RVS Rudraraju, Executive Director holding 13,698 and 558,420 (in lieu of 615,000 equity shares held in erstwhile subsidiary company, amalgamated with RHIM) equity shares respectively.

iii. Stakeholders Relationship Committee

Brief description of terms of reference

The brief description of extract of terms of reference of the Stakeholders' Relationship Committee are as follows:

- resolving the grievances of the security holders;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the listed entity;
- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company
- all the roles and responsibilities specified in Section 178 of Companies Act, 2013 and Para B Part D of Schedule II of Listing Regulations and other applicable regulations and decided by Board of Directors of the Company from time to time

Composition and attendance during the year

The Stakeholders' Relationship Committee met once during the year, on 10 February 2022. The composition of the Stakeholders' Relationship Committee and the details of the meetings attended by the members during the year are given below:

Name of the member	Category	No. of meetings attended during FY 2021-22
Ms. Sonu Chadha, Chairperson	Independent, Non-Executive	1
Mr. Gustavo Lucio Goncalves Franco, Member	Non-Independent, Non-Executive	1
Mr. Parmod Sagar, Member	Non-Independent, Executive	1

The Chief Financial Officer and Company Secretary of the Company were present in the Committee meeting.

Name, designation and address of the Compliance Officer

Mr. Sanjay Kumar
Company Secretary
301,316-17, Third Floor,
Emaar Digital Greens, Tower B,
Sector 61, Gurugram,
Haryana - 122102
Tel. No.: +91 124 4062930
e-mail: Sanjay.Kumar@RHIMagnesita.com

Shareholders may also correspond with the Company on the e-mail address: investors.india@RHIMagnesita.com. Six (6) cases were reported as complaint and no complaint was pending on 31 March 2022 and all the complaints were solved to the satisfaction of shareholders. No request for dematerialization of share was pending as on 31 March 2022.

iv. Corporate Social Responsibility Committee

Brief description of terms of reference

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013. The brief description of terms of reference of the Committee are as follows:

- formulate and recommend to the Board, CSR Policy indicating the activity or activities to be undertaken by the Company;
- recommend the amount to be spent on the CSR activities.
- monitor the Company's CSR policy periodically.
- such other functions as specified in Section 135 of Companies Act and the rules made there under and prescribed by the Board from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. The Annual Report on CSR activities for FY 2021-22 forms a part of the Board's report as Annexure II.

Composition and attendance during the year

The composition of the CSR Committee and the details of the meetings attended by the members during the year are given below:

Name of the member	Category	No. of meetings attended during FY 2021-22
Ms. Sonu Chadha, Chairperson	Independent, Non-Executive	2
Mr. Erwin Jankovits, Member	Non- Independent, Non-Executive	2
Mr. Parmod Sagar, Member	Non-Independent, Executive	2

The meetings are usually attended by Chief Financial Officer and Company Secretary of the Company.

The Committee met two (2) times during the year on: 25 June 2021 and 12 November 2021.

v. **Risk Management Committee**

Brief description of terms of reference

The Company has constituted Risk Management Committee as required under the Companies Act, 2013 and Listing Regulations. The extract of terms of reference of the Committee is as follows:

- to formulate a detailed risk management policy;
- to ensure that appropriate methodology, processes and systems are in place;
- to monitor and oversee implementation of the risk management policy,
- all the roles and responsibilities as specified in regulation 21 read with Para C of Part D of Schedule II of Listing Regulations and specified in other applicable regulations and decided by the Board from time to time.

The Board has adopted the Risk Management Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company.

Composition and attendance during the year

The composition of the Risk Management Committee and the details of the meetings attended by the members during the year are given below:

Name of the member	Category	No. of meetings attended during FY 2021-22
Dr. Vijay Sharma, Chairman	Independent, Non-Executive	4
Mr. Gustavo Lucio Goncalves Franco, Member	Non- Independent, Non-Executive	4
Mr. Parmod Sagar, Member	Non- Independent, Executive	4

The Committee met four (4) times during the year on: 25 June 2021; 11 August 2021; 12 November 2021 and 10 February 2022.

All the meetings were attended by Chief Financial Officer and Company Secretary of the Company.

IV. GENERAL BODY MEETINGS

i. General Meeting

a. Annual General Meeting ("AGM") & Special resolutions

Financial Year	Date & Time	Venue	Special resolutions
2020-21	29 September 2021 at 1:30 p.m.	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	- Waiver and termination of voluntarily lock-in obligations of certain shareholders of the Company
2019-20	28 August 2020 at 3.30 p.m.		- Variation in terms of remuneration of Mr. Parmod Sagar, Managing Director & CEO of the Company.
2018-19	23 July 2019 at 10.30 a.m.	Kohinoor Continental, Andheri-Kurla Road, J.B. Nagar, Andheri, Mumbai- 400059	- Reappointment of Dr. Vijay Sharma as an Independent Director, for second consecutive term of the Company. - Approve the continuation of directorship of Mr. R SBajoria as an Independent Director of the Company.

Resolutions moved at the last annual general meeting were passed by the requisite majority of shareholders.

b. Extraordinary General Meeting: No extraordinary general meeting was held during FY 2021-22.

ii. Postal ballot

Details of resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

a. Special resolution : No such resolution passed through postal ballot during FY 2021-22.

b. Ordinary resolution: During the year under review, following ordinary resolution was put through by postal ballot:

Date of notice	Particular	Votes cast in favor		Votes cast against		Date of declaration of results
		No. of votes	% age of total vote cast	No. of votes	%'age of total vote cast	
12 November 2021	To approve and amend material related party transaction limits with RHI Magnesita GmbH	20,130,025	99.99	2,966	0.015	20 January 2022

The Company successfully completed the process of obtaining approval from its members for resolution on the item detailed above. Mr. Naresh Verma of M/s. Naresh Verma & Associates, Company Secretaries was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for postal ballot

In compliance with the SEBI (LODR) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related rules, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company availed the services of National Securities Depository Limited (NSDL) for providing e-voting facility to all its members. On account of the threat posed by global pandemic COVID-19 pandemic and in terms of the relaxations provided in the MCA Circulars, Postal ballot Notice was sent in electronic form only to those members whose e-mail addresses was registered with the Company/ Depositories. Accordingly, physical copy of the Notice, Postal Ballot Form or pre-paid business reply envelope was not sent to the members for this Postal Ballot. The communication of the assent or dissent of the members was only through the remote e-voting system.

The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules.

Voting rights were reckoned on the paid-up value of the shares registered in the name of the members as on the cut-off date.

Members were requested to vote on or before the date of closure of voting period. The scrutinizer submitted his report to the Chairman/Managing Director, after the completion of scrutiny, and the consolidated results of the voting by postal ballot were then announced by the Company Secretary. The results were also displayed on the website of the Company, https://www.rhimagnesitaindia.com/ , besides being communicated to the stock exchanges, depository and registrar & transfer agent.

iii. Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

V. A certificate has been received from M/s. Naresh Verma and Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. Name of Ms. Sonu Chadha as Independent Director was removed from the Independent Director data bank maintained by Indian Institute of Corporate Affairs as she did not appear for proficiency test within the prescribed timeline and her name was later restored for 1 year.

VI. Price Waterhouse Chartered Accountants LLP, (Firm Registration No. 012754N/N500016) was Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees for FY 2021-22 is given below:

Particulars	Amount (in ₹ Lacs)
Audit fees	110.47
Limited review	25.18
Reimbursement of expenses	6.44
Total	**142.09**

VII. Other disclosure

During FY 2021-22

A. There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY 2021-22 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee and the Board. The Board's approved policy for related party transactions is uploaded on the website of the Company at the following web link: https://www.rhimagnesitaindia.com/investors/corporate-governance/policies

B. Details of non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets during the last three financial years.

- A fine of ₹ 10,000 plus GST was imposed by BSE and NSE for delay (by 1 day) in furnishing prior Intimation of Board meeting held on 11 February 2020 which was duly paid by the Company.
- The Company had received letters from BSE Limited and National Stock Exchange of India Limited imposing fine of ₹ 4 000/- each for noncompliance of regulation 24 regarding 2 days delay in dispatch of annual report and in respect of the aforesaid notice Company had filed response citing reasons for delay and seeking

withdrawal of notice. NSE vide its letter no. NSE/LIST/SOP/RHIM dated 23 May 2022 communicated the waiver of said fine while reply from BSE Limited is still awaited.

C. Whistle Blower Policy and Vigil Mechanism

The Company has this Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company at the following web link: https://www.rhimagnesitaindia.com/investors/corporate-governance/policies

D. Discretionary requirements

- The auditors' report on financial statements of the Company are unmodified.
- Statutory auditors of the Company make quarterly presentations to the audit committee on their reports and quarterly performance has also been available on website of the Company from time to time.
- Dr. Vijay Sharma, Non-executive independent director is Chairman of the Company and not related to Mr. Parmod Sagar, Managing Director & ECO

E. Subsidiary Companies

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary company. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary company are periodically placed before the Board of Directors of the Company.

The Company does not have any material unlisted subsidiary company.

F. Reconciliation of Share Capital Audit Report

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in consonance with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

G. Code of Conduct

The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the FY 2021-22. The Annual Report of the Company contains a certificate by the Managing Director and Chief Executive Officer, on the compliance declarations received from the members of the Board and Senior Management. The said policy has been uploaded on the website of the Company at the following web link: https://www.rhimagnesitaindia.com/investors/corporate-governance/policies

H. Dividend Distribution Policy

The Company has defined dividend distribution policy and the said policy has been uploaded on the website of the Company at the following web link: https://www.rhimagnesitaindia.com/investors/corporate-governance/policies

I. Familiarization Program

Details of familiarization program imparted to Independent Directors are available on the Company's website at the following web link: https://www.rhimagnesitaindia.com/investors/corporate-governance/policies

J. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018 The details have been disclosed in the Business Responsibility Report forming part of the Annual Report.

K. All the recommendations of the Committees have been accepted by the Board.

L. NIL loans and advance has been given by the Company to the firms/ companies in which directors of the Company are interested.

M. Since your Company is debt free, during the period under review credit rating has not been obtained from any credit rating agency.

N. Trading in securities of the Company has not been suspended during the period under review.

VIII. Means of Communication

A. The quarterly and the half yearly results, published in the format prescribed by the Listing Regulations read with the circular issued there under, are approved and taken on record by the Board of Directors of the Company within 45 days of the close of the relevant quarter. The approved results are forthwith uploaded on the designated portals of the Stock Exchanges where the Company's shares are listed. The financial results are also published within 48 hours in The Business Standard (in English Language) and Mumbai Lakshadweep/Pratahkal (in Marathi Language) and displayed on the Company's website, https://www.rhimagnesitaindia.com/

B. The Company publishes the Audited Annual Results within the stipulated period of sixty days from the close of the financial year as required by the Listing Regulations. The Annual Audited Results are also uploaded on NSE and BSE. The results are also published within 48 hours in The Economics Times (in English Language) and Mumbai Lakshadweep/Pratahkal (in Marathi Language) and displayed on the Company's website https://www.rhimagnesitaindia.com/

All periodical and other filings including the price sensitive information, news release etc. are being filed electronically through NSE Electronic Application Processing System (NEAPS), digitalexchange.nseindia.com and BSE Listing Centre and are updated on the Company's website https://www.rhimagnesitaindia.com/ and stock exchange's website https://www.bseindia.com/, https://www.nseindia.com/.

IX. General shareholder information

i. **Annual General Meeting for FY 2022**

Date	:	Monday,26 September 2022
Time	:	3.30 p.m. (IST)
Venue	:	Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated 5 May 2021 read with circulars dated 8 April 2021, 13 April 2021, 13 January 2022 and 5 May 2022 as such there is no requirement to have a venue for the AGM For details, please refer to the Notice of this AGM

ii. **Financial calendar** : 1 April 2021 to 31 March 2022

iii. **Date of book closure** : As mentioned in the Notice of this AGM

iv. **Dividend payment date** : The final dividend, if approved, shall be paid / credited on and before Friday, 7 October 2022

v. **Listing on Stock Exchanges** : National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex Bandra (East),
Mumbai-400 051
BSE Limited
25th Floor, PJ Towers,
Dalal street, Mumbai- 400001

vi. **Stock Codes/Symbol** : NSE : RHIM
BSE : 534076
Listing Fees as applicable have been paid

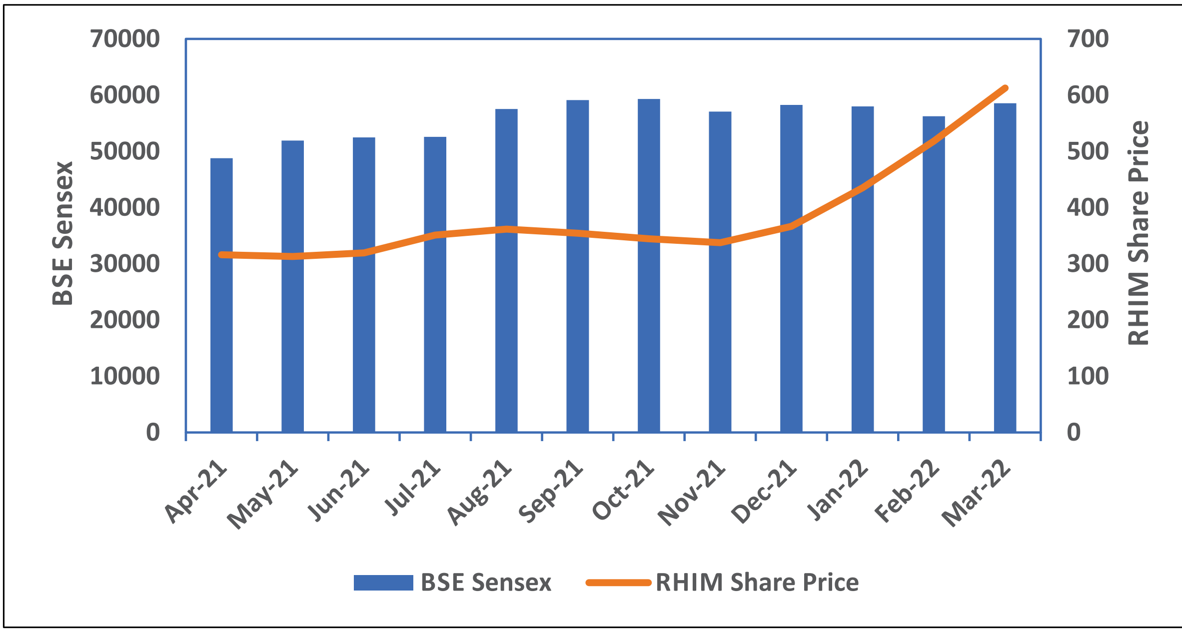
vii. **Corporate Identity Number (CIN)** : L28113MH2010PLC312871

viii. **Market Information** :

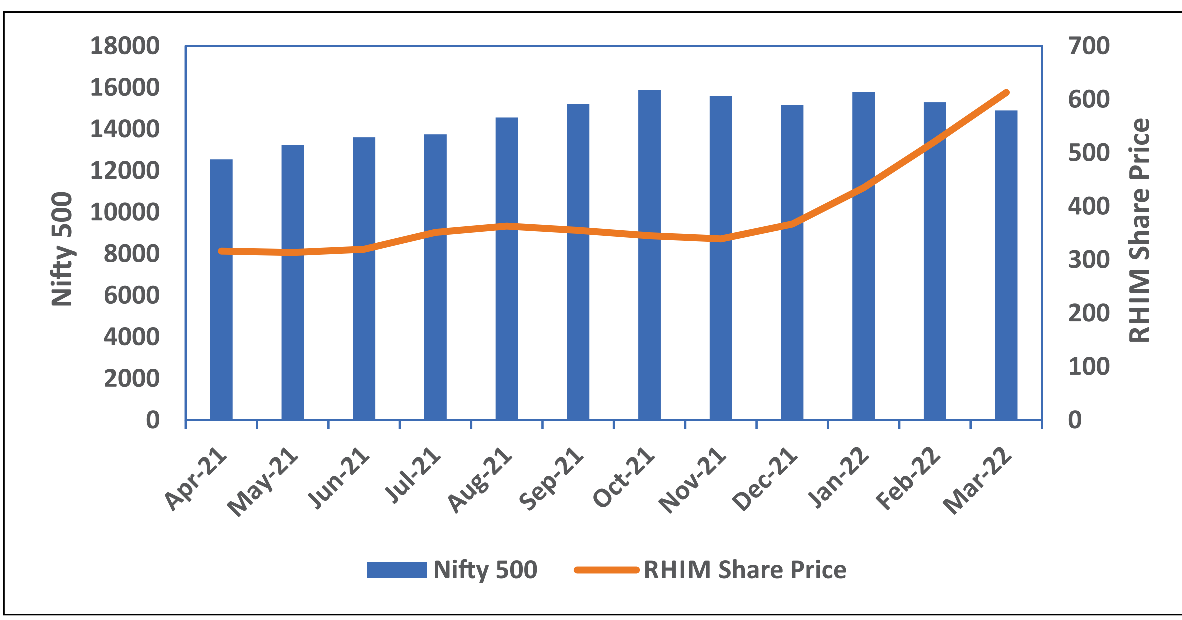
a. **Market price data:** High and Low (based on daily closing prices) and number of equity shares traded during each month in FY 2021-22 on NSE and BSE:

Month	BSE				NSE			
	High price	Low price	No. of shares traded	Total turnover (₹ in lacs)	High price	Low price	No. ofshares traded	Total turnover (₹ in lacs)
	(₹)				(₹)			
April-2021	325.00	226.30	868,473	2,493.94	325.00	226.20	121.75	35,031.94
May-2021	339.00	294.35	550,126	1,748.40	337.40	294.70	60.63	19,212.11
June-2021	356.80	293.95	628,803	2,066.72	357.00	293.10	63.84	20,946.03
July-2021	354.80	305.00	317,458	1,057.41	354.65	320.35	10.08	3,419.60
August-2021	392.45	326.25	453,295	1,657.63	392.50	330.10	38.62	14,174.86
September-2021	410.00	347.85	289,037	1,087.12	407.00	348.00	26.73	10,012.74
October-2021	384.65	332.60	190,859	693.43	384.95	332.30	22.60	8,152.08
November-2021	362.70	322.70	131,478	451.02	362.40	323.30	30.11	10,443.06
December-2021	384.75	330.00	1,196,977	4,268.54	385.00	329.95	38.96	14,032.27
January-2022	463.45	363.90	749,303	3,169.86	464.60	363.75	93.72	39,342.02
February-2022	565.00	404.55	930,609	4,673.89	564.00	404.00	108.15	54,314.15
March-2022	643.75	487.00	1,114,025	6,389.63	644.00	485.00	122.35	70,428.42

b. Performance of RHIM Share Price in comparison with BSE Sensex:



c. Performance of RHIM Share Price in comparison with Nifty-500:



d. **Market price yearly high/low since inception of the Company**

(Amount in ₹)

Financial Year	BSE		NSE	
	High price	Low price	High price	Low price
2021-2022	643.75	226.30	644.00	226.20
2020-2021	260.90	110.65	260.65	110.00
2019-2020	268.50	163.65	268.55	160.00
2018-2019	280.10	152.50	279.75	151.00
2017-2018	186.80	124.55	186.30	124.45
2016-2017	144.00	76.60	143.40	75.40
2015-2016	103.00	70.00	102.70	70.50
2014-2015	120.00	58.15	125.00	50.20
2013-2014	63.40	22.75	63.85	23.10
2012-2013	41.65	22.80	45.90	22.85
2011-2012	30.90	23.35	28.70	23.40

ix. **Share Registrar and Transfer Agent:**

Skyline Financial Services Private Limited
D-153 A, 1st Floor, Okhla Industrial Area, Phase-I,
New Delhi-110 020
Telephone: +91-11-40450193-97
Fax: +91-11-26812682
E-mail: admin@skylinerta.com, grievances@skylinerta.com
Website: www.skylinerta.com

x. **Share Transfer System:**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from 1 April 2019, including request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Certain Company officials (including Chief Financial Officer and Company Secretary) are authorized by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

xi. **Secretarial Audit**

M/s. Naresh Verma & Associates, Practicing Company Secretaries have conducted the Secretarial Audit of the Company for the year FY 2021-22. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act, 2013 and the Rules made there under, SEBI (LODR) Regulations applicable to the Company except as stated in the Secretarial Audit Report forms part of the Board's Report.

xii. **Shareholding as on 31 March 2022**

a. Distribution of shareholding (with consolidation of PAN) as on 31 March 2022

Shareholding nominal value (in ₹)	Number of shareholders	%' age to total numbers	Shareholding amount (in ₹)	%' age to total amount
Up to 5,000	50,824	98.63	11,049,272	6.86
5,001 to 10,000	367	0.71	2,697,887	1.68
10,001 to 20,000	175	0.34	2,515,172	1.56
20,001 to 30,000	61	0.12	1,538,487	0.96
30,001 to 40,000	17	0.03	598,113	0.37
40,001 to 50,000	16	0.03	726,124	0.45
50,001 to 100,000	23	0.04	1,615,239	1.00
100,001 and above	45	0.09	140,256,037	87.12
Total	**51,528**	**100.00**	**160,996,331**	**100.00**

b. Shareholding pattern as on 31 March 2022

Sr. no.	Category of the shareholders	No. of shareholders	Total holding	%'age to capital
1.	**Promoter and promoter group** Foreign			
	– Dutch US Holding B.V.	1	79,877,771	49.61
	– Dutch Brasil Holding B.V.	1	20,620,887	12.81
	– VRD Americas B.V.	1	12,503,807	7.77
2.	**Institutions**			
	(a) Mutual Fund	14	13,981,827	8.68
	(b) FII/Foreign Portfolio Investors	33	1,025,410	0.64
	(c) Alternate Investment Funds	2	23,606	0.01
	(d) Financial Institutions/Banks	3	7,000	0.00
	(e) Insurance Companies	2	765,208	0.48
3.	**Non-Institutions**			
	(a) Individual shareholders holding nominal share capital up to ₹ 2.00 lacs	48,676	18,951,244	11.77
	(b) Individual shareholders holding nominal share capital above ₹ 2.00 lacs	6	3,777,633	2.35
	(c) NBFC registered with RBI	1	30,000	0.02
	(d) Bodies Corporate	384	2,757,337	1.71
	(e) Non-Resident Indians	1,411	2,396,817	1.49
	(f) HUF	823	622,976	0.39
	(g) Trusts	22	35,291	0.02
	(h) Clearing Members/House	77	95,067	0.06
	(i) Firm	70	361,369	0.22
	(j) Investor Education Protection Fund	1	3,163,081	1.96
	Total	**51,528**	**160,996,331**	**100.00**

c. Top ten equity shareholders of the Company as on 31 March 2022

Sr. no.	Particulars	No. of shares	%'age of shareholding
	Promoter & promoter group		
1.	Dutch US Holding B.V.	79,877,771	49.61
2.	Dutch Brasil Holding B.V.	20,620,887	12.81
3.	VRD Americas B.V.	12,503,807	7.77
	Others		
4.	Axis Mutual Fund Trustee Limited	4,181,516	2.60
5.	L&T Mutual Fund Trustee Limited	3,425,917	2.56
6.	Investor Education and Protection Fund Authority	3,163,081	1.96
7.	Seetharamaraju Gottemukkala	1,759,000	1.09
8.	Venkata Narsimha Raju	1,496,500	0.93
9.	DSP India T.I.G.E.R. Fund	634,335	0.89
10.	Aditya Birla Sun Life Trustee Private Limited	96,540	0.64

xiii. Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 99.40 % of the Company's equity share capital are dematerialized as on 31 March 2022.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE743M01012.

xiv. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence, as on 31 March 2022, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

xv. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15 November 2018 is not required to be given. The details of foreign currency exposure are disclosed in note no. 30 of standalone & consolidated to the financial statements

xvi. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website https://www.rhimagnesitaindia.com/.

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for seven years, of the Company. Further, shares of the Company, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during FY 2021-22 are as follows:

Financial Year	Amount of unclaimed dividend transferred (Amount in ₹)	Number of shares transferred
2013-14	4,313,964.00	31,435
Total	**4,313,964.00**	**31,435**

The members who have a claim on above dividend and shares or any dividend or shares transferred to IEPF may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

Members may please note that the unclaimed dividend in respect of the FY 2014-15 must be claimed by the concerned members on or before 23 October 2022, failing which it will be transferred to the IEPF Authority, in accordance with the relevant provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"). Members are requested to write to Company/ RTA, for claiming unclaimed dividend.

The following table give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Transfer Agent:

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2020-21	29 September 2021	28 September 2028
2019-20	28 August 2020	27 September 2027
2018-19	23 July 2019	22 August 2026
2017-18	10 September 2018	9 October 2025
2016-17	25 September 2017	24 October 2024
2015-16	26 September 2016	25 October 2023
2014-15	24 September 2015	23 October 2022

Members who have not uncashed the dividend warrants so far in respect of the aforesaid periods, are requested to make their claim well in advance of the above due dates. Members are requested to check the details of unclaimed dividend amount, if any, on the Company's website www.rhimagnesitaindia.com under Investors section.

xviii. **Corporate benefits to investors' dividend declared for the last 10 years**

Financial Year	Type of dividend	Dividend per Share (in ₹)
2020-21	Final dividend	2.50
2019-20		2.50
2018-19		2.50
2017-18		2.50
2016-17		2.50
2015-16		1.45
2014-15		1.40
2013-14		1.25
2012-13		1.00
2011-12	Interim Dividend	1.00

xix. **Addresses:**

a. **Registered office:**

Unit No. 705, 7th Floor, Lodha Supremus, Kanjurmarg Village Road, Kanjurmarg (East), Mumbai, Maharashtra-400042

b. **Corporate office:**

301,316-17, Third Floor, Emaar Digital Greens, Tower B, Sector 61, Gurugram, Haryana — 122102

c. **Plants location:**

- SP-148, RIICO Industrial Area, Bhiwadi, Dist.-Alwar, Rajasthan-301019
- Village- Bainchua, Damaka Village Road, Thana-Tangi, Cuttack, Odisha-754022
- Survey No.255,256,303,305, Venkatapuram, Munagapaka Mandal, Visakhapatnam, Andhra Pradesh-531021

d. **Registered office & plant location of Subsidiary Company:**

Intermetal Engineers (I) Pvt. Ltd.

Gala No. 18, Noble Industrial Estate No.1, Navghar Vasai Road (East), Palghar, Mumbai, Maharashtra-401202

e. **Investor correspondence address:**

- 301,316-17, Third Floor, Emaar Digital Greens, Tower B, Sector 61, Gurugram, Haryana - 122102
- Skyline Financial Services Private Limited, Unit: RHI Magnesita India Limited, D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020

On behalf of the Board of Directors

Sanjay Kumar
Company Secretary
(Membership No.: A17021)

Parmod Sagar
Managing Director & CEO
(DIN: 06500871)

Dr. Vijay Sharma
Chairman
(DIN:00880113)

Gurugram, 10 August 2022

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors.

In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended 31 March 2022, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Parmod Sagar
Managing Director and Chief Executive Officer

Gurugram, 10 August 2022

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
RHI MAGNESTIA INDIA LIMITED
(Formerly known as Orient Refractories Limited)

We have examined the compliance of conditions of Corporate Governance by **RHI MAGNESTIA INDIA LIMITED** (Formerly known as Orient Refractories Limited) ("the Company"), for the year ended on 31 March 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and their presentations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27, and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31 March 2022.

Other matters and Restriction on Use

This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the independent auditors and should not be used by any other person or for any other purpose.

Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For Naresh Verma & Associates
Company Secretaries

Naresh Verma
CP: 4424, FCS: 5403
UDIN: F005403D000775535
Peer Review Certificate No. 547/2018

Place : Delhi
Date : 10 August 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
RHI MAGNESTIA INDIA LIMITED
(Formerly known as Orient Refractories Limited)

Unit No. 705, 7th Floor, Lodha Supremus, Kanjurmarg Village Road,

Kanjurmarg (East), Mumbai, Maharashtra — 400042

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **RHI MAGNESTIA INDIA LIMITED** (Formerly known as Orient Refractories Limited) having CIN L28113MH2010PLC312871 and having registered office at Unit No. 705, 7th Floor, Lodha Supremus, Kanjurmarg Village Road, Kanjurmarg (East) Mumbai, Maharashtra - 400042 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications {including Directors Identification Number (DIN) status at the portal www.mca.gov.in} as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority :-

Sr. no.	Name of Director	DIN	Date of appointment in Company
1.	Vijay Sharma	00880113	12 November 2014
2.	Nazim Sheikh	00064275	03 November 2020
3.	Sonu Chadha #	00129923	13 August2019
4.	Gustavo Lucio Goncalves Franco	08754857	06 June 2020
5.	Erwin Jankovits	07089589	11 February 2015
6.	Rudraraju Suryanarayana Raju Venkata	00425640	25 June 2021
7.	Parmod Sagar	06500871	04 March 2013

Being Independent Director is yet to appear and clear the proficiency test

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Naresh Verma & Associates
Company Secretaries

Naresh Verma
CP: 4424, FCS: 5403
UDIN: F005403D000775370
Peer Review Certificate No. 547/2018

Place : Delhi
Date : 10 August 2022

ANNEXURE VII

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	:	L28113MH2010PLC312871
2.	Name of the Company	:	RHI Magnesita India Limited
3.	Registered address	:	Unit No. 705, 7th Floor, Lodha Supremus, Kanjurmarg Village Road, Kanjurmarg (East) Mumbai, Maharashtra – 400042
4.	Website	:	www.rhimagnesitaindia.com
5.	E-mail id	:	corporate.india@RHIMagnesita.com
6.	Financial Year reported	:	1 April 2021 to 31 March 2022

7. Sector(s) that the Company is engaged in (industrial activity code-wise)

Group	Class	Sub-class	Description	Sector
239	2399	23993	Manufacturing of refractory products	Refractory

8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	Refractory and Monolithics
9.	Total number of locations where business activity is undertaken by the Company		
	(a) Number of International Locations (Provide details of major 5)	:	Nil
	(b) Number of National Locations	:	The Company carries manufacturing operation at 3 (three) locations in India
10.	Markets served by the Company	:	Local/State/National/International – All markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR in lacs)	:	INR 1,609.96
2.	Total Turnover (INR in lacs)	:	INR 199,070.53
3.	Total profit after taxes (INR in lacs)	:	INR 26,792.32
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	0.88%
5.	List of activities in which expenditure in 4 above	:	For details, please refer Corporate Social has been incurred Responsibility Report (Annexure II of Board Report)

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	:	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?	:	Yes
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	:	The Company does business with reputed organizations who undertake BR initiatives as per their respective organizational policies.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN Number	:	06500871
Name	:	Mr. Parmod Sagar
Designation	:	Managing Director & CEO

b. Details of the BR head

DIN Number (if applicable)	:	Not Applicable
Name	:	Mr. Purshottam Dass
Designation	:	Senior Vice President
Telephone number	:	+91 1493 2222 66
e-mail id	:	Purshottam.Dass@RHIMagnesita.com

2. Principle-wise (as per NVGs) BR Policy/policies

a. Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
i.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
ii.	Has the policy being formulated in consultation with the relevant stakeholders?	The policy(ies) has been framed keeping in mind the interests of the stakeholders at large.								
iii.	Does the policy conform to any national / international standards?	Various practices/processes emanating out of the policy(ies) conform to national/international standards.								
iv.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
v.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementationof the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
vi.	Indicate the link for the policy to be viewed online?	https://www.rhimagnesitaindia.com/investors/corporate-governance/policies								
vii.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy(ies) has been disseminated on the Intranet and website of the Company.								
viii.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
ix.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The individual policies by and large prescribe a grievance redressal mechanism for the stakeholders concerned. Wherever, the individual policies do not explicitly state the grievance redressal mechanism,grievances can be addressed to corporate.india@RHIMagnesita.com								
x.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Internal Auditors of the Company review the implementation of policies and effectiveness of controls from time to time. No dedicated Business Responsibility audit has been conducted.								

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

3. Governance related to BR

a. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The assessment is a continuous process and there is no defined frequency at which this assessment is done.

b. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report?**

How frequently it is published?

The Company annually upload BRR to its web site. BRR are available at https://www.rhimagnesitaindia.com/investors/financials-reports/business-responsibility-report

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

Businesses should conduct and govern themselves with ethics, transparency and accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   Our long-standing reputation for integrity is our most important asset. At RHI Magnesita, every employee, suppliers, contractors and Joint Ventures are responsible and accountable for upholding our high ethical values. In these challenging times, our unwavering commitment to integrity remains steadfast. We do not engage in, nor do we tolerate, corrupt behavior by our employees or suppliers. We employ a multi-faceted approach to prevent corruption. We have clear and unequivocal policies concerning improper payments, facilitation payments, gifts and hospitality, sponsorships and donations, and other areas of risk for public and private corruption.

   Our anti-corruption program aims to prevent corrupt behavior and encourage people to report concerns. In 2020 we rolled out a system for Internal Audit, Risk & Compliance teams to monitor employees' gifts, entertainment, and hospitality requests across all regions. We also use a tool to detect excessive gifts and hospitality that could lead to conflicts of interest. Strong due diligence procedures remain in place for the appointment and extension of any contracts with third parties used in sales and promotion roles, which are subject to approval by Internal Audit, Risk & Compliance teams.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   During the year, there was no referral made under the Whistle Blower policy of the Company.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   The Company undertakes to assure safety and optimal resource use over the lifecycle of its products. The Company, being a material science & technology-oriented company continuously innovates and strives for optimal resource use over the life cycle of the products it manufactures.

   - Mono nozzles (Nozzle changers) and Mono tubes have been introduced in market.
   - The old design slide gate mechanisms at customer has been replaced with new S-gate and Sx gate mechanisms and refractory.
   - Production of purge plugs using shrink fit technology has been started in Company' plant at Bhiwadi.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   a. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

      We are Zero Discharge Company, therefore Unit consumption is not appropriate measure.

   b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

      The electrical energy used for heating during process is being replaced by Piped Natural Gas (PNG). Due to which carbon generation has been reduced significantly.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

   The Company's integrated operations ensure sustainable usage of the available resources. Joint project opportunities amongst various business units improve efficiencies in sourcing besides resulting in product efficiencies.

   Conscious efforts are made to ensure that everyone connected with the Company be it the designers, producers, value chain members, customers and recyclers are made aware of their responsibilities. The Company's efforts through Lean methodologies and Total productive maintenance initiative help in achieving operational efficiencies also resulting in energy conservation and sustainable operations. Usage of materials which are either recycled or capable of recycling assumes top priority.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   The Company's global and complex operations does not complement the procurement of goods and services from local and small producers in its location of manufacturing operations. However, the Company interacts with the local & small producers at regular intervals on the business and quality requirements. Assured volumes instils confidence in them to supply quality products by adopting sustainable and safe practices. More local suppliers for metal parts have been developed last year. The Company from time to time provides training and guidance on optimum use of resources, thereby saving cost and time. This has resulted in the small producers manufacturing products which are benchmarks in quality, thereby gaining an edge over the market.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).**

   Duly recognizing that over-consumption results in unsustainable exploitation of the planet's resources, the business units in the Company are committed to promoting sustainable consumption, including recycling of resources.

   The Company has sustainable processes in place to recycle the products and waste, post completion of the manufacturing life cycle.

   The Company has an integrated value cycle mapping process. For example: Use of more than 16 % of recycled raw collected from different steel plants.

Principle 3

Businesses should promote the wellbeing of all employees.

Any organization is as good as the people who work for it. The trusting and caring ecosystem allows the Company to nurture a workforce that works passionately in tandem with its core values.

The Company is committed to providing equal opportunities both at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability etc. The Company strives to keep the workplace environment safe, hygienic humane, upholding the dignity of the employees including conducting trainings and sending suitable communications on regular basis. The Company's strategic pillars for capability development, propelling performance, scaling up capability and the dedicated HR initiatives thereunder continue to facilitate constant upgradation of the skill and competency of the employees.

The dedicated learning and development programmes enhance the right skill sets and relevant knowledge to employees to achieve operational and futuristic benefits. The learning solutions are designed as per the training need analysis. Proactive steps and structured problem-solving mechanisms with focus on people issues and periodical communication on business related issues ensure cordial industrial relations.

Providing and maintaining a safe and hygiene working environment is a continuous process at RHIM. Periodic awareness sessions, training on usage of protective equipments, identifying and eliminating unsafe conditions are given top priority. Our plant is ISO -45000 certified for occupational health and safety management systems. The Company continues its commitment to employ and empower women and its initiatives such as friendly workplace policies for women, policy for prevention of sexual harassment, redressal mechanism in the form of Internal Complaints Committee, women welfare Committees etc. augurs well.

1.	Total number of employees	:	827
2.	Total number of employees hired on temporary/contractual/ casual basis	:	1,412
3.	Number of permanent women employees	:	24
4.	Number of permanent employees with disabilities	:	Nil
5.	Do you have an employee association that is recognized by management?	:	Yes. There is recognized trade union affiliated to trade union bodies
6.	What percentage of your permanent employees is members of this recognized employee association?	:	100 % workmen (which is 11.25 % of the permanent employees) are members of recognised employee association.

7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
Child labour/forced labour/involuntary labour	Nil	Nil
Sexual harassment	Nil	Nil
Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Category of employees	Safety	Skill Upgradation
Permanent Employees	90%	80%
Permanent Women Employees	100%	100%
Casual/Temporary/Contractual Employees	100%	90%
Employees with Disabilities	Nil	Nil

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. **Has the company mapped its internal and external stakeholders?**

   Yes. The Company has identified its internal and external stakeholders.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   The Company's Corporate Social Responsibility (CSR) policy drives the initiatives undertaken by the Company towards the benefit of the disadvantaged, vulnerable and marginalized stakeholders. The systems and process in place to systematically identify stakeholders and for understanding their concerns and for engaging with them is reviewed from time to time. The feedback mechanism available for shareholders and customers to assess the services levels and other complaints follows the spirit laid down herein.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stake holders?**

   The Company on a periodical basis undertakes dedicated activities as a part of its CSR initiatives for the disadvantaged, vulnerable and marginalized stakeholders in and around the Company's factories/plants. Education, sports and health aids are provided to schools in rural/under-developed areas and to schools supporting differently abled children.

Principle 5

Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   The Company's policy on human rights is imbibed in its values represented in the Five Ethics and Four Cultural values of the Company. The alignment with this value system is expected out of any person dealing with the Company.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?** Nil.

Principle 6

Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others?**

   Safeguarding and protecting the environment is a shared value of the Company and its subsidiaries, joint ventures and associates. However, these companies have their own Safety, Health and Environment policies depending on the nature of their business and the local regulatory requirements. The Company's suppliers and contractors would be governed by their respective policies. The Company exercises due diligence in the selection of suppliers/contractors/others who are aligned with its value system.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

   Being in the manufacturing business, the Company has mechanisms in place to ensure compliance with the applicable environmental laws. The Company is committed to be an environment friendly organization and has a dedicated Environmental Policy. The Company is an active player in practicing initiatives to address environmental issues and ensuring sustainable development. For Bhiwadi Plant the Company has received the ISO 14001 certificate for their Environment Management Systems, ISO 45000 certificate for safety and occupational health Management System and ISO 9001 for Quality Management Systems. Plant is maintaining zero water discharge. Further, the Risk Management framework covering the Environmental risks is reviewed on a periodical basis and the steps that are required to be taken for mitigating the related risks are analyzed and implemented.

   The Company also recognizes the significance of a greener belt by which several saplings are planted on a yearly basis to reduce the carbon footprint.

   The Company has removed cooling towers from few applications to reduce water intake from ground. The Company is also using all recycled water.

   The Company continues to pursue decarbonization initiative. Usage of cleaner fuel, recycled material and process innovation are key methodologies of the Company to address global environmental issues.

3. **Does the company identify and assess potential environmental risks?**

   Yes. Identification of potential environmental risks and the mitigation plan thereon is a continuous process. Further, the Company also ensures that the effluent/ emissions are within the permissible limits as prescribed by the statutory authorities.

4. **Does the company have any project related to Clean Development Mechanism?**

   No, the Company has not undertaken any specific project related to the Clean Development Mechanism as per the Kyoto Protocol. However, Bhiwadi Plant is already certified for ISO 14001 & ISO 45001.

5. **Has the company undertaken any other initiatives on — clean technology, energy efficiency, renewable energy, etc.?**

   The Company utilizes its resources in an optimal and responsible manner ensuring sustainability through reduction, reuse, re-cycling and managing waste. Appropriate measures to check and prevent pollution are undertaken and wherever required assessment of environmental consequences, if any, is taken up with due regard to public interest. Equitable sharing of access and commercialization of biological and other natural resources and associated traditional knowledge is encouraged. The Company seeks to improve its environmental performance by adopting cleaner production methods, promotion of energy efficient and environmentally friendly technologies. Suitable processes and systems are developed with contingency plans and processes that help in preventing, mitigating and controlling environmental damages caused due to the Company's operations.

For more details on the energy conservation initiatives - please refer Annexure IV of the Directors' report for the FY 2020-21.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, the Company being in manufacturing business, at all times ensures compliance with the applicable environmental laws. The Environment Policy of the Company and the ISO-14001 certification of its facilities reiterates its commitment to be an environment friendly organization setting standards in environment management.

7. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year :** Nil

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:** Yes

   - Indian Refractory Manufacturers Association
   - World Refractory Association through ultimate holding company RHI Magnesita N.V.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

   The Company is not actively involved in lobbying. However, as a responsible corporate citizen, the Company as a part of industry association makes recommendations/ representations before regulators and associations for advancement and improvement of industrial climate in India.

Principle 8

Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8?**

   No, the Company does not have any specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8. The Company believes that social responsibility is not just a corporate obligation that has to be carried out, but it is one's dharma. Therefore, our philanthropic endeavors are a reflection of our spiritual conscience, and this provides us a way to discharge our responsibilities to the various sections of the society.

   The CSR Committee, constituted for implementation of the well-defined CSR policy laid out by the Company, reviews the spend to be made and the projects for which such funds need to be allocated. The CSR policy highlights the responsibility statement of the Company towards CSR, the principles guiding the initiative, the manner of implementation and the reporting thereof. Skill Development, education and health care are the priority focus areas for the CSR initiatives of the Company.

   During Covid wave-2 Company has Vaccinated more than 4,000 persons as a part of CSR. In health care domain the Company has organized health check-up camps to offer curative services and conducted awareness programmes on

   health issue. The Company has incurred running expenses of ambulance to provide health support to the society. Water and sanitation facilities were also provided under CSR activities at various places. The Company has contributed to Clean Ganga Fund for cleanliness of water and manage drinking water. To promote the education facility, the Company has renovated school building and toilets in surrounding areas, further provided necessary infrastructure & reading materials to girl hostel to promote girl child education.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

   The Corporate Social Responsibility initiatives of the Company are implemented through an in-house team as well as direct contribution to various external NGOs e.g. Rotary foundation, Rotary Club of Bhiwadi-Shakti Center for human care, The Earth Saviours Foundation etc.

3. **Have you done any impact assessment of your initiative?**
   No

4. **What is your company's direct contribution to community development projects?**

   Please refer the CSR report in Annexure II of the Board's report for the FY 2021-22 for complete details on the spend made by the Company during the FY 2021-22.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

   The Company's dedicated CSR team focuses education of under privileged girl students. Therefore, various schools in Bhiwadi and Vigaz, have been adopted by the Company and provided various necessary items and other financial support to these schools. Also, various cleanliness drive and health checkup programmes for nearby communities have been undertaken by the Company. The Company also set up RO water plant in nearby villages in Vizag.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

The total number of customer complaints across all businesses which were pending at the end of the year where work was in progress constitutes less than 5% which have been subsequently resolved. Robust customer complaint Management system is in place.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**

   Yes. Wherever relevant, the Company encourages that its packaging/labeling contain detailed information regarding safe handling, storage, and use, which is over and above what is mandated as per local laws.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year.**

   None

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Yes. The Company on a periodical basis conducts various consumer survey/satisfaction trends. The Company put its customers at the fulcrum of its business strategy. The Company understands their requirements and provides them holistic solutions rather than merely supplying materials. The Company collaborates meaningfully with its customers for co-creating sustainable products and solutions. Dedicated customer/dealer meetings, customer plant visits, transparent and compliant product labeling ensures awareness creation for the product usage and safe disposal. Customer visits are not necessarily confined to their product needs but also extends to sharing of best practices like TQM, TPM etc. It is also worthy to note that a significant portion of the Company's business pertains to offering customized products. Hence, customer's requirements rank very high to the Company.

   The Business Responsibility Policy of the Company governing its business sustainability efforts is available on the Company's website https://www.rhimagnesitaindia.com/investors/corporate-governance/policies

On behalf of the Board of Directors

Parmod Sagar
Managing Director & CEO
(DIN: 06500871)

Dr. Vijay Sharma
Chairman
(DIN: 00880113)

Gurugram, 10 August 2022

Independent Auditor's Report

To the Members of RHI Magnesita India Limited (formerly known as Orient Refractories Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of RHI Magnesita India Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of matter

4. We draw your attention to Note 40 to the Standalone Financial Statements regarding the scheme of amalgamation (the "Scheme") between the Company and its fellow subsidiaries i.e. RHI India Private Limited and RHI Clasil Private Limited (hereinafter referred as 'erstwhile fellow subsidiaries'), as approved by the Hon'ble National Company Law Tribunal ('NCLT') vide its Order dated May 05, 2021. While the appointed date as set out in the NCLT order is July 31, 2018, the previous year Standalone Financial Statements were prepared in accordance with clause 3.7 of the Scheme which requires the accounting treatment to be carried out as prescribed under applicable accounting standards that is, from the beginning of the preceding year and in accordance with Ind AS 103, Business Combination. Our opinion is not modified in respect of this matter.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

   Revenue Recognition

   (Refer Note 19 to the Standalone Financial Statements)

   The Company recognises its revenue based on Ind-AS 115 "Revenue from Contracts with Customers".

   Management uses judgement in respect of matters such as identification of performance obligations, allocation of consideration to identified performance obligations and recognition of revenue over a period of time or at a point in time based on timing when control is transferred to the customer.

   We considered this area as a key audit matter, as revenue is required to be recognised in accordance with the terms of the customer contracts, which involves significant management judgement as described above and thus there is an inherent risk of material misstatement.

   How our audit addressed the key audit matter

   Our testing of revenue transactions was designed to cover certain customer contracts on a sample basis. Our audit procedures included the following:

   - Understanding and evaluating the design and testing the operating effectiveness of controls over revenue recognition.
   - Assessing appropriateness of management's judgements in accounting for identified contracts such as:
     - ✓ Identification of performance obligation and allocation of consideration to identified performance obligation;

- ✓ Evaluating the contract terms for assessment of the timing of transfer of control to the customer to assess whether revenue is recognised appropriately over a period of time or at a point in time (as the case may be) based on timing when control is transferred to customer;
- ✓ Testing whether the revenue recognition is in line with the terms of customer contracts and the transfer of control; and
- ✓ Evaluating adequacy of the presentation and disclosures.

Based on the above stated procedures, no significant exceptions were noted in revenue recognition including those relating to presentation and disclosures as required by Ind AS 115.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Financial Statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone Financial Statements

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

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

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

auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.

    (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph 15(b) above, the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.

    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements — Refer Note 33 to the Standalone Financial Statements.

        ii. The Company has long-term contracts as at March 31, 2022, for which there are no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2022.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

        iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries {Refer Note 43(vii) to the Standalone Financial Statements}.

        (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities

("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries {Refer Note 43(vii) to the Standalone Financial Statements}.

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Abhishek Rara
Partner
Membership Number: 077779
UDIN: 22077779AJSSYA9831

Place: Gurugram
Date: May 27, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of RHI Magnesita India Limited (formerly known as Orient Refractories Limited) on the Standalone Financial Statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of RHI Magnesita India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal fina ncial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Abhishek Rara
Partner
Membership Number: 077779
UDIN: 22077779AJSSYA9831

Place: Gurugram
Date: May 27, 2022

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of RHI Magnesita India Limited (formerly known as Orient Refractories Limited) on the Standalone Financial Statements as of and for the year ended March 31, 2022

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 44 to the Standalone Financial Statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ In lacs)	Held in the name of	Held in the name of the promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Land with respect to Vishakhapatnam manufacturing unit	79.79	Arsha Ceramics Private Limited (previous name of RHI Clasil Private Limited i.e. erstwhile fellow subsidiary)	No	Since December 2005	Stamp duty is under assessment with Revenue Department of the Andhra Pradesh. Title deed will be transferred in the name of the Company once stamp duty is deposited after assessment is completed.
Land with respect to Vishakhapatnam manufacturing unit	41.03	Clasil Refractories Private Limited (previous name of RHI Clasil Private Limited i.e. erstwhile fellow subsidiary)	No	Since December 2006	
Land with respect to Vishakhapatnam manufacturing unit	626.53	RHI Clasil Limited (previous name of RHI Clasil Private Limited i.e. erstwhile fellow subsidiary)	No	Since September 2007	Stamp duty is under assessment with Revenue Department of Andhra Pradesh. Title deed will be transferred in the name of the Company once stamp duty is deposited after assessment is completed.
Building of Vishakhapatnam unit	2,804.08	RHI Clasil Private Limited (i.e. erstwhile fellow subsidiary)	No	Since March 2007	
Building of Cuttack manufacturing unit	1,545.19	Orient Refractories Limited	No	Since September 2019	Title deed registered in name of Orient Refractories Limited are in the process for change consequent to change of name of the Company to RHI Magnesita India Limited
Land at Vishakhapatnam	1,268.39	Orient Refractories Limited	No	Since February 2020	
Land with respect to Cuttack manufacturing unit	1,833.96	Orient Refractories Limited	No	Since September 2019	

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of

Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its Standalone Financial Statements does not arise.

ii. (a) The physical verification of inventory including stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The banks has explained to the management that there is no need for the Company to file the quarterly returns or statements with such banks and accordingly, the question of our commenting on whether the returns or statements are in agreement with the unaudited books of account of the Company does not arise. {Also refer Note 43(ii) to the Standalone Financial Statements}.

iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b),(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including income tax, provident fund, professional tax, labour welfare fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, goods and services tax, duty of customs and other material statutory dues, as applicable, with the appropriate authorities.

b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and services tax, value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount	Amount paid under protest	Period to which the amount relates	Forum where the dispute is pending
		(₹ in lacs)			
Finance Act, 1994	Service Tax	143.39	3.09	January 2013 to February 2015	Goods and Services Tax Appellate Tribunal
Finance Act, 1994	Service Tax	147.64	-	December 2012 to January 2015	High Court
Customs Act, 1962	Duty of Customs	0.86	-	April 2016 to June 2017	Commissioner of Customs (Appeals)
Central Excise Act, 1944	Duty of Excise	38.53	1.11	April 2016 to March 2017	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	1,052.00	-	April 2017 to March 2018	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	54.62	-	April 2016 to March 2017	Income tax Appellate Tribunal

Name of the statute	Nature of dues	Amount	Amount paid under protest	Period to which the amount relates	Forum where the dispute is pending
		(₹ in lacs)			
Foreign Trade Policy (FTP 2004-2009 & FTP 2009-2014) and Customs Act, 1962	Duty of Customs	33.74	33.74	November 2019 to March 2020	Commissioner of Customs (Appeals)
Foreign Trade Policy (FTP 2004-2009 & FTP 2009-2014) and Customs Act, 1962	Duty of Customs	257.28	1.45	April 2013 to August 2016	Directorate of Revenue Intelligence
Central Sales Tax, 1956	Sales Tax	14.51	0.20	April 2014 to March 2015	Assistant Commissioner of Sales Tax, CT & GST - Angul
Central Sales Tax, 1956	Sales Tax	2.02	-	April 2013 to March 2014	Assistant Commissioner of Sales Tax, CT & GST - Angul
Central Sales Tax, 1956	Sales Tax	2.52	-	April 2016 to March 2017	Deputy Commissioner Appeals
Income Tax Act, 1961	Income Tax	43.64	-	April 2016 to March 2017	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	808.76	-	April 2019 to March 2020	Assessing Officer

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year {Also Refer Note 43 (xii) to the Standalone Financial Statements}.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Standalone Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and the Company did not have any associates or joint ventures during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its Subsidiary and the Company did not have any associates or joint ventures during the year.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also Refer Note 45 to the Standalone Financial Statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. (a) The Company has transferred the certain amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act. However, such transfer was made beyond a period of six months of the expiry of the financial year as permitted under second proviso to sub-section (5) of Section 135 of the Act. Further for the certain amount, the Company has not transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act until the date of our report. However, the time period for such transfer, i.e., six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of Section 135 of the Act has not elapsed until the date of our report. Details are as given below: The Company has not transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act. However, the time period for the certain unspent amount of such transfer, i.e., six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of Section 135 of the Act has not elapsed until the date of our report. Details are as given below

Financial year	Amount to be spent in accordance with section 135(5)	Amount remaining unspent as at the year-end to be transferred to fund under Schedule VII	Amount transferred to Fund under Schedule VII, within 6 months from the end of the financial year (or till the date of audit report, if that is earlier)	Amount transferred to Fund under Schedule VII, after 6 months from the end of the financial year (till the date of audit report)	Amount not transferred to Fund under Schedule VII, till the date of audit report	Amount not transferred to Fund under Schedule VII, till the date of audit report but the period of six months from the end of the financial year has not lapsed
(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**
2020-21	420.21	135.40	32.00	103.40	-	
2021-22	391.52	187.68	-	-	-	187.68

Also refer Note 27(b) to the Standalone Financial Statements in respect of corrective actions taken by the Company in this regard.

(b) In respect of ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Abhishek Rara
Partner
Membership Number: 077779
UDIN: 22077779AJSSYA9831

Place: Gurugram
Date: May 27, 2022

Standalone Balance Sheet as at 31 March, 2022

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	As at 31 March, 2022	As at 31 March, 2021
Assets			
Non-current assets			
Property, plant and equipment	3(a)	26,393.92	22,952.79
Right-of-use assets	3(b)	868.53	561.51
Capital work-in-progress	3(a)	3,383.55	4,625.70
Intangible assets	4	562.52	364.91
Financial assets			
(i) Investments	5(a)	1,012.97	1,012.97
(ii) Other financial assets	5(b)	165.23	154.56
Deferred tax assets (net)	6	665.56	273.85
Other non-current assets	7	1,229.33	1,029.89
Total non-current assets		**34,281.61**	**30,976.18**
Current assets			
Inventories	8	60,770.84	35,259.46
Financial assets			
(i) Trade receivables	5(c)	48,813.99	32,737.60
(ii) Cash and cash equivalents	5(d)	5,564.44	15,040.45
(iii) Bank balances other than (ii) above	5(e)	1,528.19	359.88
(iv) Other financial assets	5(f)	44.95	104.03
Contract assets	5(g)	9,972.02	6,130.73
Other current assets	7	6,242.38	5,278.64
Total current assets		**132,936.81**	**94,910.79**
Total assets		**167,218.42**	**125,886.97**
Equity and liabilities			
Equity			
Equity share capital	9(a)	1,609.96	1,201.39
Shares pending issuance	40	-	408.57
Other equity	9(b)	101,126.35	78,939.21
Equity attributable to the owners of RHI Magnesita India Limited		**102,736.31**	**80,549.17**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	10	3,341.94	5,980.66
(ii) Lease liabilities	3(b)	450.67	187.96
Other non-current liabilities	11	147.16	99.04
Total non-current liabilities		**3,939.77**	**6,267.66**
Current liabilities			
Financial liabilities			
(i) Borrowings	10	2,562.33	24.56
(ii) Lease liabilities	3(b)	115.68	45.41
(iii) Trade payables	12		
(a) Total outstanding dues of micro enterprises and small enterprises		6,121.38	6,181.78
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		46,495.04	28,577.00
(iv) Other financial liabilities	13	1,814.84	2,293.65
Contract liabilities	14	626.64	266.80
Provisions	15	291.08	135.40
Employee benefit obligations	16	1,260.86	1,015.86
Current tax liabilities	17	177.96	-
Other current liabilities	18	1,076.53	529.68
Total current liabilities		**60,542.34**	**39,070.14**
Total liabilities		**64,482.11**	**45,337.80**
Total equity and liabilities		**167,218.42**	**125,886.97**

The above standalone balance sheet should be read in conjunction with the accompanying notes.

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

Abhishek Rara
Partner
Membership Number: 077779

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Sanjeev Bhardwaj
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Place : Gurugram
Date: May 27, 2022

Standalone Statement of Profit and Loss for the year ended 31 March, 2022

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2022	Year ended 31 March, 2021
Income			
Revenue from operations	19	199,070.53	136,641.31
Other income	20	938.74	1,203.56
Total income		**200,009.27**	**137,844.87**
Expenses			
Cost of raw materials and components consumed	21	71,462.80	49,300.06
Purchases of stock-in-trade (traded goods)	22	59,983.74	42,410.52
Changes in inventories of finished goods, work-in-progress and stock-in-trade (traded goods)	23	(12,357.15)	(6,379.80)
Employee benefits expense	24	12,300.79	10,507.87
Finance cost	25	217.89	648.31
Depreciation and amortisation expense	26	3,363.48	2,961.33
Other expenses	27	29,427.85	20,025.57
Total expenses		**164,399.40**	**119,473.86**
Profit before tax		**35,609.87**	**18,371.01**
Income tax expense:	28		
- Current tax		9,344.84	4,866.21
- Deferred tax		(236.94)	(119.14)
- (Excess)/Short provision for tax relating to prior years		(290.35)	28.48
Total tax expense		**8,817.55**	**4,775.55**
Profit for the year		**26,792.32**	**13,595.46**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit plans		(134.44)	9.71
- Income tax relating to the above		33.84	(2.45)
Other comprehensive (loss)/income for the year, net of tax		**(100.60)**	**7.26**
Total comprehensive income for the year		**26,691.72**	**13,602.72**
Basic earnings per equity share (Face value of Re 1 each share)	35	16.64	8.44
Diluted earnings per equity share (Face value of Re 1 each share)	35	16.64	8.44

The above standalone statement of profit and loss should be read in conjunction with the accompanying notes.

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

Abhishek Rara
Partner
Membership Number: 077779

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Sanjeev Bhardwaj
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Place : Gurugram
Date: May 27, 2022

Standalone Statement of Changes in Equity for the year ended 31 March, 2022

Equity Share Capital

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Amount
As at 1 April, 2020	9(a)	1,201.39
Changes in equity share capital		-
Balance as at 31 March, 2021		**1,201.39**
Add: Shares issued during the year as per the scheme of amalgamation of the Company with its erstwhile fellow subsidiaries (refer note 40)		408.57
Balance as at 31 March, 2022		**1,609.96**

Other Equity

Particulars	Notes	Attributable to Owners of RHI Magnesita India Limited				Total other equity
		Reserves and Surplus				
		Securities Premium	General Reserve	Capital Reserve (Refer note 40)	Retained Earnings	
Balance as at 1 April, 2020	9(b)	6,493.97	8,681.48	1,465.71	52,116.49	**68,757.65**
Profit for the year		-	-	-	13,595.46	13,595.46
Other comprehensive income		-	-	-	7.26	7.26
Total comprehensive income for the year		**-**	**-**	**-**	**13,602.72**	**13,602.72**
Transaction with owners in their capcaity as owners :						
Dividend paid		-	-	-	(3,421.16)	(3,421.16)
		-	**-**	**-**	**(3,421.16)**	**(3,421.16)**
Balance as at 31 March, 2021		**6,493.97**	**8,681.48**	**1,465.71**	**62,298.05**	**78,939.21**

Standalone Statement of Changes in Equity for the year ended 31 March, 2022 (Continued)

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Attributable to Owners of RHI Magnesita India Limited				Total other equity
		Reserves and Surplus				
		Securities Premium	General Reserve	Capital Reserve (Refer note 40)	Retained Earnings	
Balance as at 1 April, 2021	9(b)	**6,493.97**	**8,681.48**	**1,465.71**	**62,298.05**	**78,939.21**
Profit for the year		-	-	-	26,792.32	26,792.32
Other comprehensive income		-	-	-	(100.60)	(100.60)
Total comprehensive income for the year		**-**	**-**	**-**	**26,691.72**	**26,691.72**
Transaction with owners in their capcaity as owners :						
Dividend paid		-	-	-	(4,024.91)	(4,024.91)
		-	**-**	**-**	**(4,024.91)**	**(4,024.91)**
Transaction costs (stamp duty) on issue of shares, net of tax		-	-	-	(479.67)	(479.67)
		-	**-**	**-**	**(479.67)**	**(479.67)**
Balance as on 31 March, 2022		**6,493.97**	**8,681.48**	**1,465.71**	**84,485.19**	**101,126.35**

The above standalone statement of changes in equity should be read in conjuction with the accompanying notes.

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

Abhishek Rara
Partner
Membership Number: 077779

Place : Gurugram
Date: May 27, 2022

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Sanjeev Bhardwaj
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Standalone Statement of Cash Flows for the year ended 31 March, 2022

(All amount in ₹ Lacs, unless otherwise stated)

Particulars		Notes	Year ended 31 March, 2022	Year ended 31 March, 2021
A.	**Cash flow from operating activities**			
	Profit before tax		**35,609.87**	**18,371.01**
	Adjustments for:			
	Depreciation and amortisation expense	26	3,363.48	2,961.33
	Interest income	20	(248.13)	(575.00)
	Allowance/(writeback) for doubtful export incentives receivable (Net)	27	(53.27)	44.00
	Allowance for doubtful debts - trade receivables (Net)	27	478.58	(269.38)
	Liabilities/ provisions no longer required written back	20	-	(66.00)
	Bad debts recovered	20	-	(12.83)
	Bad debts written off	27	141.89	116.64
	Finance cost	25	217.89	648.31
	Loss on property, plant and equipment sold / scrapped (Net)	27	38.11	0.24
	Net unrealised foreign exchange (loss)		24.08	163.47
	Impairment loss on capital work-in-progress	27	81.75	-
	Items that will not be reclassified to Profit or loss		(134.44)	9.71
	Operating profit before working capital changes		**39,519.81**	**21,391.50**
	Changes in operating assets and liabilities			
	Increase in inventories		(25,511.38)	(7,515.55)
	(Increase) / decrease in trade receivables		(16,599.74)	706.73
	Decrease / (increase) in other current financial assets		10.72	(1.98)
	Increase in other current assets		(1,227.03)	(1,724.87)
	Increase in contract assets		(3,841.29)	(3,002.84)
	(Increase)/decrease in other non-current financial assets		(10.67)	66.09
	Increase in other non-current assets		(88.92)	(113.17)
	Increase in trade payables		17,736.45	11,470.85
	(Decrease) / increase in other financial liabilities		(136.31)	331.66
	Increase in employee benefit obligations		245.00	173.68
	Increase in other non current liabilities		48.12	25.61
	Increase / (decrease) in contract liabilities		359.84	(486.06)
	Increase in other current liabilities		546.85	97.39
	Increase in provisions		155.68	135.40
	Cash generated from operations		**11,207.13**	**21,554.44**
	Income tax paid (Net)		(8,559.98)	(4,945.70)
	Net cash inflow from operating activities (A)		**2,647.15**	**16,608.74**
B.	**Cash flows from investing activities**			
	Investment in National Saving Certificate		-	(0.15)
	(Increase) / decrease in other bank balances		(1,200.00)	19.24
	Capital expenditure on property, plant and equipment and intangible assets		(6,236.02)	(8,576.89)
	Proceeds from sale of property, plant and equipment and intangible assets		44.66	45.58
	Interest received		296.49	669.09
	Net cash outflow from investing activities (B)		**(7,094.87)**	**(7,843.13)**

Standalone Statement of Cash Flows for the year ended 31 March, 2022 (Continued)

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2022	Year ended 31 March, 2021
C. Cash flows from financing activities			
Dividend paid on equity shares		(4,024.91)	(3,439.29)
Repayment of non current borrowings (net)		-	(487.77)
Repayment of current borrowings (net)		-	(799.05)
Principal payment of lease liabilities		(83.94)	(75.77)
Interest payment of lease liabilities		(33.38)	(12.27)
Interest paid		(285.46)	(636.04)
Share issuance costs		(600.60)	-
Net cash outflow from financing activities (C)		**(5,028.29)**	**(5,450.19)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)		**(9,476.01)**	**3,315.42**
Cash and cash equivalents at the beginning of the year		15,040.45	11,725.03
Cash and cash equivalents at the end of the year		**5,564.44**	**15,040.45**
Non Cash investing activities			
- Acquisition of right-of-use-assets	3(b)	416.92	214.44
Cash and cash equivalent included in the cash flow statement comprise of the following:			
Balances with banks			
- in current accounts		5,060.53	3,259.37
- in EEFC account		-	121.61
Deposits with original maturity of less than three months		500.00	11,656.26
Cash on hand		3.91	3.21
		5,564.44	**15,040.45**

The above standalone statement of cash flows should be read in conjunction with the accompanying notes.

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

Abhishek Rara
Partner
Membership Number: 077779

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Sanjeev Bhardwaj
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Place : Gurugram
Date: May 27, 2022

Notes to Standalone Financial Statements

1. Corporate Information

RHI Magnesita India Limited ('the Company'), is domiciled and incorporated in India and publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. During the year, the Company has shifted its registered office to Unit No.705, 7th Floor, Lodha Supremus, Kanjurmarg Village Road, Kanjurmarg (East), Mumbai-400042. The Company is primarily engaged in the business of manufacturing and trading of refractories, monolithics, bricks and ceramic paper, rendering management services and has manufacturing facilities in Bhiwadi (Rajasthan), Visakhapatnam (Andhra Pradesh) and Cuttack (Orrisa).

The Standalone Financial Statements were approved by the Board of Directors and authorised for issue on 27 May, 2022.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Standalone Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with Ind AS

The Standalone Financial Statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The Standalone Financial Statements have been prepared on a historical cost basis, except for the following which have been measured at fair value:

- Defined benefit plans — plan assets measured at fair value.

(iii) New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April, 2021:

- Extension of COVID-19 related concessions — amendments to Ind AS 116
- Interest rate benchmark reform — amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

2.2 Critical accounting estimates, assumptions and judgements

The preparation of Standalone Financial Statements requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the date of the Standalone Financial Statements and the results of operations during the reporting period. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

In the process of applying the Company's accounting policies, the management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the Standalone Financial Statements:

(a) Property, plant and equipment

The management engages internal technical team to assess the remaining useful lives and residual value of property, plant and equipment. The management believes that the assigned useful lives and residual value are reasonable.

(b) Intangibles

Internal technical or user team assess the remaining useful lives of Intangible assets. The Management believes that assigned useful lives are reasonable.

(c) Income taxes

The management's judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the Standalone Financial Statements.

(d) Contingencies

The management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(e) Allowance for doubtful trade receivables

Trade receivables are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

Notes to Standalone Financial Statements

(f) Revenue from contracts with customers

For Refractory Management Contracts where the transaction price depends on the customer's production, customer expects total refractory management services from the Company, which includes supply of refractory material and its related services to produce steel. The customer expects complete refractory management for the product of steel in the steel plant. Thus, only one single performance obligation, performance of refractory management service, exists.

2.3 Current Versus non-current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current — non-current classification of assets and liabilities.

2.4 Property Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Standalone Statement of Profit and Loss on the date of disposal or retirement.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably. All other repair and maintenance are charged to profit or loss during the reporting period in which they are incurred.

On transition to Ind AS, the Company had elected to continue with the carrying value of its property, plant and equipment recognised as at 1 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation on Property, Plant and equipment is provided on straight-line basis over the useful lives of assets as determined on the basis of technical estimates which are similar to the useful lives as prescribed under Schedule II to the Companies Act, 2013 except for Vehicles (which are being used by the employees). These Vehicles are depreciated on written down value method, over the period of 5 years and 6 years for four wheelers and two wheelers respectively. Based on past experience and internal technical evaluation, the management believes that these useful lives represent the appropriate period of usage and therefore, considered to be appropriate for charging depreciation.

Assets residual values, depreciation method and useful lives are reviewed at the end of financial year considering the physical condition of the assets or whenever there are indicators for review and adjusts residual life prospectively.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Standalone Statement of Profit and Loss within Other Income/ Other Expenses.

2.5 Intangible Assets

On transition to Ind AS, the Company has opted for the option given under Ind AS 101 to measure all the items of Intangible Assets at their carrying value under previous GAAP. Consequently the carrying value under IGAAP has been assumed to be deemed cost of Intangible Assets on the date of transition to Ind AS.

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised in the Standalone Statement of Profit and Loss on a straight line basis over the estimated useful lives of intangible assets from the date they are available for use. 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 Standalone Statement of Profit and Loss.

Software

Software are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license. Intangible Assets are amortised at straight line basis as follows:

Software 1-5 years

2.6 Leases

As a lessee

Leases are recognised as a right-of-use asset at cost with a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with Ind AS 116 'Leases'.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs etc.

Notes to Standalone Financial Statements

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense in the Standalone Statement of Profit and Loss on a straight-line basis over the lease term.

2.7 Financial assets (Debt Instruments)

A. Classification and initial recognition

Financial assets are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the asset. The Company determines the classification of its financial assets at initial recognition. The Company classifies the financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through profit or loss, or through other comprehensive income)
- Those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

All financial assets are initially measured at fair value. Transactions cost that are directly attributable to the acquisition of financial asset (other than financial asset at fair value through profit and loss) are added from the fair value of financial asset.

B. Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

a. Financial assets at fair value through profit or loss (FVPL):

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial assets are designated upon initial recognition at fair value through profit or loss when the same are managed by the Company on the basis of their fair value and their performance is evaluated on fair value basis in accordance with a risk management or investment strategy of the Company. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in other income in the Standalone Statement of Profit and Loss.

b. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows, where the assets' cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income in the Standalone Statement of Profit and Loss.

c. Fair value through other comprehensive income (FVOCI):

Financial assets are measured at fair value through other comprehensive income (OCI) if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

C. Derecognition

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Notes to Standalone Financial Statements

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

D. Impairment of financial assets

The Company assesses on forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

E. Income recognition - Interest

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.8 Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity.

The Company's financial liabilities includes borrowings, lease liability, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities carried at fair value through profit or loss) are added or deducted from the fair value measured on initial recognition of financial liability. Financial liabilities are classified as subsequently measured at amortised cost.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

2.9 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.10 Fair Value Measurement

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (Unadjusted) marked prices in the active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.11 Derivative financial instruments

The Company acquires forward contracts to mitigate the risk arising foreign currency exposures from purchase and sale of goods and services. These forward contracts are designated as derivative financial instruments. Derivatives are initially recognised at fair value on the date of derivate contract is entered into and subsequently re-measured to their fair value at the end of reporting period. The consequent gains/ losses, arising from subsequent re-measurement, are recognised in the statement of profit or loss, unless the derivative is designated as hedging instrument and hedging relationship is established with the item being hedged.

2.12 Impairment of non-financial assets — Property, plant and equipment and Intangible assets

Intangible assets and property, plant and equipment are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e.

Notes to Standalone Financial Statements

the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Standalone Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Standalone Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

2.13 Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Standalone Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Standalone Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.14 Inventories

Inventories including stores and spares are valued at the lower of cost on weighted average and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods, including freight, octroi and other levies. Work-in-progress and finished goods include appropriate proportion of labour and overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

2.15 Cash and Cash Equivalents

For the purpose of presentation in the Standalone Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.16 Provisions, contingent liabilities and contingent assets

a) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

b) Contingencies

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. Information on contingent liability is disclosed in the Notes to the Standalone Financial Statements.

Notes to Standalone Financial Statements

2.17 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Standalone Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The Board of Directors of the Company has authorised its Managing Director & CEO to assess the financial performance and position of the Company, and makes decisions in normal course of business operations. For key strategic decisions, the Board of Directors take decisions after evaluating the possible options and recommendations given by the management. The Board of Directors, together with Managing Director has been identified as being the chief operating decision maker. Refer Note 32 for segment information presented.

2.19 Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers either over time or at a point of time at an amount that reflects the consideration the Company expects to be entitled to in exchange for those products or services. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset.

Revenue is measured based on the transaction price, which is the expected consideration to be received, to the extent that it is highly probable that there will not be a significant reversal of revenue in future periods. If the consideration in a contract includes a variable amount, at the inception of the contract, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer.

At the inception of the contract, the Company identifies the goods or services promised in the contract and assesses which of the promised goods or services shall be identified as separate performance obligations. Promised goods or services give rise to separate performance obligations if they are capable of being distinct.

Revenue from the delivery of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual Incoterms agreed in the customer contract.

Revenue from contracts for total refractory management services is recognised over time on the basis using the output-oriented method (e.g. quantity of steel produced by the customer).

Revenue from providing services is recognised in the accounting period in which the services as rendered.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due.

2.20 Government grants

Grants from the government are recognised at their fair value where there is reasonable certainty that the grant will be received and the Company will comply with required conditions. Export incentive under Remission of Duties and Taxes on Export products (RODTEP), Merchandise Exports from India Scheme (MEIS) and duty drawback are accrued when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

2.21 Employee benefits

Defined benefit plan - Gratuity

The liability recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Standalone Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Notes to Standalone Financial Statements

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company's contribution to provident fund, national pension scheme and employees' state insurance scheme are considered as defined contribution plans and are charged as expense in the Standalone Statement of Profit and Loss, based on the amount of contribution required to be made and when services are rendered by the employee.

Other Benefits - 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 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 end 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 Standalone Statement of Profit and Loss in the year in which they arise. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.22 Equity-settled share option plan (LTIP)

RHI Magnesita N.V. (the 'Ultimate Holding Company') has implemented a share option plan for the members of senior management of the RHI Magnesita Group.

The LTIP is treated as an equity-settled share option plan as the Company does not have an obligation to make any settlement.

The fair value of the LTIP granted is recognised as employee benefits expense with a corresponding increase in reserves. The total amount to be expensed is determined by reference to the fair value of the options granted:

a) including any market performance conditions

b) excluding the impact of any service and non-market performance vesting conditions, and

c) including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

2.23 Foreign currency translation

(i) Functional and presentation currency

Items included in the Standalone Financial Statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Company's operations are primarily in India. The Standalone Financial Statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Standalone Statement of Profit and Loss.

Foreign exchange differences arising on foreign currency borrowings are presented in the Standalone Statement of Profit and Loss within finance costs. All other foreign exchange gains and losses are presented in the Standalone Statement of Profit and Loss on a net basis within other income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.24 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.25 Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

Notes to Standalone Financial Statements

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

2.26 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.27 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.28 Business Combinations

Entities under common control

Business combinations involving entities or businesses under common control is accounted for using the pooling of interest method as follows: –

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the Consolidated Financial Statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the Consolidated Financial Statements unless the business combination had occurred after that date, the prior period information shall be restated only from that date.

(iv) The consideration for the business combination may consist of securities, cash or other assets. Securities shall be recorded at nominal value. In determining the value of the consideration, assets other than cash shall be considered at their fair values.

(v) The balance of the retained earnings appearing in the Consolidated Financial Statements of the Company is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and appear in the Consolidated Financial Statements of the Company in the same form in which they appeared in the Consolidated Financial Statements of the transferor.

2.29 Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 3(a) : Property, plant and equipment and capital work-in progress

Particulars	Freehold Land*	Buildings*	Plant and machineries	Furniture and fixtures	Office equipments	Vehicles	Total	Capital work in progress
Balance as at 1 April, 2020	3,849.70	5,235.69	17,317.42	107.27	359.25	653.82	**27,523.15**	859.37
Additions	-	75.92	3,585.38	10.38	129.75	181.83	**3,983.26**	6,718.31
Disposals	-	-	(276.47)	(0.55)	(7.01)	(110.82)	**(394.85)**	(2,951.98)
Balance as at 31 March, 2021	**3,849.70**	**5,311.61**	**20,626.33**	**117.10**	**481.99**	**724.83**	**31,111.56**	**4,625.70**
Additions	-	671.22	5,556.50	78.61	175.68	186.51	**6,668.52**	5,814.69
Disposals	-	-	(122.43)	(3.31)	(11.75)	(79.54)	**(217.03)**	(6,975.09)
Balance as at 31 March, 2022	**3,849.70**	**5,982.83**	**26,060.40**	**192.40**	**645.92**	**831.80**	**37,563.05**	**3,465.30**
Accumulated depreciation and impairment								
Balance as at 1 April, 2020	-	432.57	4,774.12	29.71	186.07	252.91	**5,675.38**	-
Charge for the year	-	246.68	2,407.94	14.12	77.89	85.77	**2,832.40**	-
Depreciation on assets disposed off during the year	-	-	(265.92)	(0.52)	(3.42)	(79.15)	**(349.01)**	-
Accumulated depreciation and impairment as at 31 March, 2021	**-**	**679.25**	**6,916.14**	**43.31**	**260.54**	**259.53**	**8,158.77**	**-**
Charge for the year	-	272.68	2,672.09	30.19	84.62	86.68	**3,146.26**	-
Depreciation on assets disposed off during the year	-	-	(74.21)	(2.94)	(11.16)	(47.59)	**(135.90)**	-
Impairment loss	-	-	-	-	-	-	-	**81.75**
Accumulated depreciation and impairment as at 31 March, 2022	**-**	**951.93**	**9,514.02**	**70.56**	**334.00**	**298.62**	**11,169.13**	**81.75**
Carrying amount								
Balance as at 31 March, 2021	**3,849.70**	**4,632.36**	**13,710.19**	**73.79**	**221.45**	**465.30**	**22,952.79**	**4,625.70**
Balance as at 31 March, 2022	**3,849.70**	**5,030.90**	**16,546.38**	**121.84**	**311.92**	**533.18**	**26,393.92**	**3,383.55**

* **Refer note 44**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 3(a): Capital work-in progress

(A) Aging of capital work-in progress:

As at 31 March, 2022

	Amounts in capital work-in progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	1,952.09	1,409.37	22.09	-	3,383.55
(ii) Projects temporarily suspended	-	-	-	81.75	81.75
Less: Impairment loss	-	-	-	(81.75)	(81.75)
Total	**1,952.09**	**1,409.37**	**22.09**	**-**	**3,383.55**
As at 31 March, 2021					
(i) Projects in progress	1,536.59	2,929.74	-	77.62	4,543.95
(ii) Projects temporarily suspended	-	-	-	81.75	81.75
Total	**1,536.59**	**2,929.74**	**-**	**159.37**	**4,625.70**

(B) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

As at 31 March, 2022

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress					
Project A - Purging Management	22.09	-	-	-	**22.09**
Project B - Blast Oxygen Furnace Mangement	61.99	-	-	-	**61.99**
(ii) Projects temporarily suspended					
Project A - Purging Management	-	-	-	15.13	**15.13**
Project B - Slide Gate Management				66.62	**66.62**
Less: Impairment loss				(81.75)	**(81.75)**
Total	**84.08**	**-**	**-**	**-**	**84.08**
As at 31 March, 2021					
(i) Projects in progress					
Project A - Slide Gate Management	77.12	-	-	-	**77.12**
Project B - Electric ARC Furnace Management	0.50	-	-	-	**0.50**
Project C - Slide Gate Management	176.43	-	-	-	**176.43**
Project D - Purging Management	5.52	22.09	-	-	**27.61**
(ii) Projects temporarily suspended					
Project A - Purging Management	-	-	-	15.13	**15.13**
Project B - Slide Gate Management				66.62	**66.62**
Total	**259.57**	**22.09**	**-**	**81.75**	**363.41**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 3(b): Leases

This note provides information for leases where the Company is a lessee. The Company has taken on lease offices, guest house and warehouses. There is no case where the Company is acting as a lessor.

		Note	As at 31 March, 2022	As at 31 March, 2021
(i)	**Amount recognised in balance sheet**			
	Right-of-use assets		868.53	561.51
	Total		**868.53**	**561.51**
	Lease Liabilities			
	Current		115.68	45.41
	Non-Current		450.67	187.96
	Total		**566.35**	**233.37**

Addition to the right-of-use assets during the year were ₹ 416.92 lacs (31 March, 2021: 214.44 lacs)

(ii) Amounts recognised in the statement of profit and loss

		Year ended 31 March, 2022	Year ended 31 March, 2021
Interest expense (included in finance costs)	25	33.38	12.27
Depreciation charge of right-of-use assets	26	109.90	85.49
Expense relating to short-term leases (included in other expenses)	27	252.22	114.52

(iii) In applying IndAS 116, the Company has used the following practical expedient:

Accounting for operating leases with a remaining lease term of less than 12 months treated as short-term leases.

(iv) Extension and Termination option:

Extension and termination options are included in a number of leases. Extension and termination options held are exercisable at mutual consent of lessor and lessee.

Note 4: Intangible assets

Particulars	Software
Balance as at 1 April, 2020	**87.50**
Additions	388.75
Balance as at 31 March, 2021	**476.25**
Additions	306.57
Disposal	(88.91)
Balance as at 31 March, 2022	**693.91**
Accumulated amortisation	
Opening 1 April, 2020	**67.90**
Charge for the year	43.44
Balance as at 31 March, 2021	**111.34**
Charge for the year	107.32
Amortisation on assets disposed off during the year	(87.27)
Accumulated amortisation as at 31 March, 2022	**131.39**
Net Carrying amount	
Balance as at 31 March, 2021	**364.91**
Balance as at 31 March, 2022	**562.52**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Note 5(a): Non-current investments		
(i) Investments in equity instruments (unquoted)		
- Subsidiary (At cost)		
1,597 (31 March, 2021: 1,597) Equity shares of ₹ 100 each fully paid up of Intermetal Engineers (India) Private Limited	1,012.52	1,012.52
(ii) Investments in government securities (unquoted) - At amortised cost		
National Savings Certificates*	0.45	0.45
*The National Saving Certificates have been given to the sales tax department, as security		
Total	**1,012.97**	**1,012.97**
Aggregate amount of unquoted investments	**1,012.97**	**1,012.97**
Note 5(b): Other non-current financial assets - unsecured, considered good		
Security deposits	138.83	129.75
Bank deposits with more than 12 months maturity	-	1.11
Others	26.40	23.70
Total	**165.23**	**154.56**

Note 5(c): Trade receivables*

Trade Receivables	44,314.18	30,009.35
Receivables from related parties (refer note 36)	5,270.03	3,019.89
Less: Allowance for doubtful debts	(770.22)	(291.64)
(Includes retention money due on completion of performance obligation - ₹ 3,793.31 lacs (31 March, 2021 ₹ 3,448.28 lacs)		
Total	**48,813.99**	**32,737.60**
Break-up of security details		
Secured- considered good	-	-
Unsecured:		
- Considered good	48,813.99	32,737.60
- Considered doubtful	770.22	291.64
Total Gross receivables	49,584.21	33,029.24
Less: Allowance for doubtful debts	(770.22)	(291.64)
Total	**48,813.99**	**32,737.60**

*Includes foreign currency receivables amounting to ₹ 547.83 lacs as at 31 March, 2022 (31 March, 2021: ₹ Nil) which are overdue for more than nine months. The Company has approached the authorised dealer, under the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015, to condone the delay and seeking permission of extension of time period for settlement of these balances. Pending resolution of this matter, no adjustments are considered necessary in these Standalone Financial Statements.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Aging of trade receivables

As at 31 March, 2022

Particulars	Not Due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
- Considered good	34,145.92	14,473.79	102.93	76.63	7.28	7.44	**48,813.99**
- Considered doubtful	-	0.58	500.61	122.15	1.77	55.58	**680.69**
Disputed trade receivables							
- Considered good	-	-	-	-	-	-	**-**
- Considered doubtful	-	-	-	-	17.12	72.41	**89.53**
	34,145.92	**14,474.37**	**603.54**	**198.78**	**26.17**	**135.43**	**49,584.21**
Less: Allowance for doubtful debts	-	(0.58)	(500.61)	(122.15)	(18.89)	(127.99)	**(770.22)**
Total	**34,145.92**	**14,473.79**	**102.93**	**76.63**	**7.28**	**7.44**	**48,813.99**
As at 31 March, 2021							
Undisputed trade receivables							
- Considered good	24,165.38	8,218.77	309.11	19.82	24.01	0.51	**32,737.60**
- Considered doubtful	-	1.02	22.85	43.45	103.00	31.79	**202.11**
Disputed trade receivables							
- Considered good	-	-	-	-	-	-	**-**
- Considered doubtful	-	-	-	17.12	49.75	22.66	**89.53**
	24,165.38	**8,219.79**	**331.96**	**80.39**	**176.76**	**54.96**	**33,029.24**
Less: Allowance for doubtful debts	-	(1.02)	(22.85)	(60.57)	(152.75)	(54.45)	**(291.64)**
Total	**24,165.38**	**8,218.77**	**309.11**	**19.82**	**24.01**	**0.51**	**32,737.60**

Particulars	As at 31 March, 2022	As at 31 March, 2021
Note 5(d): Cash and cash equivalents		
Balances with banks		
- in current accounts	5,060.53	3,259.37
- in EEFC accounts	-	121.61
Deposits with original maturity of less than three months	500.00	11,656.26
Cash on hand	3.91	3.21
Total	**5,564.44**	**15,040.45**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period

Particulars	As at 31 March, 2022	As at 31 March, 2021
Note 5(e): Bank balances other than cash and cash equivalents		
On dividend account	328.19	359.88
Fixed deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months *	1,200.00	-
Total	**1,528.19**	**359.88**

* Held as a lien by bank against sanction limit

Particulars	As at 31 March, 2022	As at 31 March, 2021
Note 5(f): Other current financial assets		
Interest accrued on deposits	26.81	75.17
Loans and advances to employees	18.14	28.86
Total	**44.95**	**104.03**
Note 5(g): Contract assets		
Unbilled revenue	9,972.02	6,130.73
Total	**9,972.02**	**6,130.73**

Note 6: Deferred tax assets / (liabilities) (net)

Particulars	Depreciation/ Amortisation	Defined Benefit obligations	Allowances for doubtful debts	Transaction costs (stamp duty) on issue of shares	Others	Total
At 1 April, 2020	**(387.00)**	**212.73**	**85.75**	**-**	**245.68**	**157.16**
(Charged)/ Credited						
- to statement of profit and loss	74.42	45.40	(12.34)	-	11.66	119.14
- to other comprehensive income	-	(2.45)	-	-	-	(2.45)
At 1 April, 2021	**(312.58)**	**255.68**	**73.41**	**-**	**257.34**	**273.85**
(Charged)/ Credited						
- to statement of profit and loss	(28.57)	27.81	120.45	-	117.25	236.94
- to retained earnings Refer note 9(b)	-	-	-	120.93	-	120.93
- to other comprehensive income	-	33.84	-	-	-	33.84
As at 31 March, 2022	**(341.15)**	**317.33**	**193.86**	**120.93**	**374.59**	**665.56**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Note 7: Other Assets		
Unsecured , considered good unless otherwise stated		
Non-current		
Capital Advances	561.90	451.38
Security deposits	390.07	389.67
Balances with Government Authorities {includes amounts paid under protest ₹ 39.59 lacs (31 March, 2021 ₹ 39.59 lacs)	241.37	183.73
Prepaid expenses	35.99	5.11
Total	**1,229.33**	**1,029.89**
Current		
Prepaid expenses	330.87	228.14
Goods and Services tax input credit recoverable	4,390.76	3,650.90
Advances to income tax (Net of provision of ₹ 32,154.12 lacs as at 31 March, 2021)	-	316.55
Advances to creditors	1,183.29	386.05
Export incentives receivable (government grant)		
- Considered good	335.42	691.88
- Considered doubtful	9.77	63.04
	345.19	754.92
Less: Allowance for doubtful export incentives receivable	(9.77)	(63.04)
	335.42	691.88
Others	2.04	5.12
Total	**6,242.38**	**5,278.64**
Note 8: Inventories		
Raw materials {including goods in transit of ₹ 887.86 lacs (31 March, 2021 ₹ 799.42 lacs)}	20,390.59	7,984.09
Work-in-progress	4,032.38	2,504.90
Finished goods	12,706.27	7,046.27
Traded goods {including goods in transit of ₹ 7,674.46 lacs (31 March, 2021 ₹ 7,435.29 lacs)}	21,242.55	16,093.93
Stores and spares	2,399.05	1,630.27
	60,770.84	**35,259.46**

Particulars	Number of Shares	Amount
Note 9(a): Equity share capital		
Authorised		
308,000,000 equity shares (31 March, 2021 - 120,500,000) of Re. 1 each	3,080.00	1,205.00
Issued, subscribed and fully paid up share capital		
160,996,331 equity shares (31 March, 2021 - 120,139,200) of Re. 1 each	1,609.96	1,201.39

For Shares pending issuance of ₹ Nil (31 March, 2021 - 408.57 lacs) (refer note 40)

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Movement in equity share capital

Authorised

Particulars	Number of shares	Amount
Balance as at 1 April, 2020	120,500,000	1,205.00
Change during the year	-	-
Balance as at 31 March, 2021	**120,500,000**	**1,205.00**
Increase during the year (refer note 40)	187,500,000	1,875.00
Balance as at 31 March, 2022	**308,000,000**	**3,080.00**

Issued, subscribed and fully paid up share capital

Balance as at 1 April, 2020	120,139,200	1,201.39
Changes during the year	-	-
Balance as at 31 March, 2021	120,139,200	1,201.39
Balance as at 1 April, 2021	120,139,200	1,201.39
Add: Shares issued during the year as per the scheme of amalgamation of the Company with its erstwhile fellow subsidiaries (refer note 40)	40,857,131	408.57
Balance as at 31 March, 2022	**160,996,331**	**1,609.96**

Terms and rights attached to equity shares

Equity share has a par value of ₹ 1. They entitle the holder to participate in dividend, and to share in the proceeds of winding up of the Company in proportion to number of and amounts paid on shares held.

Every holder of equity shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled one vote.

(ii) Shares of the Company held by the intermediate holding company through its subsidiaries (Also refer note 40)

	Number of equity shares	
	As at 31 March, 2022	As at 31 March, 2021
Veitscher Vertriebsgesellschaft m.b.H., Austria (intermediate holding company)	-	-
Subsidiaries of intermediate holding company		
Dutch US Holding B.V., Netherlands	79,877,771	79,877,771
Dutch Brasil Holding B.V., Netherlands	20,620,887	-

(iii) Details of shareholders holding more than 5% shares in the company (Also refer note 40)

Dutch US Holding B.V., Netherlands	79,877,771	79,877,771
Dutch Brasil Holding B.V., Netherlands	20,620,887	-
VRD Americas B.V., Netherlands	12,503,807	-

	Percentage of shares held	
Dutch US Holding B.V., Netherlands	49.61%	66.49%
Dutch Brasil Holding B.V., Netherlands	12.81%	-
VRD Americas B.V., Netherlands	7.77%	-

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(iv) Aggregate number of shares issued for consideration other than cash

	Year ended 31 March, 2022	Year ended 31 March, 2021
Shares issued as per the scheme of amalgmation of the Company with its erstwhile two fellow subsidiaries (refer note 40)	40,857,131	-

(v) Details of shareholding of promoters

As at 31st March, 2022

Name of Promoter	Number of shares at beginning of year	Shares issued during the year (Refer note 40)	Number of shares at the end of year	Percentage of total number of shares at the end of year	Percentage change during the year
Dutch US Holding B.V., Netherlands	79,877,771	-	79,877,771	49.61%	-16.88%
Dutch Brasil Holding B.V., Netherlands	-	20,620,887	20,620,887	12.81%	12.81%
VRD Americas B.V., Netherlands	-	12,503,807	12,503,807	7.77%	7.77%
As at 31st March, 2021		**Change during the year**			
Dutch US Holding B.V., Netherlands	79,877,771	-	79,877,771	66.49%	-

Particulars	As at 31 March, 2022	As at 31 March, 2021
Note 9(b): Other equity		
Securities premium	6,493.97	6,493.97
General reserve	8,681.48	8,681.48
Capital reserve	1,465.71	1,465.71
Retained earnings	84,485.19	62,298.05
Total	**101,126.35**	**78,939.21**
(i) Securities Premium		
Opening balance	6,493.97	6,493.97
Received/(utilised) during the year	-	-
Closing balance	**6,493.97**	**6,493.97**
(ii) General Reserve		
Opening balance	8,681.48	8,681.48
Received/(utilised) during the year	-	-
Closing balance	**8,681.48**	**8,681.48**
(iii) Capital Reserve		
Opening balance (refer note 40)	1,465.71	1,465.71
Balance transferred from reserve during the year	-	-
Closing balance	**1,465.71**	**1,465.71**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(iv) Retained earnings		
Opening balance	62,298.05	52,116.49
Net profit for the year	26,792.32	13,595.46
Remeasurements of post employment benefit obligation, net of tax	(100.60)	7.26
Transaction costs (stamp duty) on issue of shares, net of tax (refer note 28)	(479.67)	-
Dividend paid	(4,024.91)	(3,421.16)
Closing balance	**84,485.19**	**62,298.05**

Note 10: Borrowings

Non Current		
Unsecured - Term Loans		
- External Commercial Borrowings	3,341.94	5,980.66
Total	**3,341.94**	**5,980.66**
Current - unsecured		
- Current maturities of External Commercial Borrowings (including accrued interest)	2,562.33	24.56
Total	**2,562.33**	**24.56**

Term loan 1: External commercial borrowing of EURO 3,000,000 was taken from the VRD Americas B.V. Netherland (fellow subsidiary) 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 EURO 3,000,000 on 31 December 2022.

Term loan 2: External commercial borrowing of EURO 3,950,000 was taken from the VRD Americas B.V. Netherland (fellow subsidiary) 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 EURO 3,950,000 on 31 December 2023.

Net debt reconciliation		
Cash and cash equivalents	5,564.44	15,040.45
Non-current borrowings	(3,341.94)	(5,980.66)
Current borrowings	(2,562.33)	(24.56)
Lease liabilities	(566.35)	(233.37)
Net debt	**(906.18)**	**8,801.86**

Note 11: Other non-current liabilities

Deposit from employees	147.16	99.04
Total	**147.16**	**99.04**

Note 12: Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note 38)	6,121.38	6,181.78
Total outstanding dues of creditors other than micro enterprises and small enterprises *	46,495.04	28,577.00
Total	**52,616.42**	**34,758.78**

* Includes foreign currency trade payables amounting to ₹ 8,314.54 lacs as at 31 March, 2022 (31 March, 2021: ₹ Nil) which are overdue for more than 180 days. The Company has approached the authorised dealer, under the Foreign Exchange Management (Import of Goods and Services) Regulations, 2015, to condone the delay and seeking permission of extension of time period for settlement of these balances. Pending resolution of this matter, no adjustments are considered necessary in these Standalone Financial Statements.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Aging of trade payables

As at 31 March, 2022

Particulars	Not Due*	Outstanding for following periods from the due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Micro enterprises and small enterprises	4,588.99	1,519.54	11.78	1.07	-	**6,121.38**
Others	17,586.93	28,133.38	633.97	111.17	29.59	**46,495.04**
Total	**22,175.92**	**29,652.92**	**645.75**	**112.24**	**29.59**	**52,616.42**
As at 31 March, 2021						
Undisputed trade payables						
Micro enterprises and small enterprises	4,710.33	1,470.38	0.99	0.08	-	**6,181.78**
Others	17,038.14	11,292.09	160.39	47.86	38.52	**28,577.00**
Total	**21,748.47**	**12,762.47**	**161.38**	**47.94**	**38.52**	**34,758.78**

* Includes Unbilled

Particulars	As at 31 March, 2022	As at 31 March, 2021
Note 13: Other current financial liabilities		
Unpaid dividend	328.19	359.88
Employee benefits payable	1,361.22	1,497.53
Payables on purchase of property, plant and equipment	125.43	436.24
Total	**1,814.84**	**2,293.65**
Note 14: Contract Liabilities		
Advances from customers	626.64	266.80
Total	**626.64**	**266.80**
Note 15: Provisions		
Provision for unspent corporate social responsibility expenditure as at year end {(refer note 27(b)}	291.08	135.40
Total	**291.08**	**135.40**

	Year ended 31 March, 2022	Year ended 31 March, 2021
Movement in provision is set out below:-		
Balance as at beginning of the year	135.40	-
Add: Expense recognised in statement of profit and loss during the year	391.52	420.21
Less: Amount spent during the year	235.84	284.81
Balance as at end of the year	291.08	135.40

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 16: Employee benefit obligations

Employee benefit obligations		**As at 31 March, 2022**	**As at 31 March, 2021**
		Current	
(i)	Leave obligations	927.92	727.99
(ii)	Gratuity	332.94	287.87
	Total	**1,260.86**	**1,015.86**

(i) Leave obligations

The leave obligation cover the Company's liability for earned leave and sick leave.

The entire amount of provision of ₹ 927.92 Lacs (31 March, 2021 - ₹ 727.99 Lacs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leaves or require payment for such leave within the next 12 months.

Leave obligation not expected to be settled within the next 12 months	**860.27**	**653.38**

Defined Contribution Plan:

The Company has certain defined contribution plans including provident fund. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards contribution to provident and other fund is:

	Year ended 31 March, 2022	**Year ended 31 March, 2021**
Contribution to provident and other funds:		
Contribution to Employee state insurance	6.31	5.88
Contribution to Provident fund	440.14	356.69
Contribution to National pension scheme	47.37	38.06
	493.82	**400.63**

(ii) Defined Benefit Plan - Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contribution to recognised funds in India. The Company does not fully fund the liability and maintains the target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. The gratuity fund plan assets of the Company are managed by RHI Magnesita India Employees Group Gratuity Trust and erstwhile RHI India Private Limited Group Gratuity Trust through Kotak Gratuity Group Plan and group gratuity plan with Life Insurance Corporation of India, respectively.

		Gratuity - Funded	
		As at 31 March, 2022	**As at 31 March, 2021**
A.	**Changes in Defined Benefit Obligation**		
	Defined benefit obligation as at the beginning of the year	1,725.73	1,521.01
	Current service cost	173.34	128.33
	Interest cost	86.50	103.35
	Benefit paid	(57.06)	(33.02)
	Actuarial loss on obligation	112.16	6.06
	Defined Benefit Obligation at end of year	**2,040.67**	**1,725.73**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

	Gratuity - Funded	
	As at 31 March, 2022	**As at 31 March, 2021**
Change in fair value of plan assets		
Fair value of plan assets at beginning of the year	1,437.86	1,233.66
Expected return on plan assets	79.15	83.46
Employer contribution	254.97	138.00
Benefit payments from plan assets	(41.97)	(33.03)
Actuarial (loss)/gain on plan assets	(22.28)	15.77
Fair value of plan assets at end of year	**1,707.73**	**1,437.86**
Net defined benefit (asset)/liability		
Present value of obligation at the end of the year	2,040.67	1,725.73
Fair value of plan assets at the end of the year	1,707.73	1,437.86
Unfunded liability/provision in Balance Sheet	**332.94**	**287.87**
Total expense recognised in the statement of profit and loss		
Current service cost	173.34	128.33
Interest cost	86.50	103.35
Interest income	(79.15)	(83.46)
Total Expense recognised under employee benefits expense (refer note 24)	**180.69**	**148.22**
Total expense recognised in OCI		
Actuarial loss on defined benefit obligation arising from change in demographic assumption	-	8.87
Actuarial (Gain) / Loss on defined benefit obligation arising from change in financial assumption	(93.81)	(24.87)
Actuarial loss on defined benefit obligation arising from experience adjustment	205.97	-
Actuarial loss of plan assets	22.28	6.29
Unrecognised actuarial loss/(gain) at the end of year	**134.44**	**(9.71)**

(B) Actuarial Assumptions:

		As at 31 March, 2022	**As at 31 March, 2021**
i)	Discounting Rate	7.22%	6.7 to 6.9%
ii)	Future Salary Increase	8%	8%
iii)	Retirement Age (Years)	60	60
iv)	Ages	**Withdrawal Rate %**	
	Up to 30 Years	3%	3 to 5%
	From 31 to 44 years	2%	2 to 3%
	Above 44 years	1%	1 to 5%

Assumptions regarding future mortality rate for gratuity is based on actuarial advice in accordance with published statistics and experience.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(C) Expected contribution for the next 12 months

		As at 31 March, 2022	As at 31 March, 2021
i)	Service cost	203.51	137.23
ii)	Net Interest cost	24.04	9.12
iii)	**Expected contribution for the next 12 months**	**227.55**	**146.35**

(D) The weighted average duration of the defined benefit obligation is 14.19 years (31 March 2021 — 10.85 to 13.69 years). The expected maturity analysis of undiscounted gratuity benefit is as follows:

Maturity profile of Defined Benefit Obligation Years :

i)	0 to 1 Year	145.27	91.11
ii)	1 to 2 Year	87.08	87.16
iii)	2 to 3 Year	148.91	96.34
iv)	3 to 4 Year	249.40	132.55
v)	4 to 5 Year	166.67	221.89
vi)	5 to 6 Year	193.31	152.35
vii)	6 Year onwards	2,770.89	2,126.13
	Total	**3,761.53**	**2,907.53**

(E) Sensitivity analysis on defined benefit obligation

Discount rate			
a.	Discount rate – 0.5% – the liability to increase by	90.93	197.99
b.	Discount rate + 0.5% – the liability to decrease by	(84.72)	(219.77)
Salary increase rate			
a.	Rate – 0.5% – the liability to decrease by	(81.47)	(213.01)
b.	Rate + 0.5% – the liability to increase by	85.56	198.73

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the repotting period) has been applied as when calculating the Defined benefit recognised in the balance sheet. The methods and types of assumptions used in preparation, the sensitivity analysis did not change compared to the prior period.

(F) Risk Exposures:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Salary Increases: Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment Risk: If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

(G) Defined benefit liability and employer contribution

The Company monitors the deficit in defined benefit obligation (net off plan assets) and endevours to meet such deficit within reasonable future. The objective is to ensure adequate investments of funds, at appropriate time, to generate sufficient corpus for future payments.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Note 17: Current tax liabilities		
Provision for income tax (Net of Advance to Income Tax of ₹ 36,314.64 lacs)	177.96	-
Total	**177.96**	**-**
Note 18: Other current liabilities		
Statutory dues (Contribution to Provident Fund and Employee State Insurance, Goods and Services Tax etc)	1,064.59	522.95
Deposits from employees	11.94	6.73
Total	**1,076.53**	**529.68**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Note 19: Revenue from operations (refer note 39)		
Revenue from contracts with customers		
– Sales of products		
(i) Finished goods	74,341.46	50,504.42
(ii) Traded goods	29,157.19	24,632.24
– Total Refractories Management Services	90,605.30	57,485.16
– Sale of services	4,048.94	3,122.48
	198,152.89	**135,744.30**
Other operating revenues (Government grant – export incentives)	917.64	897.01
Total	**199,070.53**	**136,641.31**
Note 20: Other income		
Interest income on financial assets on amortised cost:		
– on bank deposits	144.48	431.02
– on others	103.65	143.98
Net foreign exchange differences	–	325.65
Liabilities / provisions no longer required written back	–	66.00
Bad debts recovered	–	12.83
Scrap Sales	423.06	75.75
Miscellaneous income	267.55	148.33
Total	**938.74**	**1,203.56**
Note 21: Cost of raw materials and components consumed		
Opening stock	7,984.09	6,386.31
Add: Purchases	83,869.30	50,897.84
	91,853.39	57,284.15
Less: Closing stock	20,390.59	7,984.09
Total	**71,462.80**	**49,300.06**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Note 22: Purchases of stock-in-trade (traded goods)		
Purchases of stock-in-trade (traded goods)	59,983.74	42,410.52
Total	**59,983.74**	**42,410.52**
Note 23: Change in inventories of finished goods, work in-progress and traded goods		
Inventories at the end of the year		
Work in progress	4,032.38	2,504.90
Finished goods	12,706.27	7,046.27
Traded goods	21,242.55	16,093.93
	37,981.20	**25,645.10**
Inventories at the beginning of the year		
Work in progress	2,504.90	2,161.01
Finished goods	7,046.27	5,460.76
Traded goods	16,093.93	11,999.32
	25,645.10	**19,621.09**
Less: Own production consumed for construction of Kiln capitalised	(21.05)	(355.79)
Total	**(12,357.15)**	**(6,379.80)**
Note 24: Employee benefits expense		
Salaries, wages and bonus	10,946.93	9,442.95
Contribution to provident fund & others (refer note 16)	493.82	400.63
Gratuity (refer note 16)	180.69	148.22
Leave obligation	219.47	179.24
Staff welfare expenses	459.88	336.83
Total	**12,300.79**	**10,507.87**
Note 25: Finance cost		
Interest expense:		
- on external commercial borrowings	102.78	112.24
- on bank overdraft	14.66	0.28
- on bills discounting	166.50	240.91
- Net exchange differenes on foreign currency borrowings	(100.95)	219.30
Interest expenses on lease liabilities	33.38	12.27
Others	1.52	63.31
Total	**217.89**	**648.31**
Note 26: Depreciation and amortisation expense		
Depreciation on property, plant and equipment	3,146.26	2,832.40
Depreciation charge of right-of-use assets	109.90	85.49
Amortisation of intangible assets	107.32	43.44
Total	**3,363.48**	**2,961.33**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Note 27: Other expenses		
Consumption of stores and spare parts	2,979.42	2,082.32
Consumption of packing materials	2,785.70	1,684.86
Power and fuel	5,055.19	3,809.33
Processing charges	5,634.82	4,622.26
Rent {Refer Note 3(b) & 34(b)}	252.22	114.52
Repairs and maintenance		
- Plant and machinery	511.05	463.06
- Buildings	33.60	32.18
- Others	155.52	53.97
Insurance	332.84	248.29
Rates and taxes	873.89	24.21
Communication costs	136.08	106.09
Travelling and conveyance	499.39	252.89
Printing and stationery	25.69	35.92
Freight and forwarding	4,917.70	3,888.65
Commission on sales (Other than sole selling agents)	-	100.62
Advertising and other expenses	29.21	6.08
Donation	0.48	0.83
Expenditure on corporate social responsibility {refer Note 27(b)}	391.52	420.21
Legal and professional fees {refer Note 27(a)}	1,691.13	1,488.32
Royalty	817.83	129.50
Directors sitting fees	20.25	11.75
Bad debts written off	141.89	116.64
Allowance for doubtful debts - trade receivables	478.58	(269.38)
Allowance/(writeback) for doubtful export incentives receivable (Net)	(53.27)	44.00
Net foreign exchange differences	497.48	-
Loss on property, plant and equipment sold / scrapped (Net)	38.11	0.24
Bank charges	108.23	54.69
Impairment loss on capital work-in-progress	81.75	-
Information & technology expenses	886.17	350.25
Miscellaneous expenses	105.38	153.27
Total	**29,427.85**	**20,025.57**
Note 27 (a): Legal & professional include Payment to Auditors as under : -		
Payment to auditor (excluding GST) comprise		
a) To statutory auditor		
- for audit	110.47	95.58
- for limited review	25.18	14.86
- reimbursement of expenses	6.44	3.93
b) To cost auditor for cost audit	0.75	1.15
	142.84	**115.52**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars		Year ended 31 March, 2022	Year ended 31 March, 2021
Note 27 (b): Expenditure on Corporate Social Responsibility (CSR)			
a)	Gross amount required to be spent by the Company during the year	391.52	420.21
b)	Cumulative provision for unspent expenditure at the beginning of the year (refer note 15)	135.40	-
c)	Amount spent during the year on:		
	i) Construction/ acquisition of any asset	-	-
	ii) On purposes other than (i) above (includes ₹ 32 lacs relating to previous year)	235.84	284.81
d)	Provision for unspent expenditure for the year	187.68	135.40
e)	Cumulative provision for unspent expenditure as at year end (refer note 15)	291.08	135.40

Reason for shortfall in the current year

There was delay in spending the required CSR expenditure due to Covid-19 pandemic impact in the initial period of the financial year because of which several officials of the Company were infected and it was difficult for the Company to keep its operations running and the management was focused on ensuring smooth functioning of the business.

Per sub-section (5) of Section 135 of the Act, the Company was required to transfer unspent Corporate Social Responsibility expenditure as at 31 March, 2021 in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act within the six months of the expiry of the financial year end. However, transfer of certain amount was made beyond a period of six months of the expiry of the financial year end. The Company has filed a compounding application with respect to above mentioned non compliance with the Ministry of Corporate Affairs on 20 May, 2022 and the management is of the view that the impact of potential compounding is not expected to be material to the Company. Details are as given below:

Per sub-section (5) of Section 135 of the Act, the Company is required to transfer unspent Corporate Social Responsibility expenditure for the year ended 31 March, 2022 in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act, the time period of such transfer, i.e., six months of the expiry of the financial year end as permitted under the second proviso to sub-section (5) of Section 135 of the Act has not elapsed until the date of approval of these Standalone Financial Statements. Details are as given below.

Financial year	Amount to be spent in accordance with section 135(5)	Amount remaining unspent as at the year-end to be transferred to fund under Schedule VII	Amount transferred to Fund under Schedule VII, within 6 months from end of financial year (or till the approval of these Standalone Financial Statements, if that is earlier)	Amount transferred to Fund under Schedule VII, after 6 months from end of financial year (till the approval of these Standalone Financial Statements)	Amount not transferred to Fund under Schedule VII, till the approval of these Standalone Financial Statements but the period of six months from the end of the financial year has not lapsed
(a)	(b)	(c)	(d)	(e)	(f)
2020-21	420.21	135.40	32.00	103.40	-
2021-22	391.52	187.68	-	-	187.68

Note 28: Income tax expense

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Income Tax Expense		
Current tax		
Current tax on profits for the year	9,344.84	4,866.21
Adjustments for current tax of prior periods	(290.35)	28.48
Total current tax expense	**9,054.49**	**4,894.69**
Deferred tax		
Deferred tax expense/(benefit)	(236.94)	(119.14)
Total deferred tax expense	**(236.94)**	**(119.14)**
Total Income Tax Expense	**8,817.55**	**4,775.55**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Reconciliation of tax expense and accounting profit multiplied by tax rate		
Profit before income tax expense	35,609.87	18,371.01
Tax at the rate of 25.168% (Previous year : 25.168%)	8,962.29	4,623.62
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Adjustments for current tax of prior periods	(290.35)	28.48
- Corporate social responsibility expenditure	98.54	105.76
- Others	47.07	17.69
Income Tax Expense	**8,817.55**	**4,775.55**

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited / (credited) to equity:		
Deferred Tax ((refer note 9(b))	120.93	-

Note 29: Fair value measurement

Financial Instruments by category

	As at 31 March, 2022		As at 31 March, 2021	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Non-current				
Investments	-	1,012.97	-	1,012.97
Security deposits		138.83	-	129.75
Other financial assets	-	26.40	-	24.81
Current				
Trade receivables	-	48,813.99	-	32,737.60
Cash and cash equivalents	-	5,564.44	-	15,040.45
Bank balances other than above	-	1,528.19	-	359.88
Other financial assets	-	44.95	-	104.03
Total Financial Assets	**-**	**57,129.77**	**-**	**49,409.49**
Financial liabilities				
Non Current				
Borrowings	-	3,341.94	-	5,980.66
Current				
Borrowings	-	2,562.33	-	24.56
Trade payables	-	52,616.42	-	34,758.78
Other financial liabilities	-	1,814.84	-	2,293.65
Total Financial Liabilities	**-**	**60,335.53**	**-**	**43,057.65**

The carrying amounts of trade receivables, trade payables, current borrowings, other current financial assets & liabilities, bank balances and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair value of non-current financial assets and financial liabilities carried at amortized cost is substantially same as their carrying amount.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 30: Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk.

The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policies accordingly. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and bank balances, Trade Receivables, Other Financial Assets	Ageing analysis Credit ratings	Diversification of bank deposits and periodic monitoring of realisable value of assets. Business with customers with reliable credit rating in the market.
Liquidity risk	Trade payables and Other Financial liabilities	Cash flow forecasts	Availability of adequate cash and liquid assets.
Market risk — foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting's Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level, with an option of taking forward foreign exchange contracts if deemed necessary. Natural hedging by maintaining balances between receivables and payables within same currency.
Market risk — Interest rate	Borrowings with floating rate of interest	Cash flow forecasting's Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level.

A. Credit Risk

Credit risk on cash and cash equivalent and bank balances is not significant as it majorly includes deposits with bank and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Other financial assets primary includes security deposits given to lessee's. These deposits are given in the normal course of the business operations.

Credit risk arise from possibility that customer may default on its obligation to make timely payments, resulting into financial loss. The maximum exposure to the credit risk is primarily from trade receivable and unbilled revenue.

The credit risk is managed by the Company through credit term approvals, establishing the financial reliability of the customers taking into account the financial condition, analysis of historical bad debts and ageing of account receivables. Outstanding customer receivables are regularly monitored. Individual credit terms are set accordingly by the Company's credit control department.

To address the risk of any potential non recovery from trade receivables, the Company has the practise of reviewing debtors having balances outstanding for more than 180 days as at period end and consider them for provision for bad and doubtful debts. Besides this, wherever there is specific evidence about the deteriorating financial position, downfall in business, intention to not pay or other similar factors of the customer, the management reviews the underlying facts and merits of such cases to evaluate the need to adjust provision, as computed based on ageing analysis. This provision, based on collective analysis, is sufficient to cover the entire lifetime loss of revenues recognised including those that are currently less than 180 days outstanding and not provided for.

Ageing of trade receivables:

Category	As at 31 March, 2022	As at 31 March, 2021
Not due	34,145.92	24,165.38
0-30 days	9,706.27	4,275.28
31-60 days	2,165.86	2,622.79
61-90 days	1,213.29	844.05
91-180 days	1,388.96	477.67
181-240 days	132.74	158.26
More than 240 days	831.17	485.81
Total	**49,584.21**	**33,029.24**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Allowance for doubtful debts-trade receivables

Particulars	Amount (in ₹ Lacs)
Allowance as on 1 April, 2020	**561.02**
Changes in loss allowance (refer note 27)	(269.38)
Allowance as on 31 March, 2021	**291.64**
Changes in loss allowance (refer note 27)	478.58
Allowance as on 31 March, 2022	**770.22**

B. Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time. The Company's primary sources of liquidity are cash generated from operations. The cash flows from operating activities are driven primarily by operating results and changes in the working capital requirements.

The Company believes that its liquidity position is adequate to fund the operating and investing needs and to provide with flexibility to respond to further changes in the business environment.

Contractual Maturities of financial liabilities:

The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
31 March, 2022					
Borrowings	2,562.33	3,341.94	-	-	**5,904.27**
Trade Payables	52,616.42	-	-	-	**52,616.42**
Lease Liabilities	158.92	131.86	109.15	334.15	**734.08**
Unpaid dividend	328.19	-	-	-	**328.19**
Employee Benefits payable	1,361.22	-	-	-	**1,361.22**
Payables on purchase of property, plant and equipment	125.43	-	-	-	**125.43**
Other financial liabilities	-	-	-	-	**-**
31 March, 2021					
Borrowings	24.56	2,581.58	3,399.08	-	**6,005.22**
Trade Payables	34,758.78	-	-	-	**34,758.78**
Lease Liabilities	65.11	65.11	34.44	148.45	**313.11**
Unpaid dividend	359.88	-	-	-	**359.88**
Employee Benefits payable	1,497.53	-	-	-	**1,497.53**
Payables on purchase of property, plant and equipment	436.24	-	-	-	**436.24**
Other financial liabilities	-	-	-	-	**-**

C. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises two types of risk: foreign currency risk and interest rate risk. Financial instruments affected by market risks include borrowings, foreign currency receivables and payables.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Foreign currency risk: The Company operates internationally and is exposed to foreign exchange risk in relation to operating activities (when revenue or expense is denominated in a foreign currency) arising from foreign currency transactions, primarily with respect to the USD and EUR. The Company manages the exposure through natural hedging, by maintaining appropriate balances of receivables and payables within same currency. The Company also has policies to enter into foreign currency financial contracts in order to manage the impact of changes in foreign exchange rates on the results of operations and future foreign currency denominated cash flows. Forward exchange contracts are not intended for trading or speculative purposes but only for hedge purposes.

The Company does not have material foreign currency exposure.

Foreign currency risk exposure

Particulars of unhedged foreign currency exposure in ₹ (In Lacs)

Purpose	As at 31 March 2022				As at 31 March 2021			
	USD	EURO	GBP	CHF	USD	EURO	GBP	CHF
Borrowings	-	5,904.27	-	-	-	6,005.22	-	-
Trade Payables	13,322.32	919.98	2.87	885.76	8,833.75	290.07	30.97	14.31
Payables on purchase of property, plant and equipment	-	38.10	-	-	51.69	37.77	-	-
Net exposure to foreign currency risk (Liabilities)	**13,322.32**	**6,862.35**	**2.87**	**885.76**	**8,885.44**	**6,333.06**	**30.97**	**14.31**
Trade Receivables	5,297.47	820.93	-	-	2,816.63	957.67	-	-
Balance with EEFC Account	-	-	-	-	-	121.61	-	-
Net exposure to foreign currency risk (Assets)	**5,297.47**	**820.93**	**-**	**-**	**2,816.63**	**1,079.28**	**-**	**-**

Sensitivity to risk:

Particulars	**Impact on Profit (Net of tax) (Increase)/Decrease**	
	Year ended 31 March, 2022	**Year ended 31 March, 2021**
USD sensitivity		
INR/USD - Increase by 5%	(300.26)	(227.07)
INR/USD - Decrease by 5%	300.26	227.07
Euro sensitivity		
INR/EURO - Increase by 5%	(226.05)	(196.58)
INR/EURO - Decrease by 5%	226.05	196.58
GBP sensitivity		
INR/GBP - Increase by 5%	(0.11)	(1.16)
INR/GBP - Decrease by 5%	0.11	1.16
CHF sensitivity		
INR/CHF - Increase by 5%	(33.14)	(0.54)
INR/CHF - Decrease by 5%	33.14	0.54

Interest rate risk

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

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Interest Rate Exposure

Particulars	**Impact on Profit (Net of tax) (Increase)/Decrease**	
	Year ended 31 March, 2022	**Year ended 31 March, 2021**
External Commercial Borrowings		
Interest expense	102.78	112.24
Interest rate at the end of the year	2.00%	2.00%
Interest rate Increase by 1%	38.46	42.00
Interest rate Decreases by 1%	(38.46)	(42.00)
Bank Overdraft		
Interest expenses	14.66	0.28
Interest rate at the end of the year	9.15%	9.15%
Interest rate Increase by 1%	1.20	0.02
Interest rate Decreases by 1%	(1.20)	(0.02)

Note 31 : Capital management

A. Risk Management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that it can continue to provide adequate returns to the shareholders.

The Company's manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards business needs, opitimisation of working capital requirements and deployment of surplus funds into fixed deposits.

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the Board considers the status of debts, cost of capital and movement in the working capital.

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Debt	5,904.27	6,005.22
Share capital	1,609.96	1,201.39
Shares pending issuance	-	408.57
Equity reserves	101,126.35	78,939.21
Total Equity	**102,736.31**	**80,549.17**
Gearing ratio	**5.75%**	**7.46%**

B. Dividend

Particulars	**Year ended 31 March, 2022**	**Year ended 31 March, 2021**
(i) Equity shares		
Final Dividend for the year 31 March, 2021 of ₹ 2.50 (31 March, 2020 - ₹ 2.50) per fully paid share	4,024.91	3,003.48
Final dividend for the year 31 March, 2021 of ₹ Nil (31 March, 2020 - ₹ 2.27) to the shareholders of erstwhile fellow subsidiary i.e., RHI Clasil Private Limited	NA	417.68
(ii) Dividend not recognised at the end of the reporting period		
In addition to the above dividends, the directors have recommended the payment of a final dividend of ₹ 2.50 per fully paid equity share (31 March, 2021 of ₹ 2.50), in its meeting held on 27 May, 2022 (31 March, 2021: 25 June, 2021). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	4,024.91	4,024.91

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 32: Segment information

The Company is primarily engaged in the business of manufacturing refractories and monolithics. Based on the information reported to the chief operating decision maker (CODM) for the purpose of resources' allocation and assessment of performance, there is single business segment in accordance with the requirements of Indian Accounting Standard (Ind AS 108 on 'Operating Segment Reporting' notified under the Companies (Indian Accounting Standard) Rules, 2015.

Geographical Segments:

The analysis of geographical segment is based on the geographical location of the customers. 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. For customers located outside India, the Company has assessed that they carry same risk and rewards. The Company has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.

- Sales outside India include sales to customers located outside India

Secondary Segment Reporting (by Geographical Segments)

The following is the distribution of the Company's total revenue of operations by geographical market, regardless of where the goods were produced:

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Within India	167,235.03	112,221.71
Outside India	30,917.86	23,522.59
Total	**198,152.89**	**135,744.30**

The following table shows the carrying amount of trade receivables by geographical segments

Particulars	As at 31 March, 2022	As at 31 March, 2021
Within India	42,745.88	28,963.30
Outside India	6,068.11	3,774.30
Total	**48,813.99**	**32,737.60**

All other assets (other than trade receivables) used in the Company's business are located in India and are used to cater to both the categories of customers (within India and outside India). Accordingly the total cost incurred during the year to acquire property, plant and equipment and intangible assets has not been disclosed.

Note 33: Contingent Liabilities

Claims against the Company not acknowledged as debts

Demand from income tax	1,150.26	993.91
Demand from excise and service tax authorities	329.56	316.12
Demand from customs authorities	291.88	291.88
Demand from central sales tax	16.53	16.53
Total	**1,788.23**	**1,618.44**

Notes :

(i) No provision is considered necessary since the Company expects favourable decisions.

(ii) Paid under protest of ₹ 39.59 Lacs (31 March, 2021, ₹ 39.59 Lacs)

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

These represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

Note 34 (a): Capital and other commitments:

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

Particulars	As at 31 March, 2022	As at 31 March, 2021
Property, plant and equipment	2,211.90	1,570.53

(ii) The Company has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services and employee benefits, in normal course of business.

(iii) The Company has long term commitments/contracts for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at 31 March, 2022.

Note 34 (b): Operating Leases

The Company's cancellable operating lease arrangements mainly consists of offices, guest house and warehouse for period of less than 11 months. Terms of lease include terms for renewal, increase in rent in future periods and terms of cancellation (refer note 27).

Note 35: Earnings per share

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
(a) Basic earnings per share (₹)	16.64	8.44
(b) Diluted earnings per share (₹)	16.64	8.44
Profits used for calculating earnings per share		
Profit attributable to the equity holders of the Company used in calculating Basic Earnings per share	26,792.32	13,595.46
Profit attributable to the equity holders of the Company used in calculating Diluted Earnings per share	26,792.32	13,595.46
Weighted average number of shares used as denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share*	1,609.96	1,609.96
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share*	1,609.96	1,609.96

*Includes 408.57 lacs shares for the year ended 31 March, 2021, which were pending for issuance as per the Scheme which was being considered effective from 01 April, 2019 as per Ind AS - 103, Business Combination (refer note 40).

Note: There are no diluted instruments.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 36: Related Party Transactions

(a) List of Related Parties

(i) Parent entities

The Company is controlled by the following :

Name	Type	Place of Incorporation	Ownership Interest (in %)	
			As at 31 March, 2022	As at 31 March, 2021
RHI Magnesita N.V., Austria	Ultimate holding company	Austria	-	-
Veitscher Vertriebsgesellschaft m.b.H., Austria	Intermediate Holding Company	Austria	-	-
Dutch US Holding B.V., Netherlands	Subsidiary of intermediate holding company	Netherlands	49.61%	66.49%
Dutch Brasil Holding B.V., Netherlands	Subsidiary of intermediate holding company	Netherlands	12.81%	-

(ii) Key managerial personnel (KMP)

Mr. Parmod Sagar, Managing Director & CEO

Mr. Sanjeev Bhardwaj, Chief Financial Officer

Mr. RVS Rudraraju, Chief Operating Officer (w.e.f. 25 June, 2021)

(iii) Fellow subsidiaries with whom the Company had transactions

Dutch US Holding B.V., Netherlands

Dutch Brasil Holding B.V., Netherlands

Refractory Intellectual Property GmbH & Co KG

Magnesita Mineracao S.A.

RHI Refractories Asia Pacific Pte Ltd

RHI Magnesita GmbH

RHI Urmitz AG & Co KG

Magnesita Refractories Private Limited

Magnesita Envoy Asia Limited

RHI Trading (Dalian) Co. Ltd

VRD Americas B.V. Netherlands

RHI Refractories UK Ltd.

RHI-Refmex S.A. DE C.V.

RHI Refractories Liaoning Co. Ltd.- China

Magnesita Refractories Middle East FZE

RHI Magnesita Deutschland AG

RHI Magnesita Interstop AG

RHI Magnesita Trading B.V.

(iv) Subsidiary

Intermetal Engineers (India) Private Limited

(v) Relative of KMP

Mr. Christophar Parvesh

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(b) Related Party Transactions

Particulars	Relationship	Year ended 31 March, 2022	Year ended 31 March, 2021
Dividend paid			
Dutch US Holding B.V., Netherlands	Fellow Subsidiary	1,996.94	1,996.94
Dutch Brasil Holding B.V., Netherlands	Fellow Subsidiary	515.52	-
VRD Americas B.V. Netherlands	Fellow Subsidiary	312.60	224.37
Sales:			
RHI Magnesita GmbH	Fellow Subsidiary	26,207.17	19,111.96
RHI Urmitz AG & Co KG	Fellow Subsidiary	1,688.18	421.96
RHI Refractories Asia Pacific Pte Ltd	Fellow Subsidiary	-	31.04
RHI Refractories UK Ltd.	Fellow Subsidiary	-	0.43
RHI-Refmex S.A. DE C.V.	Fellow Subsidiary	-	3.44
Intermetal Engineers (India) Private Limited	Subsidiary	-	1.81
RHI Magnesita Deutschland AG	Fellow Subsidiary	-	425.97
Purchases			
RHI Magnesita Interstop AG	Fellow Subsidiary	406.25	582.31
Magnesita Mineracao S.A.	Fellow Subsidiary	-	39.80
Magnesita Refractories Middle East FZE	Fellow Subsidiary	15.20	-
Intermetal Engineers (India) Private Limited	Subsidiary	12.24	4.63
RHI Magnesita GmbH	Fellow Subsidiary	38,074.51	26,031.11
Magnesita Envoy Asia Limited	Fellow Subsidiary	-	152.03
Purchase of spares			
RHI Magnesita GmbH	Fellow Subsidiary	177.64	162.32
Intermetal Engineers (India) Private Limited	Subsidiary	0.39	-
RHI Magnesita Interstop AG	Fellow Subsidiary	452.25	153.58
Purchase of assets			
RHI Magnesita GmbH	Fellow Subsidiary	287.93	1,335.05
RHI Magnesita Interstop AG	Fellow Subsidiary	377.18	66.41
Service income			
RHI Magnesita GmbH	Fellow Subsidiary	484.65	1,020.06
RHI Magnesita Trading B.V.	Fellow Subsidiary	1,463.74	415.96
Managerial remuneration*			
Mr. Parmod Sagar	KMP	338.17	351.85
Mr. Sanjeev Bhardwaj	KMP	117.20	119.00
Mr. RVS Rudraraju	KMP	131.71	-

*The amount of managerial remuneration does not include the amount attributed towards Equity-settled share options (LTIP) issued by RHI Magnesita N.V. for which no cost is charged from the Company. Also refer note 37.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Relationship	Year ended 31 March, 2022	Year ended 31 March, 2021
Salary			
Mr. Christophar Parvesh	Relative of KMP	10.33	9.63
Royalty			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	817.83	129.50
Information Technology Expenses*			
RHI Magnesita GmbH	Fellow Subsidiary	742.53	350.25
*Includes reimbursement of expense			
Expenses reimbursement {Received/(Paid)}			
RHI Magnesita GmbH	Fellow Subsidiary	175.57	265.15
RHI Refractories Asia Pacific Pte Ltd	Fellow Subsidiary	–	8.96
Magnesita Refractories Private Limited	Fellow Subsidiary	0.84	0.84
Interest Expenses			
VRD Americas B.V. Netherlands	Fellow Subsidiary	102.78	112.24

(c) Outstanding balances arising from sales/purchase of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related party:

Particulars	Relationship	As at 31 March, 2022	As at 31 March, 2021
Trade Payables:			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	688.98	65.23
RHI Refractories Asia Pacific Pte Ltd	Fellow Subsidiary	–	2.92
RHI Magnesita Interstop AG	Fellow Subsidiary	885.77	41.03
RHI Magnesita GmbH	Fellow Subsidiary	24,853.41	12,590.11
Magnesita Refractories Middle East FZE	Fellow Subsidiary	15.48	
RHI Refractories Liaoning Co. Ltd.- China	Fellow Subsidiary	–	2.28
RHI Trading (Dalian) Co. Limited	Fellow Subsidiary	–	0.17
Total Trade Payables to related parties		**26,443.64**	**12,701.74**
Trade Receivables:			
RHI Urmitz AG & Co KG	Fellow Subsidiary	303.80	57.22
RHI Magnesita GmbH	Fellow Subsidiary	4,934.60	2,784.16
RHI Magnesita Trading B.V	Fellow Subsidiary	31.46	178.08
Magnesita Refractories Private Limited	Fellow Subsidiary	0.17	0.43
Total Trade receivables from related parties		**5,270.03**	**3,019.89**
External Commercial Borrowings			
VRD Americas B.V, Netherlands	Fellow Subsidiary	5,904.27	6,005.22
		5,904.27	**6,005.22**
Investment:			
Intermetal Engineers (India) Private Limited	Subsidiary	1,012.52	1,012.52
		1,012.52	**1,012.52**
Other transactions			
Guarantee given to Bank by RHI Magnesita GmbH	Fellow Subsidiary	4,230.30	8,879.00
		4,230.30	**8,879.00**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 37: Equity-settled share option plan (LTIP)

RHI Magnesita N.V (Ultimate Holding Company) has implemented a share option plan for the members of senior management including of the Company. Each share option converts into one ordinary share of RHI Magnesita N.V on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry rights to dividends but no voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The number of options granted is calculated in accordance with the performance-based formula approved by the shareholders of the Ultimate Holding Company. The vesting period for each share option plan is three years. If the options remain unexercised after a period of seven years from the vesting date the, options expire. Options are forfeited if the employee leaves the Company before the options vest. The allocation of share option plan has been made by the Ultimate Holding Company pursuant to the following plans:

Plans details	Grant date	Vesting Date (Vesting period)	Exercise price	Number of share options	
				As at 31 March, 2022	As at 31 March, 2021
Equity-settled share option plan 2019	19-Aug-2019	19-Aug-2022 (3 years)	Nil	1,752	1,110
Equity-settled share option plan 2020	8-Apr-2020	8-Apr-2023 (3 years)	Nil	5,611	2,774
Equity-settled share option plan 2021	15-Mar-2021	15-Mar-2024 (3 years)	Nil	1,255	53
Equity-settled share option plan 2022	8-Mar-2022	8-Mar-2025 (3 years)	Nil	131	-
			Total	**8,749**	**3,937**

i) Summary of share options outstanding under the plan:

Particular	Number of share options	
	As at 31 March, 2022	As at 31 March, 2021
Opening balance	3,937	423
Granted during the year	4,812	3,514
Exercised during the year	-	-
Forfeited during the year	-	-
Closing Balance	**8,749**	**3,937**

ii) Fair value of share options granted by the Company under each scheme

Grant Date	Fair Value (Euro)
19-Aug-2019	46.25
8-Apr-2020	22.70
15-Mar-2021	48.28
8-Mar-2022	25.86

(b) Expense arising from employee share option plan

The fair value of the LTIP granted that has not been recognised as expense in the Statement of Profit and Loss as the impact is not considered material, is as follows:

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Equity-settled share option plan expenses	109.37	74.23
Total expense	**109.37**	**74.23**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 38: Due to micro and small enterprises

Particulars	As at 31 March, 2022	As at 31 March, 2021
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end *	6,121.38	6,181.78
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	71.69	29.25
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	7,702.78	937.91
(iv) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	42.44	4.87
(vii) Interest accrued and remaining unpaid at the end of the accounting year	71.69	29.25
(viii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

* Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are based on information made available to the Company.

Note 39: Revenue from Contracts with Customers

Revenue from contracts with customers (refer Note 19)	Year ended 31 March, 2022	Year ended 31 March, 2021
The Company has recognised the following amounts relating to revenue in the statement of profit and loss:		
Sale of products		
(i) Finished goods	74,341.46	50,504.42
(ii) Traded goods	29,157.19	24,632.24
Total Refractories Management Services	90,605.30	57,485.16
Sale of services	4,048.94	3,122.48
Revenue from contracts with customers	**198,152.89**	**135,744.30**
Other operating revenues (Government grant - export incentives)	917.64	897.01
Total Revenue from Operations	**199,070.53**	**136,641.31**

Disaggregation of Revenue

In the following tables, revenue is disaggregated by product group and by geography. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108 (refer note 32). The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Disaggregation of Revenue by Geography

	Year ended 31 March, 2022	Year ended 31 March, 2021
Within India	167,235.03	112,221.71
Outside India	30,917.86	23,522.59
Total Revenue	**198,152.89**	**135,744.30**

Timing of Revenue Recognition

Revenue from the delivery of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual terms agreed in the customer contract. Revenue from contracts for total refractory management services, revenue is recognized over time using the output-oriented method (e.g. quantity of steel produced by the customer). Revenue from providing services is recognized in the accounting period in which the services are rendered.

Performance obligations

Revenue from the sale of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual terms agreed in the customer contract. Control is defined as the ability to direct the use and obtain substantially all the economic benefits from an asset. For the terms CIF (Cost, Insurance and Freight), transport service gives rise to a separate performance obligation to which a part of revenue has to be allocated, as this service is performed after the control of the product is transferred to the customer.

For Refractory Management services where the transaction price depends on the customer's production tonnage the management has determined that both supply of goods and services are not distinct as the customer expects total refractory management services from the Company, which includes supply of refractory material and its related services to produce steel. Thus, only one single performance obligation, the performance of refractory management services, exists. With regard to these contracts, revenue is recognised over time using the output-oriented method (e.g. quantity of steel produced by the customer).

Revenue from services is recognised over time, using an input method to measure progress towards completion of service, because the customer simultaneously receives and consumes the benefits provided by the Company.

Transaction price allocated to the remaining performance obligations

Transaction price is the expected consideration to be received in exchange for transferring goods or services, to the extent that it is highly probable that there will not be a significant reversal of revenue. For Refractory Management Contracts, transaction price depends on the customer's production performance.

The Company has applied practical expedient in Ind AS 115. Accordingly it has not disclosed information about remaining performance obligations wherein the Company has a right to consideration from customer in an amount that directly corresponds with the value to the customer of entity's performance till date using the output method and for the other contracts which have original expected durations of one year or less.

Reconciliation of revenue recognised with contract price

Contract price	198,067.06	134,332.96
Adjustments for:		
Claims & Rebates	(255.56)	(453.78)
Performance Bonus	341.39	1,865.12
Revenue from contracts with customers	**198,152.89**	**135,744.30**

Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as Contract Asset.

A receivable is a right to consideration that is unconditional upon passage of time.

Contract assets consist of unbilled revenue which arises when the Company satisfies the performance obligation in the Refractory Management Services contracts but does not have an unconditional right to consideration as it is dependent on the certification of the report on the quantity of steel produced. Contract asset usually gets converts to Trade Receivables within a time period of 30 days.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Contract liabilities consists of advances from customers. Contract liabilities are presented in note 14.

Trade receivables are presented net off impairment loss in note 5(c).

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Revenue from contract with customers	266.80	752.88
Total	**266.80**	**752.88**
Movement in Contract Assets		
Opening balance at the beginning of the year	6,130.73	3,127.89
Add: Revenue recognized during the year	198,152.89	135,744.30
Less: Invoiced during the year	(194,311.60)	(132,741.46)
Closing balance at the end of the year	**9,972.02**	**6,130.73**
Movement in Contract Liabilities		
Opening balance at the beginning of the year	266.80	752.88
Add: Collection during the year	11,994.13	8,685.97
Less: Gross Sales	(11,634.29)	(9,172.05)
Closing balance at the end of the year	**626.64**	**266.80**

Significant judgements in the application of the Standard

For Refractory Management Contracts where the transaction price depends on the customer's production performance, the management has determined that both supply of goods and services are not distinct as the customer expects total refractory management services from the Component, which includes supply of refractory material and its related services to produce steel. The customer expects complete refractory management for the agreed product areas in the steel plant in order to enable steel production. Thus, only one single performance obligation, performance of refractory management service, exists.

Note 40: Merger

On 31 July, 2018 the Board of Directors of the Company and its fellow subsidiaries i.e. RHI India Private Limited ('RHI India') and RHI Clasil Private Limited ('RHI Clasil') (hereinafter referred as 'erstwhile fellow subsidiaries'), had granted its in-principle approval to the scheme of amalgamation of RHI India and RHI Clasil with and into the Company with the proposed appointed date of 01 January, 2019 or such other date as may be fixed by the Tribunal ('the Scheme'). The National Company Law Tribunal, Mumbai ('NCLT') vide its order dated 05 May, 2021 approved and sanctioned the Scheme with an appointed date of 31 July, 2018 in view of the order passed by the National Company Law Appellate Tribunal ('NCLAT').

During the year ended 31 March, 2021, the Company accounted for the Scheme in accordance with clause 3.7 of the Scheme which requires the accounting treatment to be carried out as prescribed under applicable accounting standards that is, from the beginning of the preceding year i.e. 01 April, 2019 onwards and in accordance with Ind AS 103, Business Combination. Total consideration payable being ₹ 408.57 lacs was disclosed as Shares Pending Issuance under Equity. The reserves in the financial statements of the erstwhile fellow subsidiaries were disclosed in the same form in the Standalone Financial Statements of the Company. The difference between the consideration disclosed as Shares Pending Issuance and the Share Capital of the erstwhile fellow subsidiaries on 01 April, 2019 was ₹ 1,465.71 lacs, was disclosed as Capital Reserve in the Standalone Financial Statements.

The issuance and allotment of the equity shares to the shareholders of its erstwhile fellow subsidiaries pursuant to the Scheme was completed on 25 June, 2021 through a duly convened meeting of the Board of Directors of the Company.

During the year, the Company has issued and allotted 4,08,57,131 equity shares to the shareholders of its erstwhile fellow subsidiaries which have also got listed on the Bombay Stock Exchange and the National Stock Exchange.

During the year, pursuant to the Scheme becoming effective, in accordance with clause 3.2 of the Scheme, the authorised share capital of the Company increased from ₹ 1,205 lacs to ₹ 3,080 lacs.

Notes to Standalone Financial Statements

Also, during the year, the Company applied for change of its name from Orient Refractories Limited to RHI Magnesita India Limited which was approved by Registrar of Companies (ROC) on 02 July, 2021.

Note 41: Assessment of impact of COVID-19

In preparation of the Standalone Financial Statements for the year ended 31 March, 2022, the Company has taken into account the possible impact of COVID-19 and the related internal and external factors known to the management upto the date of approval of these Standalone Financial Statements to assess the carrying amount of its assets and liabilities. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Company and the carrying value of its assets and liabilities is not likely to be material as at 31 March, 2022. The management has also assessed that there are no events or conditions that impact the ability of the Company to continue as a going concern.

Note 42: 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, 2022, 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 standalone financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Note 43: Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company has credit limits sanctioned from the banks on the basis of security of current assets (refer note 5(e)). During the year, the Company has not availed any borrowings from banks.

(iii) Wilful defaulter

The Company have not been been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

During the year, the Scheme was approved by NCLT. The Company has complied with the approved Scheme (refer note 40).

(vii) Utilisation of borrowed funds and share premium

(a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

Notes to Standalone Financial Statements

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of property, plant and equipment and intangible assets

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xi) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xii) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

(xiii) Reclassification

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March, 2021 to include certain additional disclosures or to improve relevance of information effective from 01 April, 2021. Accordingly, the Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1 as under:

Balance Sheet (extract)	Current year classification	Previous year classification	₹ in Lacs
Other current financial liabilities - Others (Interest accrued on long term debt)	Current borrowings	Other current financial liabilities	24.56
Security deposits	Other non-current assets	Non Current Financial Assets - Loans	129.75
Security deposits	Other non-current financial assets	Non Current Financial Assets - Loans	389.67

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 44: Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the company except the following:

As at 31 March, 2022

Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying value	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reasons for not being held in name of the company
Property, plant and equipment	Land	22.78	Arsha Ceramics Private Limited	No	17-Dec-2005	Stamp duty is under assessment with Revenue Department of Andhra Pradesh. Title deed will be transferred in the name of the Company once stamp duty is deposited after assessment is completed.
Property, plant and equipment	Land	41.99	Arsha Ceramics Private Limited	No	30-Dec-2005	
Property, plant and equipment	Land	6.24	Arsha Ceramics Private Limited	No	14-Feb-2006	
Property, plant and equipment	Land	8.78	Arsha Ceramics Private Limited	No	22-Apr-2006	
Property, plant and equipment	Land	41.03	Clasil Refractories Private Limited	No	07-Dec-2006	
Property, plant and equipment	Land	439.28	RHI Clasil Limited	No	10-Sep-2007	
Property, plant and equipment	Land	156.59	RHI Clasil Limited	No	29-Dec-2008	
Property, plant and equipment	Land	30.66	RHI Clasil Limited	No	22-Jan-2009	
Property, plant and equipment	Building	2,804.08	RHI Clasil Limited	No	March 2007	
Property, plant and equipment	Land	1,833.96	Orient Refractories Limited	No	September 2019	Title deed registered in name of Orient Refractories Limited are in the process for change consequent to change of name of the Company to RHI Magnesita India Limited (refer note 40)
Property, plant and equipment	Land	1,268.39	Orient Refractories Limited	No	25-Feb-2020	
Property, plant and equipment	Building	1,545.19	Orient Refractories Limited	No	September 2019	

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

As at 31 March, 2021

Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying value	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/director	Property held since which date	Reasons for not being held in name of the company
Property, plant and equipment	Land	22.78	Arsha Ceramics Private Limited	No	17-Dec-2005	Stamp duty is under assessment with Revenue Department of Andhra Pradesh. Title deed will be transferred in the name of the Company once stamp duty is deposited after assessment is completed.
Property, plant and equipment	Land	41.99	Arsha Ceramics Private Limited	No	30-Dec-2005	
Property, plant and equipment	Land	6.24	Arsha Ceramics Private Limited	No	14-Feb-2006	
Property, plant and equipment	Land	8.78	Arsha Ceramics Private Limited	No	22-Apr-2006	
Property, plant and equipment	Land	41.03	Clasil Refractories Private Limited	No	07-Dec-2006	
Property, plant and equipment	Land	439.28	RHI Clasil Limited	No	10-Sep-2007	
Property, plant and equipment	Land	156.59	RHI Clasil Limited	No	29-Dec-2008	
Property, plant and equipment	Land	30.66	RHI Clasil Limited	No	22-Jan-2009	
Property, plant and equipment	Building	2,348.39	RHI Clasil Limited	No	March 2007	
Property, plant and equipment	Land	1,833.96	Orient Refractories Limited	No	September 2019	Title deed registered in name of Orient Refractories Limited are in the process for change consequent to change of name of the Company to RHI Magnesita India Limited (refer note 40)
Property, plant and equipment	Land	1,268.39	Orient Refractories Limited	No	25-Feb-2020	
Property, plant and equipment	Building	1,410.56	Orient Refractories Limited	No	September 2019	

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 45: Financial Ratios

Ratio	Numerator	Denominator	Unit of measurement	Current Year	Previous Year	% Variance	Reason for variance (where variance is more than 25%)
Current-ratio	Current assets	Current liabilities	Times	2.20	2.43	-9.61%	Not Applicable
Debt-equity ratio	Total debt	Shareholder's equity	Times	0.06	0.08	-18.68%	Not Applicable
Debt service coverage ratio	Earnings available for debt service = Net profit after taxes + Non-cash operating expenses + Finance cost	Debt service = Interest and principal repayments including lease payments	Times	140.86	86.18	63.45%	Increase on account of higher profits during the year.
Return on equity ratio	Profit for the year	Average shareholder's equity	Percentage	29.24	18.02	62.27%	Increase on account of higher profits during the year.
Inventory turnover ratio	Cost of goods sold*	Average inventory	Times	2.48	2.71	-8.44%	Not Applicable
Trade receivables turnover ratio	Sales	Average trade receivable	Times	4.86	4.12	18.08%	Not Applicable
Trade payables turnover ratio	Cost of goods sold*	Average trade payable	Times	2.73	2.93	-7.00%	Not Applicable
Net capital turnover ratio	Sales	Average Working capital = Current assets — Current liabilities	Times	3.09	2.54	21.63%	Not Applicable
Net profit ratio	Profit for the year	Sales	Percentage	13.52	10.02	35.00%	Increase on account of higher profits during the year.
Return on capital employed	Earnings before interest and tax	Average Capital employed = Net worth + total debt - deferred tax asset	Percentage	36.56	23.28	57.03%	Increase on account of higher profits during the year.
Return on investment	Earnings before interest and tax	Average total assets	Percentage	24.45	16.46	48.48%	Increase on account of higher profits during the year.

* Cost of goods sold = Cost of raw materials and components consumed+Purchases of stock-in-trade (traded goods)+Changes in inventories of finished goods, work-in-progress and stock-in-trade (traded goods)

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 46: Rounding of amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

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

Abhishek Rara
Partner
Membership Number: 077779

Place : Gurugram
Date: May 27, 2022

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Sanjeev Bhardwaj
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Independent Auditor's Report

To the Members of RHI Magnesita India Limited (formerly known as Orient Refractories Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of RHI Magnesita India Limited (hereinafter referred to as the "Holding Company" or the "Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") (refer Note 2 to the attached Consolidated Financial Statements), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in Paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

4. We draw your attention to Note 40 to the Consolidated Financial Statements regarding the scheme of amalgamation (the "Scheme") between the Company and its fellow subsidiaries i.e. RHI India Private Limited and RHI Clasil Private Limited (hereinafter referred as 'erstwhile fellow subsidiaries'), as approved by the Hon'ble National Company Law Tribunal ('NCLT') vide its Order dated May 05, 2021. While the appointed date as set out in the NCLT order is July 31, 2018, the previous year Consolidated Financial Statements were prepared in accordance with clause 3.7 of the Scheme which requires the accounting treatment to be carried out as prescribed under applicable accounting standards that is, from the beginning of the preceding year and in accordance with Ind AS 103, Business Combination. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

   Below Key Audit Matters have been reproduced from the report, of the even date, on the audit of Standalone Financial Statements of the Holding Company.

   Revenue Recognition

   (Refer note 19 to the Consolidated Financial Statements)

   The Company recognises its revenue based on Ind-AS 115 "Revenue from Contracts with Customers".

   Management uses judgement in respect of matters such as identification of performance obligations; allocation of consideration to identified performance obligations and recognition of revenue over a period of time or at a point in time based on timing when control is transferred to the customer.

   We considered this area as a key audit matter, as revenue is required to be recognised in accordance with the terms of the customer contracts, which involves significant management judgement as described above and thus there is an inherent risk of material misstatement.

   How our audit addressed the key audit matter

   Our testing of revenue transactions was designed to cover certain customer contracts on a sample basis. Our audit procedures included the following:

- Understanding and evaluating the design and testing the operating effectiveness of controls over revenue recognition.
- Assessing appropriateness of management's judgements in accounting for identified contracts such as:
  - ✓ Identification of performance obligation and allocation of consideration to identified performance obligation;
  - ✓ Evaluating the contract terms for assessment of the timing of transfer of control to the customer to assess whether revenue is recognised appropriately over a period of time or at a point in time (as the case may be) based on timing when control is transferred to customer;
  - ✓ Testing whether the revenue recognition is in line with the terms of customer contracts and the transfer of control; and
  - ✓ Evaluating adequacy of the presentation and disclosures.

Based on the above stated procedures, no significant exceptions were noted in revenue recognition including those relating to presentation and disclosures as required by Ind AS 115.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Consolidated Financial Statements and our auditor's report thereon.

   Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

    - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which have been audited by other auditor, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of one subsidiary whose financial statements reflect Total Assets of ₹ 1,293.75 lacs and Net Assets of ₹ 1,148.14 lacs as at March 31, 2022, Total Revenue of ₹ 455.98 lacs, Total Comprehensive Income (comprising of profit and other comprehensive income) of ₹ 100.51 lacs and Net Cash Flows amounting to ₹ 182.86 lacs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements of subsidiary have been audited by other auditor whose report have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

    Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

16. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the Standalone Financial Statements of the companies which are included in these Consolidated Financial Statements.
17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books of the Holding Company and the report of the other auditor, except that, in respect of the Holding Company the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.

d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph 17(b) above that in respect of the Holding Company, the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.

g. With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group— Refer Note 33 to the Consolidated Financial Statements.

   ii. The Group has long-term contracts as at March 31, 2022 for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2022 for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

   iv. (a) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries {Refer Note 43(vii) to the Consolidated Financial Statements}.

   (b) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries {Refer Note 43(vii) to the Consolidated Financial Statements}.

   (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditor of the subsidiary which are company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

   v. The dividend declared and paid during the year by the Holding Company, is in compliance with Section 123 of the Act. The subsidiary of the Holding Company has not declared or paid any dividend during the year.

18. The Holding Company have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. The Subsidiary has not paid/provided any managerial remuneration to any director during the year.

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

Abhishek Rara
Partner
Membership Number: 077779
UDIN: 22077779AJSTFN9858

Place: Gurugram
Date: May 27, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 17(g) of the Independent Auditor's Report of even date to the members of RHI Magnesita India Limited (formerly known as Orient Refractories Limited) on the Consolidated Financial Statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of RHI Magnesita India Limited (hereinafter referred to as "the Holding Company" or "the Company") and its subsidiary company, which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, and its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not modified in respect of this matter.

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

Abhishek Rara
Partner
Membership Number: 077779
UDIN: 22077779AJSTFN9858

Place: Gurugram
Date: May 27, 2022

Consolidated Balance Sheet as at 31 March, 2022

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	As at 31 March, 2022	As at 31 March, 2021
Assets			
Non-current assets			
Property, plant and equipment	3(a)	26,817.71	23,386.62
Right-of-use assets	3(b)	868.53	561.51
Capital work-in-progress	3(a)	3,383.55	4,625.70
Intangible assets	4	563.41	366.01
Financial assets			
(i) Investments	5(a)	0.45	0.45
(ii) Other financial assets	5(b)	165.23	154.56
Deferred tax assets (net)	6	592.96	197.13
Other non-current assets	7	1,229.51	1,030.33
Total non-current assets		**33,621.35**	**30,322.31**
Current assets			
Inventories	8	60,804.02	35,308.73
Financial assets			
(i) Trade receivables	5(c)	48,902.07	32,770.99
(ii) Cash and cash equivalents	5(d)	6,221.02	15,514.18
(iii) Bank balances other than (ii) above	5(e)	1,588.19	509.88
(iv) Other financial assets	5(f)	47.50	107.07
Contract assets	5(g)	9,972.02	6,130.73
Other current assets	7	6,268.67	5,300.63
Total current assets		**133,803.49**	**95,642.21**
Total assets		**167,424.84**	**125,964.52**
Equity and liabilities			
Equity			
Equity share capital	9(a)	1,609.96	1,201.39
Shares pending issuance	40	-	408.57
Other equity	9(b)	101,262.06	78,967.56
Equity attributable to the owners of RHI Magnesita India Limited		**102,872.02**	**80,577.52**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	10	3,341.94	5,980.66
(ii) Lease liabilities	3(b)	450.67	187.96
Other non-current liabilities	11	147.16	99.04
Total non-current liabilities		**3,939.77**	**6,267.66**
Current liabilities			
Financial liabilities			
(i) Borrowings	10	2,562.33	24.56
(ii) Lease liabilities	3(b)	115.68	45.41
(iii) Trade payables	12		
(a) Total outstanding dues of micro enterprises and small enterprises		6,167.74	6,200.11
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		46,499.25	28,589.75
(iv) Other financial liabilities	13	1,818.55	2,298.02
Contract liabilities	14	627.90	272.44
Provisions	15	291.08	135.40
Employee benefit obligations	16	1,267.27	1,022.66
Current tax liabilities	17	177.96	-
Other current liabilities	18	1,085.29	530.99
Total current liabilities		**60,613.05**	**39,119.34**
Total liabilities		**64,552.82**	**45,387.00**
Total equity and liabilities		**167,424.84**	**125,964.52**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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

Abhishek Rara
Partner
Membership Number: 077779

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Sanjeev Bhardwaj
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Place : Gurugram
Date: May 27, 2022

Consolidated Statement of Profit and Loss for the year ended 31 March, 2022

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2022	Year ended 31 March, 2021
Income			
Revenue from operations	19	199,514.27	137,037.86
Other income	20	966.20	1,232.39
Total income		**200,480.47**	**138,270.25**
Expenses			
Cost of raw materials and components consumed	21	71,675.54	49,521.46
Purchases of stock-in-trade (traded goods)	22	59,983.74	42,410.52
Changes in inventories of finished goods, work-in-progress and stock-in-trade (traded goods)	23	(12,338.35)	(6,389.05)
Employee benefits expense	24	12,351.86	10,559.68
Finance cost	25	217.89	648.31
Depreciation and amortisation expense	26	3,382.52	2,979.48
Other expenses	27	29,459.05	20,081.89
Total expenses		**164,732.25**	**119,812.29**
Profit before tax		**35,748.22**	**18,457.96**
Income tax expense:			
- Current tax	28	9,383.13	4,896.21
- Deferred tax		(240.81)	(126.76)
- (Excess)/Short provision for tax relating to prior years		(294.54)	26.18
Total tax expense		**8,847.78**	**4,795.63**
Profit for the year		**26,900.44**	**13,662.33**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit plans		(135.45)	9.71
- Income tax relating to the above		34.09	(2.45)
Other comprehensive (loss)/income for the year, net of tax		**(101.36)**	**7.26**
Total comprehensive income for the year		**26,799.08**	**13,669.59**
Basic earnings per equity share (Face value of Re 1 each share)	35	16.71	8.49
Diluted earnings per equity share (Face value of Re 1 each share)	35	16.71	8.49

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

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

Abhishek Rara
Partner
Membership Number: 077779

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Sanjeev Bhardwaj
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Place : Gurugram
Date: May 27, 2022

Consolidated Statement of Changes in Equity for the year ended 31 March, 2022

Equity Share Capital

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Amount
As at 1 April, 2020	9(a)	1,201.39
Changes in equity share capital		-
Balance as at 31 March, 2021		**1,201.39**
Add: Shares issued during the year as per the scheme of amalgamation of the Company with its erstwhile fellow subsidiaries (refer note 40)		408.57
Balance as at 31 March, 2022		**1,609.96**

Other Equity

Particulars	Notes	Attributable to Owners of RHI Magnesita India Limited				Total other equity
		Reserves and Surplus				
		Securities Premium	General Reserve	Capital Reserve (Refer note 40)	Retained Earnings	
Balance as at 1 April, 2020	9(b)	6,493.97	8,681.48	1,465.71	52,077.97	**68,719.13**
Profit for the year		-	-	-	13,662.33	13,662.33
Other comprehensive income		-	-	-	7.26	7.26
Total comprehensive income for the year		**-**	**-**	**-**	**13,669.59**	**13,669.59**
Transaction with owners in their capcaity as owners :						
Dividend paid		-	-	-	(3,421.16)	(3,421.16)
		-	**-**	**-**	**(3,421.16)**	**(3,421.16)**
Balance as at 31 March, 2021		**6,493.97**	**8,681.48**	**1,465.71**	**62,326.40**	**78,967.56**

Consolidated Statement of Changes in Equity for the year ended 31 March, 2022 (Continued)

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Attributable to Owners of RHI Magnesita India Limited				Total other equity
		Reserves and Surplus				
		Securities Premium	General Reserve	Capital Reserve (Refer note 40)	Retained Earnings	
Balance as at 1 April, 2021	9(b)	**6,493.97**	**8,681.48**	**1,465.71**	**62,326.40**	**78,967.56**
Profit for the year		-	-	-	26,900.44	26,900.44
Other comprehensive income		-	-	-	(101.36)	(101.36)
Total comprehensive income for the year		**-**	**-**	**-**	**26,799.08**	**26,799.08**
Transaction with owners in their capcaity as owners :						
Dividend paid		-	-	-	(4,024.91)	(4,024.91)
		-	**-**	**-**	**(4,024.91)**	**(4,024.91)**
Transaction costs (stamp duty) on issue of shares, net of tax		-	-	-	(479.67)	(479.67)
		-	**-**	**-**	**(479.67)**	**(479.67)**
Balance as on 31 March, 2022		**6,493.97**	**8,681.48**	**1,465.71**	**84,620.90**	**101,262.06**

The above consolidated statement of changes in equity should be read in conjuction with the accompanying notes.

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

Abhishek Rara
Partner
Membership Number: 077779

Place : Gurugram
Date: May 27, 2022

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Sanjeev Bhardwaj
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Consolidated Statement of Cash Flows for the year ended 31 March, 2022

(All amount in ₹ Lacs, unless otherwise stated)

Particulars		Notes	Year ended 31 March, 2022	Year ended 31 March, 2021
A.	**Cash flow from operating activities**			
	Profit before tax		**35,748.22**	**18,457.96**
	Adjustments for:			
	Depreciation and amortisation expense	26	3,382.52	2,979.48
	Interest income	20	(270.66)	(596.84)
	Allowance/(writeback) for doubtful export incentives receivable (Net)	27	(53.27)	44.00
	Allowance for doubtful debts - trade receivables (Net)	27	478.58	(276.05)
	Liabilities/ provisions no longer required written back	20	(2.23)	(71.11)
	Bad debts recovered	20	(1.56)	(12.83)
	Bad debts written off	27	143.56	117.90
	Finance Cost	25	217.89	648.31
	Loss on property, plant and equipment sold / scrapped (Net)	27	38.11	0.24
	Net unrealised foreign exchange (loss)		24.08	57.12
	Impairment loss on capital work-in-progress	27	81.75	-
	Items that will not be reclassified to Profit or loss		(135.45)	9.71
	Operating profit before working capital changes		**39,651.54**	**21,357.89**
	Changes in operating assets and liabilities			
	Increase in inventories		(25,495.29)	(7,525.10)
	(Increase) / decrease in trade receivables		(16,654.54)	695.09
	Decrease / (increase) in other current financial assets		11.04	(0.90)
	Increase in other current assets		(1,228.30)	(1,716.68)
	Increase in contract assets		(3,841.29)	(3,002.84)
	(Increase) / decrease in other non-current financial assets		(10.67)	21.51
	(Increase) in other non-current assets		(88.65)	(68.98)
	Increase in trade payables		17,758.16	11,457.23
	(Decrease) / increase in other financial liabilities		(136.97)	353.94
	Increase in employee benefit obligations		244.61	180.48
	Increase in other non current liabilities		48.12	25.61
	Increase / (decrease) in contract liabilities		355.46	(493.58)
	Increase in other current liabilities		554.30	97.34
	Increase in provisions		155.68	135.40
	Cash generated from operations		**11,323.20**	**21,516.41**
	Income tax paid (Net)		(8,597.10)	(4,975.45)
	Net cash inflow from operating activities (A)		**2,726.10**	**16,540.96**
B.	**Cash flows from investing activities**			
	Investment in National Saving Certificate		-	(0.15)
	Increase in other bank balances		(1,110.00)	(30.76)
	Capital expenditure on property, plant and equipment and intangible assets		(6,244.82)	(8,579.81)
	Proceeds from sale of property, plant and equipment and intangible assets		44.66	45.58
	Interest received		319.19	688.97
	Net cash outflow from investing activities (B)		**(6,990.97)**	**(7,876.17)**

Consolidated Statement of Cash Flows for the year ended 31 March, 2022 (Continued)

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2022	Year ended 31 March, 2021
C. Cash flows from financing activities			
Dividend paid on equity shares		(4,024.91)	(3,439.29)
Repayment of non current borrowings (net)		-	(405.98)
Repayment of current borrowings (net)		-	(799.05)
Principal payment of lease liabilities		(83.94)	(75.77)
Interest payment of lease liabilities		(33.38)	(12.27)
Interest paid		(285.46)	(636.04)
Share issuance costs		(600.60)	-
Net cash outflow from financing activities (C)		**(5,028.29)**	**(5,368.40)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)		**(9,293.16)**	**3,296.39**
Cash and cash equivalents at the beginning of the year		15,514.18	12,217.79
Cash and cash equivalents at the end of the year		**6,221.02**	**15,514.18**
Non Cash investing activities			
- Acquisition of right-of-use-assets	3(b)	416.92	214.44
Cash and cash equivalent included in the cash flow statement comprise of the following:			
Balances with banks			
- in current accounts		5,077.01	3,297.88
- in EEFC account		-	121.61
Deposits with original maturity of less than three months		1,140.00	12,091.26
Cash on hand		4.01	3.43
		6,221.02	**15,514.18**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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

Abhishek Rara
Partner
Membership Number: 077779

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Sanjeev Bhardwaj
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Place : Gurugram
Date: May 27, 2022

Notes to Consolidated Financial Statements

1. Corporate Information

RHI Magnesita India Limited ('the Company' or 'the Holding Company'), domiciled and incorporated in India and publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. During the year, the Company has shifted its registered office to Unit No. 705, 7th Floor, Lodha Supremus, Kanjurmarg Village Road, Kanjurmarg (East), Mumbai-400042. The Company is primarily engaged in the business of manufacturing and trading of refractories, monolithics, bricks and ceramic paper, rendering management services and has manufacturing facilities in Bhiwadi (Rajasthan), Visakhapatnam (Andhra Pradesh) and Cuttack (Orrisa). The Company has a subsidiary i.e. Intermetal Engineers (India) Private Limited ('the subsidiary') which was acquired on 18 May, 2019 and which is primarily engaged in the business of manufacturing and sale of slide gate mechanics and related components.

The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 27 May, 2022.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Consolidated Financial Statements consist of the Holding Company and its subsidiary (Holding Company and its subsidiary together referred to as "the Group").

2.1 Basis of preparation

(i) Compliance with Ind AS

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following which have been measured at fair value:

- Defined benefit plans — plan assets measured at fair value.

(iii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions — amendments to Ind AS 116
- Interest rate benchmark reform — amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(v) Principals of consolidation and equity accounting

Subsidiary is the entity over which the Group has control. The Group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to effect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The acquisition method of accounting has been used to account for business combinations by the Group.

The Group has combined the financial statements for the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Unrealised losses have also been eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2 Critical accounting estimates, assumptions and judgements

The preparation of Consolidated Financial Statements requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the date of the Consolidated Financial Statements and the results of operations during the reporting period. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

In the process of applying the Group's accounting policies, the management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the Consolidated Financial Statements:

(a) Property, plant and equipment

The management engages internal technical team to assess the remaining useful lives and residual value of property, plant and equipment. The management believes that the assigned useful lives and residual value are reasonable.

(b) Intangibles

Internal technical or user team assess the remaining useful lives of Intangible assets. The Management believes that assigned useful lives are reasonable.

Notes to Consolidated Financial Statements

(c) Income taxes

The management's judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the Consolidated Financial Statements.

(d) Contingencies

The management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

(e) Allowance for doubtful trade receivables

Trade receivables are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

(f) Revenue from contracts with customers

For Refractory Management Contracts where the transaction price depends on the customer's production, customer expects total refractory management services from the Group, which includes supply of refractory material and its related services to produce steel. The customer expects complete refractory management for the product of steel in the steel plant. Thus, only one single performance obligation, performance of refractory management service, exists.

2.3 Current Versus non-current Classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current — non-current classification of assets and liabilities.

2.4 Property Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably. All other repair and maintenance are charged to profit or loss during the reporting period in which they are incurred.

On transition to Ind AS, the Group had elected to continue with the carrying value of its property, plant and equipment recognised as at 1 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation on Property, Plant and equipment is provided on straight-line basis over the useful lives of assets as determined on the basis of technical estimates which are similar to the useful lives as prescribed under Schedule II to the Companies Act, 2013 except for Vehicles (which are being used by the employees). These vehicles are depreciated on written down value method, over the period of 5 years and 6 years for four wheelers and two wheelers respectively. Based on past experience and internal technical evaluation, the management believes that these useful lives represent the appropriate period of usage and therefore, considered to be appropriate for charging depreciation.

Assets residual values, depreciation method and useful lives are reviewed at the end of financial year considering the physical condition of the assets or whenever there are indicators for review and adjusts residual life prospectively.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss within Other Income/Other Expenses.

2.5 Intangible Assets

On transition to Ind AS, the Group has opted for the option given under Ind AS 101 to measure all the items of Intangible Assets at their carrying value under previous GAAP. Consequently, the carrying value under IGAAP has been assumed to be deemed cost of Intangible Assets on the date of transition to Ind AS.

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised in the Statement of Profit and Loss on a straight line basis over the estimated useful lives of intangible assets from the date they are available for use. 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

Notes to Consolidated Financial Statements

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.

Software

Software are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license. Intangible Assets are amortised at straight line basis as follows:

Software 1-5 years

2.6 Leases

As a lessee

Leases are recognised as a right-of-use asset at cost with a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with Ind AS 116 'Leases'.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs etc.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

For short-term and low value leases, the Group recognises the lease payments as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.7 Financial assets (Debt Instruments)

A. Classification and initial recognition

Financial assets are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the asset. The Group determines the classification of its financial assets at initial recognition. The Group classifies the financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through profit or loss, or through other comprehensive income)
- Those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

All financial assets are initially measured at fair value. Transactions cost that are directly attributable to the acquisition of financial asset (other than financial asset at fair value through profit and loss) are added from the fair value of financial asset.

B. Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

a. Financial assets at fair value through profit or loss (FVPL):

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial assets are designated upon initial recognition at fair value through profit or loss when the same are managed by the Group on the basis of their fair value and their performance is evaluated on fair value basis in accordance with a risk management or investment strategy of the Group. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in other income in the Statement of Profit and Loss.

b. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows, where the assets' cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income in the Statement of Profit and Loss.

c. Fair value through other comprehensive income (FVOCI):

Financial assets are measured at fair value through other comprehensive income (OCI) if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue

Notes to Consolidated Financial Statements

and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

C. Derecognition

A financial asset is derecognized only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

D. Impairment of financial assets

The Group assesses on forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

E. Income recognition - Interest

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.8 Financial Liabilities

Financial liabilities of the Group are contractual obligation to deliver cash or another financial asset to another entity.

The Group's financial liabilities includes borrowings, lease liability and trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities carried at fair value through profit or loss) are added or deducted from the fair value measured on initial recognition of financial liability. Financial liabilities are classified as subsequently measured at amortised cost.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are recognised in profit or loss when the liabilities are derecognized.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

2.9 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.10 Fair Value Measurement

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (Unadjusted) marked prices in the active markets for identical assets or liabilities.

Notes to Consolidated Financial Statements

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.11 Derivative financial instruments

The Group acquires forward contracts to mitigate the risk arising foreign currency exposures from purchase and sale of goods and services. These forward contracts are designated as derivative financial instruments. Derivatives are initially recognised at fair value on the date of derivate contract is entered into and subsequently re-measured to their fair value at the end of reporting period. The consequent gains/ losses, arising from subsequent re-measurement, are recognised in the statement of profit or loss, unless the derivative is designated as hedging instrument and hedging relationship is established with the item being hedged.

2.12 Impairment of non-financial assets — Property, plant and equipment and Intangible assets

Intangible assets and property, plant and equipment are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

2.13 Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit or Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.14 Inventories

Inventories including stores and spares are valued at the lower of cost on weighted average except certain traded goods which are valued at First in First out basis (FIFO) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods, including freight, octroi and other levies. Work-in-progress and finished goods include appropriate proportion of labour and overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

2.15 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.16 Provisions, contingent liabilities and contingent assets

a) **Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required

Notes to Consolidated Financial Statements

to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

b) Contingencies

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 Group 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. Information on contingent liability is disclosed in the Notes to the Consolidated Financial Statements.

2.17 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The Board of Directors of the Group has authorised its Managing Director & CEO to assess the financial performance and position of the Group, and makes decisions in normal course of business operations. For key strategic decisions, the Board of Directors take decisions after evaluating the possible options and recommendations given by the management. The Board of Directors, together with Managing Director has been identified as being the chief operating decision maker. Refer Note 32 for segment information presented.

2.19 Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers either over time or at a point of time at an amount that reflects the consideration the Group expects to be entitled to in exchange for those products or services. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset.

Revenue is measured based on the transaction price, which is the expected consideration to be received, to the extent that it is highly probable that there will not be a significant reversal of revenue in future periods. If the consideration in a contract includes a variable amount, at the inception of the contract, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer.

At the inception of the contract, the Group identifies the goods or services promised in the contract and assesses which of the promised goods or services shall be identified as separate performance obligations. Promised goods or services give rise to separate performance obligations if they are capable of being distinct.

Revenue from the delivery of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual Incoterms agreed in the customer contract.

Revenue from contracts for total refractory management services,is recognized over time on the basis using the output-oriented method (e.g. quantity of steel produced by the customer).

Revenue from providing services is recognised in the accounting period in which the services as rendered.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due.

2.20 Government grants

Grants from the government are recognised at their fair value where there is reasonable certainty that the grant will be received and the Group will comply with required conditions. Export incentive under Remission of Duties and Taxes on Export products (RODTEP), Merchandise Exports from India Scheme (MEIS) and duty drawback are accrued when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

Notes to Consolidated Financial Statements

2.21 Employee benefits

Defined benefit plan - Gratuity

The liability recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group's contribution to provident fund, national pension scheme and employees' state insurance scheme are considered as defined contribution plans and are charged as expense in the Statement of Profit and Loss, based on the amount of contribution required to be made and when services are rendered by the employee.

Other Benefits - 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 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 end are treated as other long-term employee benefits. The Group'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. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.22 Equity-settled share option plan (LTIP)

RHI Magnesita N.V. (the 'Ultimate Holding Company') has implemented a share option plan for the members of senior management of the RHI Magnesita Group.

The LTIP is treated as an equity-settled share option plan as the Group does not have an obligation to make any settlement.

The fair value of the LTIP granted is recognised as employee benefits expense with a corresponding increase in reserves. The total amount to be expensed is determined by reference to the fair value of the options granted:

a) including any market performance conditions

b) excluding the impact of any service and non-market performance vesting conditions, and

c) including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

2.23 Foreign currency translation

(i) Functional and presentation currency

Items included in the Consolidated Financial Statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The Group's operations are primarily in India. The Consolidated Financial Statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss.

Foreign exchange differences arising on foreign currency borrowings are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Notes to Consolidated Financial Statements

2.24 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.25 Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

2.26 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.27 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.28 Business Combinations

Entities under common control

Business combinations involving entities or businesses under common control is accounted for using the pooling of interest method as follows: –

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the Consolidated Financial Statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the Consolidated Financial Statements unless the business combination had occurred after that date, the prior period information shall be restated only from that date.

(iv) The consideration for the business combination may consist of securities, cash or other assets. Securities shall be recorded at nominal value. In determining the value of the consideration, assets other than cash shall be considered at their fair values.

(v) The balance of the retained earnings appearing in the Consolidated Financial Statements of the Group is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and appear in the Consolidated Financial Statements of the Group in the same form in which they appeared in the Consolidated Financial Statements of the transferor.

2.29 Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(All amount in ₹ Lacs, unless otherwise stated)

Note 3(a) : Property, plant and equipment and capital work-in progress

Particulars	Freehold Land	Buildings	Plant and machineries	Furniture and fixtures	Office equipments	Vehicles	Total	Capital work in progress
Balance as at 1 April, 2020	4,080.47	5,484.66	17,318.36	108.01	363.43	653.82	**28,008.75**	859.37
Additions	-	75.92	3,585.38	10.38	131.56	181.83	**3,985.07**	6,718.31
Disposals	-	-	(276.47)	(0.55)	(7.01)	(110.80)	**(394.83)**	(2,951.98)
Balance as at 31 March, 2021	**4,080.47**	**5,560.58**	**20,627.27**	**117.84**	**487.98**	**724.85**	**31,598.99**	**4,625.70**
Additions	-	679.23	5,556.50	78.61	176.46	186.51	**6,677.31**	5,814.67
Disposals	-	-	(122.43)	(3.31)	(11.75)	(79.54)	**(217.03)**	(6,975.07)
Balance as at 31 March, 2022	**4,080.47**	**6,239.81**	**26,061.34**	**193.14**	**652.69**	**831.82**	**38,059.27**	**3,465.30**
Accumulated depreciation and impairment								
Balance as at 1 April, 2020	-	466.12	4,774.52	29.81	187.47	252.91	**5,710.83**	-
Charge for the year	-	263.47	2,408.17	14.18	78.96	85.77	**2,850.55**	-
Depreciation on assets disposed off during the year	-	-	(265.92)	(0.52)	(3.42)	(79.15)	**(349.01)**	-
Accumulated depreciation and impairment as at 31 March, 2021	**-**	**729.59**	**6,916.77**	**43.47**	**263.01**	**259.53**	**8,212.37**	**-**
Charge for the year	-	289.76	2,672.30	30.26	84.95	87.82	**3,165.09**	-
Depreciation on assets disposed off during the year	-	-	(74.21)	(2.94)	(11.16)	(47.59)	**(135.90)**	-
Impairment loss	-	-	-	-	-	-	-	**81.75**
Accumulated depreciation and impairment as at 31 March, 2022	**-**	**1,019.35**	**9,514.86**	**70.79**	**336.80**	**299.76**	**11,241.56**	**81.75**
Carrying amount								
Balance as at 31 March, 2021	**4,080.47**	**4,830.99**	**13,710.50**	**74.37**	**224.97**	**465.32**	**23,386.62**	**4,625.70**
Balance as at 31 March, 2022	**4,080.47**	**5,220.46**	**16,546.48**	**122.35**	**315.89**	**532.06**	**26,817.71**	**3,383.55**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 3(a): Capital work-in progress

(A) Aging of capital work-in progress:

As at 31 March, 2022

Particulars	Amounts in capital work-in progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	1,952.09	1,409.37	22.09	-	3,383.55
(ii) Projects temporarily suspended	-	-	-	81.75	81.75
Less: Impairment loss	-	-	-	(81.75)	(81.75)
Total	**1,952.09**	**1,409.37**	**22.09**	**-**	**3,383.55**
As at 31 March, 2021					
(i) Projects in progress	1,536.59	2,929.74	-	77.62	4,543.95
(ii) Projects temporarily suspended	-	-	-	81.75	81.75
Total	**1,536.59**	**2,929.74**	**-**	**159.37**	**4,625.70**

(B) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

As at 31 March, 2022

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress					
Project A - Purging Management	22.09	-	-	-	**22.09**
Project B - Blast Oxygen Furnace Mangement	61.99	-	-	-	**61.99**
(ii) Projects temporarily suspended					
Project A - Purging Management	-	-	-	15.13	**15.13**
Project B - Slide Gate Management				66.62	**66.62**
Less: Impairment loss				(81.75)	**(81.75)**
Total	**84.08**	**-**	**-**	**-**	**84.08**
As at 31 March, 2021					
(i) Projects in progress					
Project A - Slide Gate Management	77.12	-	-	-	**77.12**
Project B - Electric ARC Furnace Management	0.50	-	-	-	**0.50**
Project C - Slide Gate Management	176.43	-	-	-	**176.43**
Project D - Purging Management	5.52	22.09	-	-	**27.61**
(ii) Projects temporarily suspended					
Project A - Purging Management	-	-	-	15.13	**15.13**
Project B - Slide Gate Management				66.62	**66.62**
Total	**259.57**	**22.09**	**-**	**81.75**	**363.41**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 3(b): Leases

This note provides information for leases where the Group is a lessee. The Group has taken on lease offices, guest house and warehouses. There is no case where the Group is acting as a lessor.

	Particulars	Note	As at 31 March, 2022	As at 31 March, 2021
(i)	**Amount recognised in balance sheet**			
	Right-of-use assets		868.53	561.51
	Total		**868.53**	**561.51**
	Lease Liabilities			
	Current		115.68	45.41
	Non-Current		450.67	187.96
	Total		**566.35**	**233.37**

Addition to the right-of-use assets during the year were ₹ 416.92 lacs (31 March, 2021: 214.44 lacs)

(ii) Amounts recognised in the statement of profit and loss

Particulars		Year ended 31 March, 2022	Year ended 31 March, 2021
Interest expense (included in finance costs)	25	33.38	12.27
Depreciation charge of right-of-use assets	26	109.90	85.49
Expense relating to short-term leases (included in other expenses)	27	252.22	114.84

(iii) In applying IndAS 116, the Group has used the following practical expedient:

Accounting for operating leases with a remaining lease term of less than 12 months treated as short-term leases.

(iv) Extension and Termination option:

Extension and termination options are included in a number of leases. Extension and termination options held are exercisable at mutual consent of lessor and lessee.

Note 4: Intangible assets

Particulars	Software
Balance as at 1 April, 2020	**87.50**
Additions	389.85
Balance as at 31 March, 2021	**477.35**
Additions	306.57
Disposal	(88.91)
Balance as at 31 March, 2022	**695.01**
Accumulated amortisation	
Opening 1 April, 2020	**67.90**
Charge for the year	43.44
Balance as at 31 March, 2021	**111.34**
Charge for the year	107.53
Amortisation on assets disposed off during the year	(87.27)
Accumulated amortisation as at 31 March, 2022	**131.60**
Net Carrying amount	
Balance as at 31 March, 2021	**366.01**
Balance as at 31 March, 2022	**563.41**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Note 5(a): Non-current investments		
Investments in government securities (unquoted) - At amortised cost		
National Savings Certificates*	0.45	0.45
* The National Saving Certificates have been given to the sales tax department, as security		
Total	**0.45**	**0.45**
Aggregate amount of unquoted investments	**0.45**	**0.45**
Note 5(b): Other non-current financial assets - unsecured, considered good		
Security deposits	138.83	129.75
Bank deposits with more than 12 months maturity	-	1.11
Others	26.40	23.70
Total	**165.23**	**154.56**
Note 5(c): Trade receivables*		
Trade Receivables	44,402.26	30,042.74
Receivables from related parties (refer note 36)	5,270.03	3,019.89
Less: Allowance for doubtful debts	(770.22)	(291.64)
(Includes retention money due on completion of performance obligation - ₹ 3,793.31 lacs (31 March, 2021 ₹ 3,448.28 lacs)		
Total	**48,902.07**	**32,770.99**
Break-up of security details		
Secured- considered good	-	-
Unsecured:		
- Considered good	48,902.07	32,770.99
- Considered doubtful	770.22	291.64
Total Gross receivables	49,672.29	33,062.63
Less: Allowance for doubtful debts	(770.22)	(291.64)
Total	**48,902.07**	**32,770.99**

*Includes foreign currency receivables amounting to ₹ 547.83 lacs as at 31 March, 2022 (31 March, 2021: ₹ Nil) which are overdue for more than nine months. The Group has approached the authorised dealer, under the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015, to condone the delay and seeking permission of extension of time period for settlement of these balances. Pending resolution of this matter, no adjustments are considered necessary in these Consolidated Financial Statements.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Aging of trade receivables

As at 31 March, 2022

Particulars	Not Due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
- Considered good	34,228.17	14,479.62	102.93	76.63	7.28	7.44	**48,902.07**
- Considered doubtful	-	0.58	500.61	122.15	1.77	55.58	**680.69**
Disputed trade receivables							
- Considered good	-	-	-	-	-	-	-
- Considered doubtful	-	-	-	-	17.12	72.41	**89.53**
	34,228.17	**14,480.20**	**603.54**	**198.78**	**26.17**	**135.43**	**49,672.29**
Less: Allowance for doubtful debts	-	(0.58)	(500.61)	(122.15)	(18.89)	(127.99)	**(770.22)**
Total	**34,228.17**	**14,479.62**	**102.93**	**76.63**	**7.28**	**7.44**	**48,902.07**
As at 31 March, 2021							
Undisputed trade receivables							
- Considered good	24,190.34	8,227.74	309.12	19.82	23.46	0.51	**32,770.99**
- Considered doubtful	-	1.02	22.85	43.45	103.00	31.79	**202.11**
Disputed trade receivables							
- Considered good	-	-	-	-	-	-	-
- Considered doubtful	-	-	-	17.12	49.75	22.66	**89.53**
	24,190.34	**8,228.76**	**331.97**	**80.39**	**176.21**	**54.96**	**33,062.63**
Less: Allowance for doubtful debts	-	(1.02)	(22.85)	(60.57)	(152.75)	(54.45)	**(291.64)**
Total	**24,190.34**	**8,227.74**	**309.12**	**19.82**	**23.46**	**0.51**	**32,770.99**

Particulars	As at 31 March, 2022	As at 31 March, 2021
Note 5(d): Cash and cash equivalents		
Balances with banks		
- in current accounts	5,077.01	3,297.88
- in EEFC accounts	-	121.61
Deposits with original maturity of less than three months	1,140.00	12,091.26
Cash on hand	4.01	3.43
Total	**6,221.02**	**15,514.18**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Note 5(e): Bank balances other than cash and cash equivalents		
On dividend account	328.19	359.88
Fixed deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months *	1,260.00	150.00
Total	**1,588.19**	**509.88**
* ₹ 1,200 lacs (31 March, 2021: Nil) held as a lien by bank against sanction limit		
Note 5(f): Other current financial assets		
Interest accrued on deposits	29.36	77.89
Loans and advances to employees	18.14	29.18
Total	**47.50**	**107.07**
Note 5(g): Contract assets		
Unbilled revenue	9,972.02	6,130.73
Total	**9,972.02**	**6,130.73**

Note 6: Deferred tax assets / (liabilities) (net)

Particulars	Depreciation/ Amortisation	Defined Benefit obligations	Allowances for doubtful debts	Transaction costs (stamp duty) on issue of shares	Others	Total
At 1 April, 2020	**(473.07)**	**212.73**	**85.74**	**-**	**247.42**	**72.82**
(Charged)/ Credited						
- to statement of profit and loss	80.57	45.40	(48.12)	-	48.91	126.76
- to other comprehensive income	-	(2.45)	-	-	-	(2.45)
At 1 April, 2021	**(392.50)**	**255.68**	**37.62**	**-**	**296.33**	**197.13**
(Charged)/ Credited						
- to statement of profit and loss	(24.69)	27.80	120.45	-	117.25	240.81
- to retained earnings Refer note 9(b)	-	-	-	120.93	-	120.93
- to other comprehensive income	-	34.09	-	-	-	34.09
As at 31 March, 2022	**(417.19)**	**317.57**	**158.07**	**120.93**	**413.58**	**592.96**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Note 7: Other Assets		
Unsecured, considered good unless otherwise stated		
Non-current		
Capital Advances	561.91	451.38
Security deposits	390.16	389.89
Balances with Government Authorities {includes amounts paid under protest ₹ 39.59 lacs (31 March, 2021 ₹ 39.59 lacs)	241.37	183.73
Prepaid expenses	36.07	5.33
Total	**1,229.51**	**1,030.33**
Current		
Prepaid expenses	332.03	222.76
Goods and Services tax input credit recoverable	4,390.76	3,656.17
Advances to income tax {Net of provision of ₹ 102.03 lacs (31 March, 2021 32,184.12 lacs)}	25.12	338.65
Advances to creditors	1,183.30	386.05
Export incentives receivable (government grant)		
- Considered good	335.42	691.87
- Considered doubtful	9.77	63.04
	345.19	754.91
Less: Allowance for doubtful export incentives receivable	(9.77)	(63.04)
	335.42	691.87
Others	2.04	5.13
Total	**6,268.67**	**5,300.63**
Note 8: Inventories		
Raw materials {including goods in transit of ₹ 887.86 lacs (31 March, 2021 ₹ 799.42 lacs)}	20,398.32	7,989.11
Work-in-progress	4,041.84	2,508.20
Finished goods	12,722.26	7,087.22
Traded goods {including goods in transit of ₹ 7,674.46 lacs (31 March, 2021 ₹ 7,435.29 lacs)}	21,242.55	16,093.93
Stores and spares	2,399.05	1,630.27
Total	**60,804.02**	**35,308.73**

Particulars	Number of Shares	Amount
Note 9(a): Equity share capital		
Authorised		
308,000,000 equity shares (31 March, 2021 - 120,500,000) of Re. 1 each	3,080.00	1,205.00
Issued, subscribed and fully paid up share capital		
160,996,331 equity shares (31 March, 2021 - 120,139,200) of Re. 1 each	1,609.96	1,201.39

For Shares pending issuance of ₹ Nil (31 March, 2021 - 408.57 lacs) (refer note 40)

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Movement in equity share capital

Authorised

Particulars	Number of shares	Amount
Balance as at 1 April, 2020	120,500,000	1,205.00
Change during the year	-	-
Balance as at 31 March, 2021	**120,500,000**	**1,205.00**
Increase during the year (refer note 40)	187,500,000	1,875.00
Balance as at 31 March, 2022	**308,000,000**	**3,080.00**

Issued, subscribed and fully paid up share capital		
Balance as at 1 April, 2020	120,139,200	1,201.39
Changes during the year	-	-
Balance as at 31 March, 2021	120,139,200	1,201.39
Balance as at 1 April, 2021	120,139,200	1,201.39
Add: Shares issued during the year as per the scheme of amalgamation of the Company with its erstwhile fellow subsidiaries (refer note 40)	40,857,131	408.57
Balance as at 31 March, 2022	**160,996,331**	**1,609.96**

Terms and rights attached to equity shares

Equity share has a par value of ₹ 1. They entitle the holder to participate in dividend, and to share in the proceeds of winding up of the Company in proportion to number of and amounts paid on shares held.

Every holder of equity shares is entitled to one vote, and upon a poll each share is entitled one vote.

(ii) Shares of the Company held by the intermediate holding company through its subsidiaries (Also refer note 40)

	Number of equity shares	
	As at 31 March, 2022	**As at 31 March, 2021**
Veitscher Vertriebsgesellschaft m.b.H., Austria (intermediate holding company)	-	-
Subsidiaries of intermediate holding company		
Dutch US Holding B.V., Netherlands	79,877,771	79,877,771
Dutch Brasil Holding B.V., Netherlands	20,620,887	-

(iii) Details of shareholders holding more than 5% shares in the company (Also refer note 40)

Dutch US Holding B.V., Netherlands	79,877,771	79,877,771
Dutch Brasil Holding B.V., Netherlands	20,620,887	-
VRD Americas B.V., Netherlands	12,503,807	-

	Percentage of shares held	
Dutch US Holding B.V., Netherlands	49.61%	66.49%
Dutch Brasil Holding B.V., Netherlands	12.81%	-
VRD Americas B.V., Netherlands	7.77%	-

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(iv) Aggregate number of shares issued for consideration other than cash

	Year ended 31 March, 2022	Year ended 31 March, 2021
Shares issued as per the scheme of amalgmation of the Company with its erstwhile two fellow subsidiaries (refer note 40)	40,857,131	-

(v) Details of shareholding of promoters

As at 31st March, 2022

Name of Promoter	Number of shares at beginning of year	Shares issued during the year (Refer note 40)	Number of shares at the end of year	Percentage of total number of shares at the end of year	Percentage change during the year
Dutch US Holding B.V., Netherlands	79,877,771	-	79,877,771	49.61%	-16.88%
Dutch Brasil Holding B.V., Netherlands	-	20,620,887	20,620,887	12.81%	12.81%
VRD Americas B.V., Netherlands	-	12,503,807	12,503,807	7.77%	7.77%
As at 31st March, 2021		**Change during the year**			
Dutch US Holding B.V., Netherlands	79,877,771	-	79,877,771	66.49%	-

Particulars	As at 31 March, 2022	As at 31 March, 2021
Note 9(b): Other equity		
Securities premium	6,493.97	6,493.97
General reserve	8,681.48	8,681.48
Capital reserve	1,465.71	1,465.71
Retained earnings	84,620.90	62,326.40
Total	**101,262.06**	**78,967.56**
(i) Securities Premium		
Opening balance	6,493.97	6,493.97
Received/(utilised) during the year	-	-
Closing balance	**6,493.97**	**6,493.97**
(ii) General Reserve		
Opening balance	8,681.48	8,681.48
Received/(utilised) during the year	-	-
Closing balance	**8,681.48**	**8,681.48**
(iii) Capital Reserve		
Opening balance (refer note 40)	1,465.71	1,465.71
Balance transferred from reserve during the year	-	-
Closing balance	**1,465.71**	**1,465.71**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(iv) Retained earnings		
Opening balance	62,326.40	52,077.97
Net profit for the year	26,900.44	13,662.33
Remeasurements of post employment benefit obligation, net of tax	(101.36)	7.26
Transaction costs (stamp duty) on issue of shares, net of tax (refer note 28)	(479.67)	-
Dividend paid	(4,024.91)	(3,421.16)
Closing balance	**84,620.90**	**62,326.40**

Note 10: Borrowings

Non Current		
Unsecured - Term Loans		
- External Commercial Borrowings	3,341.94	5,980.66
Total	**3,341.94**	**5,980.66**
Current - unsecured		
- Current maturities of External Commercial Borrowings (including accrued interest)	2,562.33	24.56
Total	**2,562.33**	**24.56**

Term loan 1: External commercial borrowing of EURO 3,000,000 was taken from the VRD Americas B.V. Netherland (fellow subsidiary) 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 EURO 3,000,000 on 31 December 2022.

Term loan 2: External commercial borrowing of EURO 3,950,000 was taken from the VRD Americas B.V. Netherland (fellow subsidiary) 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 EURO 3,950,000 on 31 December 2023.

Net debt reconciliation		
Cash and cash equivalents	6,221.02	15,514.18
Non-current borrowings	(3,341.94)	(5,980.66)
Current borrowings	(2,562.33)	(24.56)
Lease liabilities	(566.35)	(233.37)
Net debt	**(249.60)**	**9,275.59**

Note 11: Other non-current liabilities

Deposit from employees	147.16	99.04
Total	**147.16**	**99.04**

Note 12: Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note 38)	6,167.74	6,200.11
Total outstanding dues of creditors other than micro enterprises and small enterprises *	46,499.25	28,589.75
Total	**52,666.99**	**34,789.86**

* Includes foreign currency trade payables amounting to ₹ 8,314.54 lacs as at 31 March, 2022 (31 March, 2021: ₹ Nil) which are overdue for more than 180 days. The Group has approached the authorised dealer, under the Foreign Exchange Management (Import of Goods and Services) Regulations, 2015, to condone the delay and seeking permission of extension of time period for settlement of these balances. Pending resolution of this matter, no adjustments are considered necessary in these Consolidated Financial Statements.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Aging of trade payables

As at 31 March, 2022

Particulars	Not Due*	Outstanding for following periods from the due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
- Micro enterprises and small enterprises	4,635.35	1,519.54	11.78	1.07	-	**6,167.74**
- Others	17,590.43	28,133.38	633.97	111.17	30.30	**46,499.25**
Total	**22,225.78**	**29,652.92**	**645.75**	**112.24**	**30.30**	**52,666.99**

As at 31 March, 2021

Particulars	Not Due*	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables						
- Micro enterprises and small enterprises	4,723.25	1,475.79	0.99	0.08	-	**6,200.11**
- Others	17,049.67	11,292.59	160.80	47.86	38.83	**28,589.75**
Total	**21,772.92**	**12,768.38**	**161.79**	**47.94**	**38.83**	**34,789.86**

* Includes Unbilled

Particulars	As at 31 March, 2022	As at 31 March, 2021
Note 13: Other current financial liabilities		
Unpaid dividend	328.19	359.88
Employee benefits payable	1,364.93	1,501.90
Payables on purchase of property, plant and equipment	125.43	436.24
Total	**1,818.55**	**2,298.02**
Note 14: Contract Liabilities		
Advances from customers	627.90	272.44
Total	**627.90**	**272.44**

Note 15: Provisions		
Provision for unspent corporate social responsibility expenditure as at year end (refer note 27(b))	291.08	135.40
Total	**291.08**	**135.40**

	Year ended 31 March, 2022	Year ended 31 March, 2021
Movement in provision is set out below:-		
Balance as at beginning of the year	135.40	-
Add: Expense recognised in statement of profit and loss during the year	391.52	420.21
Less: Amount spent during the year	235.84	284.81
Balance as at end of the year	291.08	135.40

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 16: Employee benefit obligations

Employee benefit obligations	As at 31 March, 2022	As at 31 March, 2021
	Current	
(i) Leave obligations	929.72	730.14
(ii) Gratuity	337.55	292.52
Total	**1,267.27**	**1,022.66**

(i) Leave obligations

The leave obligation cover the Group's liability for earned leave and sick leave.

The entire amount of provision of ₹ 929.72 Lacs (31 March, 2021 - ₹ 730.14 Lacs) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to avail the full amount of accrued leaves or require payment for such leave within the next 12 months.

Leave obligation not expected to be settled within the next 12 months	**860.27**	**653.38**

Defined Contribution Plan:

The Group has certain defined contribution plans including provident fund. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards contribution to provident and other fund is:

	Year ended 31 March, 2022	Year ended 31 March, 2021
Contribution to provident and other funds:		
Contribution to Employee state insurance	6.92	9.19
Contribution to Provident fund	443.55	357.30
Contribution to National pension scheme	47.37	38.06
	497.84	**404.55**

(ii) Defined Benefit Plan - Gratuity:

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contribution to recognised funds in India. The Group does not fully fund the liability and maintains the target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. The gratuity fund plan assets of the Group are managed by RHI Magnesita India Employees Group Gratuity Trust and erstwhile RHI India Private Limited Group Gratuity Trust through Kotak Gratuity Group Plan and group gratuity plan with Life Insurance Corporation of India, respectively. The gratuity fund plan assets of the subsidiary are managed by Intermetal Engineers (India) Private Limited Employee Group Gratuity Scheme through LIC Gratuity Group Plan.

	Gratuity - Funded	
	As at 31 March, 2022	As at 31 March, 2021
A. Changes in Defined Benefit Obligation		
Defined benefit obligation as at the beginning of the year	1,731.41	1,521.01
Current service cost	174.41	134.01
Interest cost	87.71	103.35
Benefit paid	(63.33)	(33.02)
Actuarial loss on obligation	113.12	6.06
Defined Benefit Obligation at end of year	**2,043.32**	**1,731.41**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

	Gratuity - Funded	
	As at 31 March, 2022	As at 31 March, 2021
Change in fair value of plan assets		
Fair value of plan assets at beginning of the year	1,438.89	1,233.66
Expected return on plan assets	80.04	83.46
Employer contribution	257.42	139.01
Benefit payments from plan assets	(48.25)	(33.02)
Actuarial (loss)/gain on plan assets	(22.33)	15.78
Fair value of plan assets at end of year	**1,705.77**	**1,438.89**
Net defined benefit (asset)/liability		
Present value of obligation at the end of the year	2,043.32	1,731.41
Fair value of plan assets at the end of the year	1,705.77	1,438.89
Unfunded liability/provision in Balance Sheet	**337.55**	**292.52**
Total expense recognised in the statement of profit and loss		
Current service cost	174.41	134.01
Interest cost	87.71	103.35
Interest income	(80.04)	(83.46)
Total Expense recognised under employee benefits expense (refer note 24)	**182.08**	**153.90**
Total expense recognised in OCI		
Actuarial loss on defined benefit obligation arising from change in demographic assumption	-	8.87
Actuarial (Gain) / Loss on defined benefit obligation arising from change in financial assumption	(94.20)	(24.86)
Actuarial loss on defined benefit obligation arising from experience adjustment	207.32	-
Actuarial loss of plan assets	22.33	6.28
Unrecognised actuarial loss/(gain) at the end of year	**135.45**	**(9.71)**

(B) Actuarial Assumptions:

	As at 31 March, 2022	As at 31 March, 2021
i) Discounting Rate	7.22%	6.7 to 6.9%
ii) Future Salary Increase	4.5% to 8%	8%
iii) Retirement Age (Years)	58/60	58/60
iv) Ages	**Withdrawal Rate %**	
Up to 30 Years	3 to 5%	3 to 5%
From 31 to 44 years	2 to 5%	2 to 3%
Above 44 years	1 to 5%	1 to 5%

Assumptions regarding future mortality rate for gratuity is based on actuarial advice in accordance with published statistics and experience.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(C) Expected contribution for the next 12 months

		As at 31 March, 2022	As at 31 March, 2021
i)	Service cost	203.51	137.23
ii)	Net Interest cost	24.04	9.12
iii)	**Expected contribution for the next 12 months**	**227.55**	**146.35**

(D) The weighted average duration of the defined benefit obligation is 10.91 to 14.19 years (31 March, 2021 — 10.85 to 13.69 years). The expected maturity analysis of undiscounted gratuity benefit is as follows:

Maturity profile of Defined Benefit Obligation Years :

i)	0 to 1 Year	149.17	92.19
ii)	1 to 2 Year	87.70	89.63
iii)	2 to 3 Year	149.55	100.39
iv)	3 to 4 Year	250.05	133.17
v)	4 to 5 Year	167.34	222.48
vi)	5 to 6 Year	193.99	152.35
vii)	6 Year onwards	2,786.14	2,134.95
	Total	**3,783.94**	**2,925.16**

(E) Sensitivity analysis on defined benefit obligation

Discount rate			
a.	Discount rate - 0.5% - the liability to increase by	91.55	197.99
b.	Discount rate + 0.5% - the liability to decrease by	(85.32)	(219.77)
Salary increase rate			
a.	Rate - 0.5% - the liability to decrease by	(82.05)	(213.01)
b.	Rate + 0.5% - the liability to increase by	86.18	198.73

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the repotting period) has been applied as when calculating the Defined benefit recognised in the balance sheet. The methods and types of assumptions used in preparation, the sensitivity analysis did not change compared to the prior period.

(F) Risk Exposures:

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Salary Increases: Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment Risk: If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

(G) Defined benefit liability and employer contribution

The Group monitors the deficit in defined benefit obligation (net off plan assets) and endevours to meet such deficit within reasonable future. The objective is to ensure adequate investments of funds, at appropriate time, to generate sufficient corpus for future payments.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Note 17: Current tax liabilities		
Provision for income tax (Net of Advance to Income Tax of ₹ 36,314.64 lacs)	177.96	-
Total	**177.96**	**-**
Note 18: Other current liabilities		
Statutory dues (Contribution to Provident Fund and Employee State Insurance, Goods and Services Tax etc)	1,073.35	524.26
Deposits from employees	11.94	6.73
Total	**1,085.29**	**530.99**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Note 19: Revenue from operations (refer note 39)		
Revenue from contracts with customers		
- Sales of products		
(i) Finished goods	74,785.08	50,900.50
(ii) Traded goods	29,157.18	24,632.24
- Total Refractories Management Services	90,605.30	57,485.16
- Sale of services	4,048.94	3,122.48
	198,596.50	**136,140.38**
Other operating revenues (Government grant - export incentives)	917.77	897.48
Total	**199,514.27**	**137,037.86**
Note 20: Other income		
Interest income on financial assets on amortised cost:		
- on bank deposits	166.55	452.86
- on others	104.11	143.98
Net foreign exchange differences	-	325.73
Liabilities / provisions no longer required written back	2.23	71.11
Bad debts recovered	1.56	12.83
Scrap Sales	423.06	75.73
Miscellaneous income	268.69	150.15
Total	**966.20**	**1,232.39**
Note 21: Cost of raw materials and components consumed		
Opening stock	7,989.11	6,391.04
Add: Purchases	84,084.75	51,119.53
	92,073.86	57,510.57
Less: Closing stock	20,398.32	7,989.11
Total	**71,675.54**	**49,521.46**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Note 22: Purchases of stock-in-trade (traded goods)		
Purchases of stock-in-trade (traded goods)	59,983.74	42,410.52
Total	**59,983.74**	**42,410.52**
Note 23: Change in inventories of finished goods, work in-progress and traded goods		
Inventories at the end of the year		
Work in progress	4,041.84	2,508.20
Finished goods	12,722.26	7,087.22
Traded goods	21,242.55	16,093.93
	38,006.65	**25,689.35**
Inventories at the beginning of the year		
Work in progress	2,508.20	2,161.78
Finished goods	7,087.22	5,494.99
Traded goods	16,093.93	11,999.32
	25,689.35	**19,656.09**
Less: Own production consumed for construction of Kiln capitalised	(21.05)	(355.79)
Total	**(12,338.35)**	**(6,389.05)**
Note 24: Employee benefits expense		
Salaries, wages and bonus	10,990.36	9,481.73
Contribution to provident fund & others (refer note 16)	497.84	404.55
Gratuity (refer note 16)	182.08	153.90
Leave obligation	219.88	181.38
Staff welfare expenses	461.70	338.12
Total	**12,351.86**	**10,559.68**
Note 25: Finance cost		
Interest expense:		
- on external commercial borrowings	102.78	112.24
- on bank overdraft	14.66	0.28
- on bills discounting	166.50	240.91
- Net exchange differenes on foreign currency borrowings	(100.95)	219.30
Interest expenses on lease liabilities	33.38	12.27
Others	1.52	63.31
Total	**217.89**	**648.31**
Note 26: Depreciation and amortisation expense		
Depreciation on property, plant and equipment	3,165.09	2,850.55
Depreciation charge of right-of-use assets	109.90	85.49
Amortisation of intangible assets	107.53	43.44
Total	**3,382.52**	**2,979.48**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Note 27: Other expenses		
Consumption of stores and spare parts	2,979.42	2,082.32
Consumption of packing materials	2,785.70	1,684.86
Power and fuel	5,056.51	3,810.43
Processing charges	5,634.82	5,551.76
Rent {Refer Note 3(b) & 34(b)}	252.22	114.84
Repairs and maintenance		
- Plant and machinery	511.34	463.06
- Buildings	33.82	32.57
- Others	155.93	54.07
Insurance	333.41	248.87
Rates and taxes	874.73	32.58
Communication costs	136.69	106.72
Travelling and conveyance	508.36	262.77
Printing and stationery	26.61	36.74
Freight and forwarding	4,924.67	3,895.73
Commission on sales (Other than sole selling agents)	-	100.62
Advertising and other expenses	29.21	6.08
Donation	0.48	0.83
Expenditure on corporate social responsibility {refer Note 27(b)}	391.52	420.21
Legal and professional fees {refer Note 27(a)}	1,694.66	579.58
Royalty	817.83	129.50
Directors sitting fees	21.25	12.75
Bad debts written off	143.56	117.90
Allowance for doubtful debts - trade receivables (Net)	478.58	(276.05)
Allowance/(writeback) for doubtful export incentives receivable (Net)	(53.27)	44.00
Net foreign exchange differences	497.54	-
Loss on property, plant and equipment sold / scrapped (Net)	38.11	0.24
Bank charges	108.32	55.22
Impairment loss on capital work-in-progress	81.75	-
Information & technology expenses	888.15	351.42
Miscellaneous expenses	107.13	162.27
Total	**29,459.05**	**20,081.89**
Note 27 (a): Legal & professional include Payment to Auditors as under : -		
Payment to auditor (excluding GST) comprise		
a) To statutory auditor		
- for audit	112.92	98.03
- for limited review	26.38	16.06
- reimbursement of expenses	6.69	3.93
b) To cost auditor for cost audit	0.75	1.15
	146.74	**119.17**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars		Year ended 31 March, 2022	Year ended 31 March, 2021
Note 27 (b): Expenditure on Corporate Social Responsibility (CSR)			
a)	Gross amount required to be spent by the Company during the year	391.52	420.21
b)	Cumulative provision for unspent expenditure at the beginning of the year (refer note 15)	135.40	-
c)	Amount spent during the year on:		
	i) Construction/ acquisition of any asset	-	-
	ii) On purposes other than (i) above (includes ₹ 32 lacs relating to previous year)	235.84	284.81
d)	Provision for unspent expenditure for the year	187.68	135.40
e)	Cumulative provision for unspent expenditure as at year end (refer note 15)	291.08	135.40

Reason for shortfall in the current year

There was delay in spending the required CSR expenditure due to Covid-19 pandemic impact in the initial period of the financial year because of which several officials of the Company were infected and it was difficult for the Company to keep its operations running and the management was focused on ensuring smooth functioning of the business.

Per sub-section (5) of Section 135 of the Act, the Company was required to transfer unspent Corporate Social Responsibility expenditure as at 31 March, 2021 in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act within the six months of the expiry of the financial year end. However, transfer of certain amount was made beyond a period of six months of the expiry of the financial year end. The Company has filed a compounding application with respect to above mentioned non compliance with the Ministry of Corporate Affairs on 20 May, 2022 and the management is of the view that the impact of potential compounding is not expected to be material to the Company. Details are as given below.

Per sub-section (5) of Section 135 of the Act, the Company is required to transfer unspent Corporate Social Responsibility expenditure for the year ended 31 March, 2022 in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act, the time period of such transfer, i.e., six months of the expiry of the financial year end as permitted under the second proviso to sub-section (5) of Section 135 of the Act has not elapsed until the date of approval of these Consolidated Financial Statements. Details are as given below.

Financial year	Amount to be spent in accordance with section 135(5)	Amount remaining unspent as at the year-end to be transferred to fund under Schedule VII	Amount transferred to Fund under Schedule VII, within 6 months from end of financial year (or till the approval of these Standalone Financial Statements, if that is earlier)	Amount transferred to Fund under Schedule VII, after 6 months from end of financial year (till the approval of these Standalone Financial Statements)	Amount not transferred to Fund under Schedule VII, till the approval of these Standalone Financial Statements but the period of six months from the end of the financial year has not lapsed
(a)	(b)	(c)	(d)	(e)	(f)
2020-21	420.21	135.40	32.00	103.40	-
2021-22	391.52	187.68	-	-	187.68

Note 28: Income tax expense

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Income Tax Expense		
Current tax		
Current tax on profits for the year	9,383.13	4,896.21
Adjustments for current tax of prior periods	(294.54)	26.18
Total current tax expense	**9,088.59**	**4,922.39**
Deferred tax		
Deferred tax expense/(benefit)	(240.81)	(126.76)
Total deferred tax expense	**(240.81)**	**(126.76)**
Total Income Tax Expense	**8,847.78**	**4,795.63**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Reconciliation of tax expense and accounting profit multiplied by tax rate		
Profit before income tax expense	35,748.22	18,457.96
Tax at the rate of 25.168% (Previous year : 25.168%)	8,997.11	4,645.50
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Adjustments for current tax of prior periods	(294.54)	26.18
- Corporate social responsibility expenditure	98.54	105.76
- Others	46.67	18.19
Income Tax Expense	**8,847.78**	**4,795.63**

Amount recognised direct in equity	Year ended 31 March, 2022	Year ended 31 March, 2021
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited / (credited) to equity:	-	-
Deferred Tax ((refer note 9(b))	120.93	-

Note 29: Fair value measurement

Financial Instruments by category

	As at 31 March, 2022		As at 31 March, 2021	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Non-current				
Investments	-	0.45	-	0.45
Security deposits		138.83	-	129.75
Other financial assets	-	26.40	-	24.81
Current				
Trade receivables	-	48,902.07	-	32,770.99
Cash and cash equivalents	-	6,221.02	-	15,514.18
Bank balances other than above	-	1,588.19	-	509.88
Other financial assets	-	47.50	-	107.07
Total Financial Assets	**-**	**56,924.46**	**-**	**49,057.13**
Financial liabilities				
Non Current				
Borrowings	-	3,341.94	-	5,980.66
Current				
Borrowings	-	2,562.33	-	24.56
Trade payables	-	52,666.99	-	34,789.86
Other financial liabilities	-	1,818.55	-	2,298.02
Total Financial Liabilities	**-**	**60,389.81**	**-**	**43,093.10**

The carrying amounts of trade receivables, trade payables, current borrowings, other current financial assets & liabilities, bank balances and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair value of non-current financial assets and financial liabilities carried at amortized cost is substantially same as their carrying amount.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 30: Financial Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk.

The Group's senior management has the overall responsibility for establishing and governing the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policies accordingly. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and bank balances, Trade Receivables, Other Financial Assets	"Ageing analysis Credit ratings"	Diversification of bank deposits and periodic monitoring of realisable value of assets. Business with customers with reliable credit rating in the market.
Liquidity risk	Trade payables and Other Financial liabilities	Cash flow forecasts	Availability of adequate cash and liquid assets.
Market risk — foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting's Sensitivity analysis	"Regular monitoring to keep the net exposure at an acceptable level, with an option of taking forward foreign exchange contracts if deemed necessary. Natural hedging by maintaining balances between receivables and payables within same currency."
Market risk — Interest rate	Borrowings with floating rate of interest	"Cash flow forecasting's Sensitivity analysis"	Regular monitoring to keep the net exposure at an acceptable level.

A. Credit Risk

Credit risk on cash and cash equivalent and bank balances is not significant as it majorly includes deposits with bank and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Other financial assets primary includes security deposits given to lessee's. These deposits are given in the normal course of the business operations.

Credit risk arise from possibility that customer may default on its obligation to make timely payments, resulting into financial loss. The maximum exposure to the credit risk is primarily from trade receivable and unbilled revenue.

The credit risk is managed by the Group through credit term approvals, establishing the financial reliability of the customers taking into account the financial condition, analysis of historical bad debts and ageing of account receivables. Outstanding customer receivables are regularly monitored. Individual credit terms are set accordingly by the Group's credit control department.

To address the risk of any potential non recovery from trade receivables, the Group has the practise of reviewing debtors having balances outstanding for more than 180 days as at period end and consider them for provision for bad and doubtful debts. Besides this, wherever there is specific evidence about the deteriorating financial position, downfall in business, intention to not pay or other similar factors of the customer, the management reviews the underlying facts and merits of such cases to evaluate the need to adjust provision, as computed based on ageing analysis. This provision, based on collective analysis, is sufficient to cover the entire lifetime loss of revenues recognised including those that are currently less than 180 days outstanding and not provided for.

Ageing of trade receivables:

Category	As at 31 March, 2022	As at 31 March, 2021
Not due	34,228.17	24,190.34
0-30 days	9,708.22	4,275.28
31-60 days	2,168.14	2,622.79
61-90 days	1,213.84	851.15
91-180 days	1,390.00	479.54
181-240 days	132.74	158.26
More than 240 days	831.18	485.27
Total	**49,672.29**	**33,062.63**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Allowance for doubtful debts-trade receivables

Particulars	Amount (in ₹ Lacs)
Allowance as on 1 April, 2020	**567.69**
Changes in loss allowance (refer note 27)	(276.05)
Allowance as on 31 March, 2021	**291.64**
Changes in loss allowance (refer note 27)	478.58
Allowance as on 31 March, 2022	**770.22**

B. Liquidity Risk:

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time. The Group's primary sources of liquidity are cash generated from operations. The cash flows from operating activities are driven primarily by operating results and changes in the working capital requirements.

The Group believes that its liquidity position is adequate to fund the operating and investing needs and to provide with flexibility to respond to further changes in the business environment.

Contractual Maturities of financial liabilities:

The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
31 March, 2022					
Borrowings	2,562.33	3,341.94	-	-	**5,904.27**
Trade Payables	52,666.99	-	-	-	**52,666.99**
Lease Liabilities	158.92	131.86	109.15	334.15	**734.08**
Unpaid dividend	328.19	-	-	-	**328.19**
Employee Benefits payable	1,364.93	-	-	-	**1,364.93**
Payables on purchase of property, plant and equipment	125.43	-	-	-	**125.43**
Other financial liabilities	-	-	-	-	**-**
31 March, 2021					
Borrowings	24.56	2,581.58	3,399.08	-	**6,005.22**
Trade Payables	34,789.86	-	-	-	**34,789.86**
Lease Liabilities	65.11	65.11	34.44	148.45	**313.11**
Unpaid dividend	359.88	-	-	-	**359.88**
Employee Benefits payable	1,501.90	-	-	-	**1,501.90**
Payables on purchase of property, plant and equipment	436.24	-	-	-	**436.24**

C. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises two types of risk: foreign currency risk and interest rate risk. Financial instruments affected by market risks include borrowings, foreign currency receivables and payables.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Foreign currency risk: The Group operates internationally and is exposed to foreign exchange risk in relation to operating activities (when revenue or expense is denominated in a foreign currency) arising from foreign currency transactions, primarily with respect to the USD and EUR. The Group manages the exposure through natural hedging, by maintaining appropriate balances of receivables and payables within same currency. The Group also has policies to enter into foreign currency financial contracts in order to manage the impact of changes in foreign exchange rates on the results of operations and future foreign currency denominated cash flows. Forward exchange contracts are not intended for trading or speculative purposes but only for hedge purposes.

The Group does not have material foreign currency exposure.

Foreign currency risk exposure

Particulars of unhedged foreign currency exposure in ₹ (In Lacs)

Purpose	As at 31 March 2022				As at 31 March 2021			
	USD	EURO	GBP	CHF	USD	EURO	GBP	CHF
Borrowings	–	5,904.27	–	–	–	6,005.22	–	–
Trade Payables	13,322.32	919.98	2.87	885.76	8,833.75	290.07	30.97	14.31
Payables on purchase of property, plant and equipment	–	38.10	–	–	51.69	37.77	–	–
Net exposure to foreign currency risk (Liabilities)	**13,322.32**	**6,862.35**	**2.87**	**885.76**	**8,885.44**	**6,333.06**	**30.97**	**14.31**
Trade Receivables	5,297.47	820.93	–	–	2,818.30	957.67	–	–
Balance with EEFC Account	–	–	–	–	–	121.61	–	–
Net exposure to foreign currency risk (Assets)	**5,297.47**	**820.93**	**-**	**-**	**2,818.30**	**1,079.28**	**-**	**-**

Sensitivity to risk:

Particulars	**Impact on Profit (Net of tax) (Increase)/Decrease**	
	Year ended 31 March, 2022	**Year ended 31 March, 2021**
USD sensitivity		
INR/USD – Increase by 5%	(300.26)	(227.01)
INR/USD – Decrease by 5%	300.26	227.01
Euro sensitivity		
INR/EURO – Increase by 5%	(226.05)	(196.58)
INR/EURO – Decrease by 5%	226.05	196.58
GBP sensitivity		
INR/GBP – Increase by 5%	(0.11)	(1.16)
INR/GBP – Decrease by 5%	0.11	1.16
CHF sensitivity		
INR/CHF – Increase by 5%	(33.14)	(0.54)
INR/CHF – Decrease by 5%	33.14	0.54

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

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(All amount in ₹ Lacs, unless otherwise stated)

Interest Rate Exposure

Particulars	Impact on Profit (Net of tax) (Increase)/Decrease	
	Year ended 31 March, 2022	Year ended 31 March, 2021
External Commercial Borrowings		
Interest expense	102.78	112.24
Interest rate at the end of the year	2.00%	2.00%
Interest rate Increase by 1%	38.46	42.00
Interest rate Decreases by 1%	(38.46)	(42.00)
Bank Overdraft		
Interest expenses	14.66	0.28
Interest rate at the end of the year	9.15%	9.15%
Interest rate Increase by 1%	1.20	0.02
Interest rate Decreases by 1%	(1.20)	(0.02)

Note 31 : Capital management

A. Risk Management

The Group's objectives when managing capital is to safeguard their ability to continue as a going concern, so that it can continue to provide adequate returns to the shareholders.

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards business needs, opitimisation of working capital requirements and deployment of surplus funds into fixed deposits.

The management of the Group reviews the capital structure of the Group on regular basis. As part of this review, the Board considers the status of debts, cost of capital and movement in the working capital.

Particulars	As at 31 March, 2022	As at 31 March, 2021
Debt	5,904.27	6,005.22
Share capital	1,609.96	1,201.39
Shares pending issuance	-	408.57
Equity reserves	101,262.06	78,967.56
Total Equity	**102,872.02**	**80,577.52**
Gearing ratio	**5.74%**	**7.45%**

B. Dividend

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
(i) Equity shares		
Final Dividend for the year 31 March, 2021 of ₹ 2.50 (31 March, 2020 - ₹ 2.50) per fully paid share	4,024.91	3,003.48
Final dividend for the year 31 March, 2021 of ₹ Nil (31 March, 2020 - ₹ 2.27) to the shareholders of erstwhile fellow subsidiary i.e., RHI Clasil Private Limited	NA	417.68
(ii) Dividend not recognised at the end of the reporting period		
In addition to the above dividends, the directors have recommended the payment of a final dividend of ₹ 2.50 per fully paid equity share (31 March, 2021 of ₹ 2.50), in its meeting held on 27 May, 2022 (31 March, 2021: 25 June, 2021). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	4,024.91	4,024.91

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(All amount in ₹ Lacs, unless otherwise stated)

Note 32: Segment information

The Group is primarily engaged in the business of manufacturing refractories and monolithics. Based on the information reported to the chief operating decision maker (CODM) for the purpose of resources' allocation and assessment of performance, there is single business segment in accordance with the requirements of Indian Accounting Standard (Ind AS 108 on 'Operating Segment Reporting' notified under the Companies (Indian Accounting Standard) Rules, 2015.

Geographical Segments:

The analysis of geographical segment is based on the geographical location of the customers. The Group 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. For customers located outside India, the Group has assessed that they carry same risk and rewards. The Group has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.

- Sales outside India include sales to customers located outside India"

Secondary Segment Reporting (by Geographical Segments)

The following is the distribution of the Group's total revenue of operations by geographical market, regardless of where the goods were produced:

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Within India	167,665.12	112,589.07
Outside India	30,931.38	23,551.31
Total	**198,596.50**	**136,140.38**

The following table shows the carrying amount of trade receivables by geographical segments

Particulars	As at 31 March, 2022	As at 31 March, 2021
Within India	42,833.96	28,995.02
Outside India	6,068.11	3,775.97
Total	**48,902.07**	**32,770.99**

All other assets (other than trade receivables) used in the Group's business are located in India and are used to cater to both the categories of customers (within India and outside India). Accordingly the total cost incurred during the year to acquire property, plant and equipment and intangible assets has not been disclosed.

Note 33: Contingent Liabilities

Claims against the Group not acknowledged as debts

Demand from income tax	1,150.26	993.91
Demand from excise and service tax authorities	329.56	316.12
Demand from customs authorities	291.88	291.88
Demand from central sales tax	16.53	16.53
Total	**1,788.23**	**1,618.44**

Notes :

(i) No provision is considered necessary since the Group expects favourable decisions.

(ii) Paid under protest of ₹ 39.59 Lacs (31 March, 2021, ₹ 39.59 Lacs)

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

These represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants as the case may be and therefore cannot be predicted accurately. The Group engages professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

Note 34 (a): Capital and other commitments:

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

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Property, plant and equipment	2,211.90	1,570.53

(ii) The Group has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services and employee benefits, in normal course of business.

(iii) The Group has long term commitments/contracts for which there were no material foreseeable losses. The Group did not have any long-term derivative contracts as at 31 March, 2022.

Note 34 (b): Operating Leases

The Group's cancellable operating lease arrangements mainly consists of offices, guest house and warehouse for period of less than 11 months. Terms of lease include terms for renewal, increase in rent in future periods and terms of cancellation (refer note 27).

Note 35: Earnings per share

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
(a) Basic earnings per share (₹)	16.71	8.49
(b) Diluted earnings per share (₹)	16.71	8.49
Profits used for calculating earnings per share		
Profit attributable to the equity holders of the Company used in calculating Basic Earnings per share	26,900.44	13,662.33
Profit attributable to the equity holders of the Company used in calculating Diluted Earnings per share	26,900.44	13,662.33
Weighted average number of shares used as denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share*	1,609.96	1,609.96
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share*	1,609.96	1,609.96

*Includes 408.57 lacs shares for the year ended 31 March, 2021, which were pending for issuance as per the Scheme which was being considered effective from 01 April, 2019 as per Ind AS - 103, Business Combination (refer note 40).

Note: There are no diluted instruments.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 36: Related Party Transactions

(a) List of Related Parties

(i) Parent entities

The Group is controlled by the following :

Name	Type	Place of Incorporation	Ownership Interest (in %)	
			As at 31 March, 2022	As at 31 March, 2021
RHI Magnesita N.V., Austria	Ultimate holding Company	Austria	-	-
Veitscher Vertriebsgesellschaft m.b.H., Austria	Intermediate Holding Company	Austria	-	-
Dutch US Holding B.V., Netherlands	Subsidiary of intermediate holding Company	Netherlands	49.61%	66.49%
Dutch Brasil Holding B.V., Netherlands	Subsidiary of intermediate holding Company	Netherlands	12.81%	-

(ii) Key managerial personnel (KMP)

Mr. Parmod Sagar, Managing Director & CEO

Mr. Sanjeev Bhardwaj, Chief Financial Officer

Mr. RVS Rudraraju, Chief Operating Officer (w.e.f. 25 June, 2021)

(iii) Fellow subsidiaries with whom the Company had transactions

Dutch US Holding B.V., Netherlands

Dutch Brasil Holding B.V., Netherlands

Refractory Intellectual Property GmbH & Co KG

Magnesita Mineracao S.A.

RHI Refractories Asia Pacific Pte Ltd

RHI Magnesita GmbH

RHI Urmitz AG & Co KG

Magnesita Refractories Private Limited

Magnesita Envoy Asia Limited

RHI Trading (Dalian) Co. Ltd

VRD Americas B.V. Netherlands

RHI Refractories UK Ltd.

RHI-Refmex S.A. DE C.V.

RHI Refractories Liaoning Co. Ltd.- China

Magnesita Refractories Middle East FZE

RHI Magnesita Deutschland AG

RHI Magnesita Interstop AG

RHI Magnesita Trading B.V.

(iv) Relative of KMP

Mr. Christophar Parvesh

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(b) Related Party Transactions

Particulars	Relationship	Year ended 31 March, 2022	Year ended 31 March, 2021
Dividend paid			
Dutch US Holding B.V., Netherlands	Fellow Subsidiary	1,996.94	1,996.94
Dutch Brasil Holding B.V., Netherlands	Fellow Subsidiary	515.52	-
VRD Americas B.V. Netherlands	Fellow Subsidiary	312.60	224.37
Sales:			
RHI Magnesita GmbH	Fellow Subsidiary	26,207.17	19,111.96
RHI Urmitz AG & Co KG	Fellow Subsidiary	1,688.18	421.96
RHI Refractories Asia Pacific Pte Ltd	Fellow Subsidiary	-	31.04
RHI Refractories UK Ltd.	Fellow Subsidiary	-	0.43
RHI-Refmex S.A. DE C.V.	Fellow Subsidiary	-	3.44
RHI Magnesita Deutschland AG	Fellow Subsidiary	-	425.97
Purchases			
RHI Magnesita Interstop AG	Fellow Subsidiary	406.25	582.31
Magnesita Mineracao S.A.	Fellow Subsidiary	-	39.80
Magnesita Refractories Middle East FZE	Fellow Subsidiary	15.20	
RHI Magnesita GmbH	Fellow Subsidiary	38,074.51	26,031.11
Magnesita Envoy Asia Limited	Fellow Subsidiary	-	152.03
Purchase of spares			
RHI Magnesita GmbH	Fellow Subsidiary	177.64	162.32
RHI Magnesita Interstop AG	Fellow Subsidiary	452.25	153.58
Purchase of assets			
RHI Magnesita GmbH	Fellow Subsidiary	287.93	1,335.05
RHI Magnesita Interstop AG	Fellow Subsidiary	377.18	66.41
Service income			
RHI Magnesita GmbH	Fellow Subsidiary	484.65	1,020.06
RHI Magnesita Trading B.V.	Fellow Subsidiary	1,463.74	415.96
Managerial remuneration*			
Mr. Parmod Sagar	KMP	338.17	351.85
Mr. Sanjeev Bhardwaj	KMP	117.20	119.00
Mr. RVS Rudraraju	KMP	131.71	-

*The amount of managerial remuneration does not include the amount attributed towards Equity-settled share options (LTIP) issued by RHI Magnesita N.V. for which no cost is charged from the Group. Also refer note 37.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Relationship	Year ended 31 March, 2022	Year ended 31 March, 2021
Salary			
Mr. Christophar Parvesh	Relative of KMP	10.33	9.63
Royalty			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	817.83	129.50
Information Technology Expenses*			
RHI Magnesita GmbH	Fellow Subsidiary	742.53	350.25
*Includes reimbuirsement of expense			
Expenses reimbursement {Received/(Paid)}			
RHI Magnesita GmbH	Fellow Subsidiary	175.57	265.15
RHI Refractories Asia Pacific Pte Ltd	Fellow Subsidiary	-	8.96
Magnesita Refractories Private Limited	Fellow Subsidiary	0.84	0.84
Interest Expenses			
VRD Americas B.V. Netherlands	Holding Company	102.78	112.24

(c) Outstanding balances arising from sales/purchase of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related party:

Particulars	Relationship	As at 31 March, 2022	As at 31 March, 2021
Trade Payables:			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	688.98	65.23
RHI Refractories Asia Pacific Pte Ltd	Fellow Subsidiary	-	2.92
RHI Magnesita Interstop AG	Fellow Subsidiary	885.77	41.03
RHI Magnesita GmbH	Fellow Subsidiary	24,853.41	12,590.11
Magnesita Refractories Middle East FZE	Fellow Subsidiary	15.48	-
RHI Refractories Liaoning Co. Ltd.- China	Fellow Subsidiary	-	2.28
RHI Trading (Dalian) Co. Limited	Fellow Subsidiary	-	0.17
Total Trade Payables to related parties		**26,443.64**	**12,701.74**
Trade Receivables:			
RHI Urmitz AG & Co KG	Fellow Subsidiary	303.80	57.22
RHI Magnesita GmbH	Fellow Subsidiary	4,934.60	2,784.16
RHI Magnesita Trading B.V	Fellow Subsidiary	31.46	178.08
Magnesita Refractories Private Limited	Fellow Subsidiary	0.17	0.43
Total Trade receivables from related parties		**5,270.03**	**3,019.89**
External Commercial Borrowings			
VRD Americas B.V, Netherlands	Holding Company	5,904.27	6,005.22
		5,904.27	**6,005.22**
Other transactions			
Guarantee given to Bank by RHI Magnesita GmbH	Fellow Subsidiary	4,230.30	8,879.00
		4,230.30	**8,879.00**

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(All amount in ₹ Lacs, unless otherwise stated)

Note 37: Equity-settled share option plan (LTIP)

RHI Magnesita N.V (Ultimate Holding Company) has implemented a share option plan for the members of senior management including of the Company. Each share option converts into one ordinary share of RHI Magnesita N.V on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry rights to dividends but no voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The number of options granted is calculated in accordance with the performance-based formula approved by the shareholders of the Ultimate Holding Company. The vesting period for each share option plan is three years. If the options remain unexercised after a period of seven years from the vesting date the, options expire. Options are forfeited if the employee leaves the Company before the options vest. The allocation of share option plan has been made by the Ultimate Holding Company pursuant to the following plans:

Plans details	Grant date	Vesting Date (Vesting period)	Exercise price	Number of share options	
				As at 31 March, 2022	As at 31 March, 2021
Equity-settled share option plan 2019	19-Aug-2019	19-Aug-2022 (3 years)	Nil	1,752	1,110
Equity-settled share option plan 2020	8-Apr-2020	8-Apr-2023 (3 years)	Nil	5,611	2,774
Equity-settled share option plan 2021	15-Mar-2021	15-Mar-2024 (3 years)	Nil	1,255	53
Equity-settled share option plan 2022	8-Mar-2022	8-Mar-2025 (3 years)	Nil	131	-
			Total	**8,749**	**3,937**

i) Summary of share options outstanding under the plan:

Particular	Number of share options	
	As at 31 March, 2022	As at 31 March, 2021
Opening balance	3,937	423
Granted during the year	4,812	3,514
Exercised during the year	-	-
Forfeited during the year	-	-
Closing Balance	**8,749**	**3,937**

ii) Fair value of share options granted by the Company under each scheme

Grant Date	Fair Value (Euro)
19-Aug-2019	46.25
8-Apr-2020	22.70
15-Mar-2021	48.28
8-Mar-2022	25.86

(b) Expense arising from employee share option plan

The fair value of the LTIP granted that has not been recognised as expense in the Statement of Profit and Loss as the impact is not considered material, is as follows:

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Equity-settled share option plan expenses	109.37	74.23
Total expense	**109.37**	**74.23**

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(All amount in ₹ Lacs, unless otherwise stated)

Note 38: Due to micro and small enterprises

Particulars	As at 31 March, 2022	As at 31 March, 2021
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end *	6,167.74	6,200.11
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	73.21	30.77
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	7,702.78	978.76
(iv) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	42.44	6.31
(vii) Interest accrued and remaining unpaid at the end of the accounting year	73.21	30.77
(viii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

* Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are based on information made available to the Group.

Note 39: Revenue from Contracts with Customers

Revenue from contracts with customers (refer Note 19)	Year ended 31 March, 2022	Year ended 31 March, 2021
The Company has recognised the following amounts relating to revenue in the statement of profit and loss:		
Sale of products		
(i) Finished goods	74,785.08	50,900.50
(ii) Traded goods	29,157.18	24,632.24
Total Refractories Management Services	90,605.30	57,485.16
Sale of services	4,048.94	3,122.48
Revenue from contracts with customers	**198,596.50**	**136,140.38**
Other operating revenues (Government grant - export incentives)	917.77	897.48
Total Revenue from Operations	**199,514.27**	**137,037.86**

Disaggregation of Revenue

In the following tables, revenue is disaggregated by product group and by geography. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108 (refer note 32). The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

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(All amount in ₹ Lacs, unless otherwise stated)

Disaggregation of Revenue by Geography

	Year ended 31 March, 2022	Year ended 31 March, 2021
Within India	167,665.12	112,589.07
Outside India	30,931.38	23,551.31
Total Revenue	**198,596.50**	**136,140.38**

Timing of Revenue Recognition

Revenue from the delivery of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual terms agreed in the customer contract. Revenue from contracts for total refractory management services, revenue is recognized over time using the output-oriented method (e.g. quantity of steel produced by the customer). Revenue from providing services is recognized in the accounting period in which the services are rendered.

Performance obligations

Revenue from the sale of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual terms agreed in the customer contract. Control is defined as the ability to direct the use and obtain substantially all the economic benefits from an asset. For the terms CIF (Cost, Insurance and Freight), transport service gives rise to a separate performance obligation to which a part of revenue has to be allocated, as this service is performed after the control of the product is transferred to the customer.

For Refractory Management services where the transaction price depends on the customer's production tonnage the management has determined that both supply of goods and services are not distinct as the customer expects total refractory management services from the Group, which includes supply of refractory material and its related services to produce steel. Thus, only one single performance obligation, the performance of refractory management services, exists. With regard to these contracts, revenue is recognised over time using the output-oriented method (e.g. quantity of steel produced by the customer).

Revenue from services is recognised over time, using an input method to measure progress towards completion of service, because the customer simultaneously receives and consumes the benefits provided by the Group.

Transaction price allocated to the remaining performance obligations

Transaction price is the expected consideration to be received in exchange for transferring goods or services, to the extent that it is highly probable that there will not be a significant reversal of revenue. For Refractory Management Contracts, transaction price depends on the customer's production performance.

The Group has applied practical expedient in Ind AS 115. Accordingly it has not disclosed information about remaining performance obligations wherein the Group has a right to consideration from customer in an amount that directly corresponds with the value to the customer of entity's performance till date using the output method and for the other contracts which have original expected durations of one year or less.

Reconciliation of revenue recognised with contract price

Contract price	198,510.68	134,729.00
Adjustments for:		
Claims & Rebates	(255.56)	(453.78)
Performance Bonus	341.39	1,865.16
Revenue from contracts with customers	**198,596.51**	**136,140.38**

Trade Receivables and Contract Balances

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as Contract Asset.

A receivable is a right to consideration that is unconditional upon passage of time.

Contract assets consist of unbilled revenue which arises when the Group satisfies the performance obligation in the Refractory Management Services contracts but does not have an unconditional right to consideration as it is dependent on the certification of the report on the quantity of steel produced. Contract asset usually gets converts to Trade Receivables within a time period of 30 days.

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(All amount in ₹ Lacs, unless otherwise stated)

Contract liabilities consists of advances from customers. Contract liabilities are presented in note 14.

Trade receivables are presented net off impairment loss in note 5(c).

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Revenue from contract with customers	272.44	766.02
Total	**272.44**	**766.02**
Movement in Contract Assets		
Opening balance at the beginning of the year	6,130.73	3,127.89
Add: Revenue recognized during the year	198,596.51	136,140.38
Less: Invoiced during the year	(194,755.22)	(133,137.54)
Closing balance at the end of the year	**9,972.02**	**6,130.73**
Movement in Contract Liabilities		
Opening balance at the beginning of the year	272.44	766.02
Add: Collection during the year	12,230.71	8,779.17
Less: Gross Sales	(11,875.25)	(9,272.75)
Closing balance at the end of the year	**627.90**	**272.44**

Significant judgements in the application of the Standard

For Refractory Management Contracts where the transaction price depends on the customer's production performance, the management has determined that both supply of goods and services are not distinct as the customer expects total refractory management services from the Component, which includes supply of refractory material and its related services to produce steel. The customer expects complete refractory management for the agreed product areas in the steel plant in order to enable steel production. Thus, only one single performance obligation, performance of refractory management service, exists.

Note 40: Merger

On 31 July, 2018 the Board of Directors of the Company and its fellow subsidiaries i.e. RHI India Private Limited ('RHI India') and RHI Clasil Private Limited ('RHI Clasil') (hereinafter referred as 'erstwhile fellow subsidiaries'), had granted its in-principle approval to the scheme of amalgamation of RHI India and RHI Clasil with and into the Company with the proposed appointed date of 01 January, 2019 or such other date as may be fixed by the Tribunal ('the Scheme'). The National Company Law Tribunal, Mumbai ('NCLT') vide its order dated 05 May, 2021 approved and sanctioned the Scheme with an appointed date of 31 July, 2018 in view of the order passed by the National Company Law Appellate Tribunal ('NCLAT').

During the year ended 31 March, 2021, the Company accounted for the Scheme in accordance with clause 3.7 of the Scheme which requires the accounting treatment to be carried out as prescribed under applicable accounting standards that is, from the beginning of the preceding year i.e. 1 April, 2019 onwards and in accordance with Ind AS 103, Business Combination. Total consideration payable being ₹ 408.57 lacs was disclosed as Shares Pending Issuance under Equity. The reserves in the financial statements of the erstwhile fellow subsidiaries were disclosed in the same form in the Standalone Financial Statements of the Company. The difference between the consideration disclosed as Shares Pending Issuance and the Share Capital of the erstwhile fellow subsidiaries on 01 April, 2019 was ₹ 1,465.71 lacs, was disclosed as Capital Reserve in these Consolidated Financial Statements.

The issuance and allotment of the equity shares to the shareholders of its erstwhile fellow subsidiaries pursuant to the Scheme was completed on 25 June, 2021 through a duly convened meeting of the Board of Directors of the Company.

During the year, the Company has issued and allotted 4,08,57,131 equity shares to the shareholders of its erstwhile fellow subsidiaries which have also got listed on the Bombay Stock Exchange and the National Stock Exchange.

During the year, pursuant to the Scheme becoming effective, in accordance with clause 3.2 of the Scheme, the authorised share capital of the Company have increased from ₹ 1,205 lacs to ₹ 3,080 lacs.

Notes to Consolidated Financial Statements

Also, during the year, the Company applied for change of its name from Orient Refractories Limited to RHI Magnesita India Limited which was approved by Registrar of Companies (ROC) on 02 July, 2021."

Note 41: Assessment of impact of COVID-19

In preparation of the Consolidated Financial Statements for the year ended 31 March, 2022, the Group has taken into account the possible impact of COVID-19 and the related internal and external factors known to the management upto the date of approval of these Consolidated Financial Statements to assess the carrying amount of its assets and liabilities. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Group and the carrying value of its assets and liabilities is not likely to be material as at 31 March, 2022. The management has also assessed that there are no events or conditions that impact the ability of the Group to continue as a going concern.

Note 42: Transfer Pricing

The Group 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 Group 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, 2022, 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 consolidated financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Note 43: Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Group has credit limits sanctioned from the banks on the basis of security of current assets (refer note 5(e)). During the year, the Group has not availed any borrowings from banks.

(iii) Wilful defaulter

The Group have not been been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

During the year, the Scheme was approved by NCLT. The Company has complied with the approved Scheme (refer note 40).

(vii) Utilisation of borrowed funds and share premium

(a) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(b) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of property, plant and equipment and intangible assets

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xi) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

(xii) Reclassification

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March, 2021 to include certain additional disclosures or to improve relevance of information effective from 01 April, 2021. Accordingly, the Group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1 as under:

Balance Sheet (extract)	Current year classification	Previous year classification	₹ in Lacs
Other current financial liabilities - Others (Interest accrued on long term debt)	Current borrowings	Other current financial liabilities	24.56
Security deposits	Other non-current assets	Non Current Financial Assets - Loans	129.75
Security deposits	Other non-current financial assets	Non Current Financial Assets - Loans	389.89

Note 44: Additional information to the consolidated financial statements as at 31 March, 2022 (Pursuant to Schedule III of the Companies Act, 2013)

Name of the Entity	Net Assets i.e., total assets minus total liabilities as at March 31, 2022		Share in Profit for the year ended March 31, 2022		Share in Other Comprehensive Income (OCI) for the year ended March 31, 2022		Share in Total Comprehensive Income for the year ended March 31, 2022	
	As a % of consolidated net assets	Amount	As a % of consolidated net profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidated Total Comprehensive Income	Amount
RHI Magnesita India Limited	98.88%	101,723.88	99.62%	26,799.18	100%	(100.61)	99.62%	26,698.57
Intermetal Engineers India Private Limited	1.12%	1,148.14	0.38%	101.26	0%	(0.75)	0.38%	100.51
Total	**100%**	**102,872.02**	**100%**	**26,900.44**	**100%**	**(101.36)**	**100%**	**26,799.08**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Name of the Entity	Net Assets i.e., total assets minus total liabilities as at March 31, 2021		Share in Profit for the year ended March 31, 2021		Share in Other Comprehensive Income (OCI) for the year ended March 31, 2021		Share in Total Comprehensive Income for the year ended March 31, 2021	
	As a % of consolidated net assets	Amount	As a % of consolidated net profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidated Total Comprehensive Income	Amount
RHI Magnesita India Limited	98.70%	79,529.90	99.51%	13,595.46	100.00%	7.26	99.51%	13,602.72
Intermetal Engineers India Private Limited	1.30%	1,047.62	0.49%	66.87	0.00%	-	0.49%	66.87
Total	**100.00%**	**80,577.52**	**100.00%**	**13,662.33**	**100.00%**	**7.26**	**100.00%**	**13,669.59**

Note 45: Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

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

Abhishek Rara
Partner
Membership Number: 077779

Place : Gurugram
Date: May 27, 2022

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Sanjeev Bhardwaj
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

RHI MAGNESITA

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