RHIM Seven
ADVANCED MONOLITHICS

RHI Magnesita Seven Refractories Limited

Eighth
Annual Report
2023-24

RHIM Seven
ADVANCED MONOLITHICS

Corporate Information

BOARD OF DIRECTORS
Dr. Vijay Sharma, Chairman
Mr. Nazim Sheikh
Mr. Gustavo Lucio Goncalves Franco
Mr. Parmod Sagar

CHIEF FINANCIAL OFFICER
Mr. Manoj Gupta

MANAGER
Mr. Sanat Ganguli

COMPANY SECRETARY
Ms. Kirti Bajaj

STATUTORY AUDITORS
M/s. S. S. Kothari Mehta & Co. LLP

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

INTERNAL AUDITORS
M/s. Chaturvedi & Partners

CORPORATE IDENTITY NUMBER (CIN)
U74999DL2016PLC309327

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)
INE04F001012

REGISTERED OFFICE
4, Scindia House,
Connaught Place,
New Delhi-110001
E-mail: corporate.india@RHIMagnesita.com
Website: www.rhimagnesitaindia.com

CORPORATE OFFICE
301, Tower B, EMAAR Digital Greens
Golf Course Road Extension, Sec- 61,
Gurugram, Haryana – 122011
Phone: +91-124-4062930
(up to 31 August 2024)

20th Floor, DLF Square, M-Block, Phase-II,
Jacaranda Marg, DLF City, Sector-25,
Gurugram, Haryana-122002
(from 1 September 2024)

WORK
Plot No. 8 and 13 Lamtara Phase III
Industrial Area,
Chaka Bypass,
Lamtara Katni,
Katni, Madhya Pradesh-483501

SHARE REGISTRAR AND TRANSFER AGENT
M/s. KFIN Technologies Limited,
Karvy Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda,
Serilingampally,
Hyderabad – 500032

DIRECTORS' REPORT

To,
The Members of
RHI Magnesita Seven Refractories Limited

Your directors have great pleasure in presenting the Eight Annual Report of RHI Magnesita Seven Refractories Limited **('RHIM Seven or the Company')**, together with the Audited Financial Statements of the Company for the Financial Year **(FY)** ended 31 March 2024 (herein after known as "**period under review**").

1. FINANCIAL RESULTS

The highlights of the financial performance of the Company are as under:

(Amount in Rs. lakh)

Particulars	FY 2023-24	FY 2022-23
Revenue from operations	10,090.01	12,568.71
Other Income	12.90	16.58
Total Income	10,102.91	12,585.29
Profit/ (Loss) before tax	807.40	903.39
Provision for current tax	225.08	-
Provision for deferred tax	(8.55)	240.12
Profit/(Loss) after tax	590.86	663.27

2. FINANCIAL PERFORMANCE/ STATE OF COMPANY AFFAIRS

During the period under review, your Company clocked the turnover of Rs. 10,090.01 lakh as compared Rs. 12,568.71 lakh in the previous financial year. The Company reported Profit before tax (**PBT**) of Rs. 807.40 lakh in FY 2023-24 as compared to profit of Rs. 903.39 lakh in FY 2022-23, similarly the Company reported Profit after tax (**PAT**) of Rs. 590.86 lakh in FY 2023-24 as compared to profit of Rs. 663.27 lakh in FY 2022-23.

Your Company has been able to establish its brand across the country with sustainable strategy of growth, despite volatile economic and business environment. The products of your company are getting rapidly accepted and appreciated by the customers of various industry segments. Keeping this in mind, your Company is tapping new geographies and capitalizing on high potential available in the domestic/ export markets.

Your Company expects to benefit in due course of time and with increased operating efficiencies, the long-term prospects of your Company are very bright.

3. TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profits in the statement of profit and loss and to plugged back the profits into the business operations of the Company, hence it has been decided not to transfer any amount to the General Reserve.

4. 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.

5. SHARE CAPITAL

The capital structure of the Company as on 31 March 2024, are given below:

Authorized Share Capital	Rs. 20,00,00,000 constituting of 2,00,00,000 equity shares of Rs. 10/- each.
Issued, Subscribed and Paid-up Share Capital	Rs. 20,00,00,000 constituting of 2,00,00,000 equity shares of Rs. 10/- each.

During the period under review, there was no change in equity share capital of the Company.

6. DIVIDEND

During the period under review, your directors have decided not to recommend any dividend for FY 2023-24.

7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company had no subsidiary, associate or joint venture during the period under the review. The Company is 100% wholly owned subsidiary of RHI Magnesita India Refractories Limited. Further RHI Magnesita India Refractories Limited is 100% wholly owned subsidiary of RHI Magnesita India Limited. RHI Magnesita N.V., Vienna is an ultimate holding Company. For the purpose of this report all these companies would be collectively referred as RHI Magnesita group.

8. MERGER OF THE COMPANY WITH AND INTO RHI MAGNESITA INDIA REFRACTORIES LIMITED, HOLDING COMPANY

The Board of Directors of the Company at its meeting held on 8 February 2024 granted its in-principal approval to the scheme of merger of the Company with and into RHI Magnesita India Refractories Limited, holding company subject to approval of the shareholders and creditors of both companies, and other regulatory authorities.

The Board of Directors is of the opinion that the transaction is aligned with the Company's best interests and would entail various benefits, including: (a) simplification of the corporate structure; (b) establishing a comprehensive refractory product portfolio; (c) realizing business efficiencies, inter alia, through optimum utilization of resources due to pooling of management, expertise, technologies and other resources of the companies; (d) improved allocation of capital and optimisation of cash flows contributing to the overall growth prospects of the combined entity; (e) creation of a larger asset base and facilitation of access to better financial resources and (f) enhanced shareholder value pursuant to economies of scale and business efficiencies.

RHI Magnesita India Refractories Limited and the Company are involved in similar business activities. The transaction is expected to enhance the Company's long-term growth prospects and competitiveness, thereby benefitting all the stakeholders of the Company, particularly its shareholders and employees.

9. MEETINGS OF THE BOARD

During the financial year under review, Seven (7) Board Meetings were duly convened and held on 21 April 2023, 29 May 2023, 14 July 2023, 25 July 2023, 9 August 2023, 6 November 2023, 8 February 2024. The time gap between the two consecutive meetings did not exceed one hundred and twenty days during the financial year 2023-24.

The Board meetings were conducted in due compliance with and following the procedures prescribed in the Act and applicable Secretarial Standards.

10. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the period under review, Mr. Ayush Jain, Company Secretary (Membership No. - A45194), who has resigned from the Company due to his personal reasons. The Board accepted his resignation and put on records his sincere appreciation for contributions made by him during his tenure with the Company. After that, Ms. Kirti Bajaj (Membership No. -A71440) becomes Company Secretary of the Company with effect from 8 February 2024.

Mr. Gustavo Lucio Goncalves Franco (DIN: 08754857), a director who is liable to retire by rotation at the ensuing Annual General Meeting **(AGM)** and being eligible offers himself for re-appointment. He has given his declaration in terms of Section 164(2) of the Act to the effect that he is not disqualified from being re-appointed as a Director of the Company.

As on 31 March 2024, following were key managerial personnels of the Company:

- Mr. Sanat Ganguli, Manager
- Mr. Abhishek Bajaj, Chief Financial Officer
- Ms. Kirti Bajaj, Company Secretary

Post closure of the financial year 2023-24, the following change in directors & key managerial personnels were took place in accordance with the provisions of the Act:

A. The Board of Directors in their meeting held on 24 May 2024, have took note of resignation of Ms. Vijaya Gupta, (DIN:06435747), Director and Mr. Abhishek Bajaj, Chief Financial Officer with effect from 3 April 2024 and 24 May 2024 respectively. The Board placed on record its appreciation for the services rendered by them during their tenure with the Company

B. Mr. Azim Syed (DIN: 10641934) was appointed as an Additional Director (Non-Executive) on 24 May 2024 and he will be retiring at the ensuing AGM of the Company unless re-appointed. The Board proposes to appoint him as Director (Non-Executive) of the Company, liable to retire by rotation.

C. Mr. Manoj Gupta was appointed as Chief Financial Officer of the Company w.e.f. 1 June 2024.

Resolutions seeking Members' approval for appointment and re-appointment of Directors along with other required details forms part of the Notice of AGM. Your Board recommends their appointment and re-appointment.

11. HUMAN RESOURCES

The 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.

The RHI Magnesita Group have main focus of in-house trainings on interpersonal skills, behavioural 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 endeavours 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 the Company. Various initiatives have been launched to engage employees.

Celebrating festivals and achievements on various occasions is part of RHI Magnesita Group 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.

The Company is not required to make disclosures in terms of Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as the Company is an unlisted Public Company.

12. EXTRACT OF ANNUAL RETURN

In accordance with the amended provisions of Companies Act, 2013 read with its rules made thereunder, the extract of Annual Return is not required to be annexed to Annual Report. However, the draft of Annual Return relating to the FY 2023-24 is available for inspection during working hours on working day.

13. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In accordance with the provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, (**"CSR Rules"**) as amended from time to time and based on the financial statements of the Company for the financial year 2023-24, your Company was required to spend prescribed amount Corporate Social Responsibility **("CSR")** obligations during the period under review.

Considering above, pursuant to the provisions of the Act read with CSR Rules, your Company was required to contribute at least 2% of the average net profits i.e. Rs. 9.31 lakh made during the three immediately preceding financial years in the specified CSR activity. Your Company adopted CSR policy on 6 November 2023.

The brief outline of the Company's CSR Policy as adopted by the Board and its initiatives on CSR activities during the year under review are set out in **Annexure-A** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules,2014.

14. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENT

During the year under review, the Company has not given any guarantees, provided security or made investments to any person or other body corporate, hence there are no transactions falling within the purview of Section 186 of the Act and rules made thereunder.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There were no material contracts or arrangements entered into by the Company with the related parties in terms of the provisions of Section 188 of the Act. The details of transaction with Related Parties are provided under the note 40 to the Financial Statements of the Company.

16. RISK MANAGEMENT

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Under framework, the management identifies and monitors business risks on a continuous basis and initiates appropriate risk mitigation steps as and when deemed necessary. RHI Magnesita group's policy on Risk Management is also applicable on your Company.

17. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rules 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company RHI Magnesita group's policy on Risk Management is also applicable on your Company.

18. AUDITORS & AUDITORS REPORT

A. Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013, members of the Company in their Annual General Meeting held on 27 August 2022, appointed M/s S.S. Kothari Mehta & Co., Chartered Accountants (Firm Reg. No. 000756N), as Statutory Auditors of the Company to hold office for a period of five years to conduct the audit for the period starting from financial year 2022-23 till 2026-27.

They have confirmed that they are eligible to continue as the Statutory Auditors of the Company and that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The report of the Statutory Auditors is self-explanatory and does not contain any qualification or adverse remark requiring clarification from the Board. Further, during the year under review, the Auditors have not reported any matter under Section 143(12) of the Act. The Auditor's Report is enclosed with the Financial Statements in this Annual Report.

B. Cost Auditors

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 appointed M/s. K. G. Goyal & Associates as the Cost Auditors of the Company for FY 2024-25. M/s. K. G. Goyal & Associates have vast experience in the field of cost audit.

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 the Board has to be ratified by the members of the Company. Accordingly, appropriate resolution forms part of the notice convening the AGM.

The due date of filing the cost audit report for the year ended 31 March 2023 was 31 October 2023 and the same had been filed on 13 October 2023.

19. REMUNERATION POLICY

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating director's appointment and remuneration under Section 178(3) of the Companies Act, 2013.

20. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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 Act read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are provided in **ANNEXURE-B.**

21. REGISTRAR AND TRANSFER AGENT

M/s. KFIN Technologies Limited, Karvy Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032 is Registrar and Transfer Agent of the Company.

22. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has adequate system of internal control commensurate with the size of the company and nature of its business which are reviewed periodically.

23. DEMATERIALISATION OF SECURITIES

The Equity Shares of the Company have been admitted with National Securities Depository Limited **(NSDL)** under the ISIN No. INE04F001012 respectively to facilitate the transfer/ subscription of shares of the Company in dematerialized form in terms of the provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014.

As on 31 March 2024, 100% equity shares of the Company are held in dematerialized form with the participants of NSDL.

24. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

25. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

Your Company is committed to ensuring that all women are treated with dignity and respect. The Human Resource and the Legal & Secretarial department in collaboration with other functions, ensure protection against sexual harassment of women at workplace and for the prevention and redressal of complaint in this regard.

In line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, an Anti-Sexual Harassment Policy has been put in place and Internal Complaints Committee (**ICC**) has been set up by RHI Magnesita group, to redress complaints received regarding sexual harassment. During the financial year 2023-24, no complaint has been received by ICC.

26. SECRETARIAL STANDARDS

During the year under review, the relevant Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') related to the Board Meetings and General Meetings have been complied with by the Company.

27. 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.
- 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 2023-24.

28. DISCLOSURE OF STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTOR UNDER 149(6)

Pursuant to the provisions of Section 149 of the Companies Act, 2013 the Independent Director have submitted declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 along with rules framed thereunder. There has been no change in the circumstances affecting his status as an Independent Director of the Company.

29. DIRECTORS RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134(5) of the Companies Act, 2013, and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors declare that:

a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

b) the Directors had selected such accounting policies and applied them consistently and made judgements 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;

c) the Directors had 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 frauds and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis.

e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

f) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

30. ACKNOWLEDGMENT

The Directors also take this opportunity to place on record their sincere thanks and appreciation for assistance and continued support to the Company from its Bankers, State and Central Government agencies, employees and other stakeholders of the Company. Your directors also record their appreciation for the commitment and dedication of the employees of the Company at all levels.

By Order of the Board of Directors
Sd/-
Vijay Sharma
Chairman
(DIN: 0088011)

24 May 2024
Corporate Office:
301, 316-17, Tower B,
EMAAR Digital Greens,
Sector 61, Gurugram,
Haryana – 122011

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ANNEXURE-A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. Brief outline on CSR Policy of the Company

RHI Magnesita group aims to establish guidelines regarding charitable contributions and the sponsorship with regards to Corporate Social Responsibility. RHI Magnesita group prohibits any direct or indirect contributions that are made to influence a decision impacting its' business activity.

The Company's success depends on the communities in which it lives and work and our business can only be sustainable if they are. Supporting thriving communities is therefore one of the important pillars of our Sustainability strategy. Wherever RHI Magnesita group has operations, we aim to work with local community leaders, government, and NGOs on environmental and social issues of concern to them and our business.

The Company's CSR initiatives align with responsible corporate citizenship principles. They aim to distribute economic benefits by actively collaborating with credible institutions, contributing to the social and economic development of the communities where the Company operates.

The Company engages in CSR activities in compliance with Schedule VII of the Companies Act, 2013. The allocated funds are directed toward supporting health, education, wellness, water, sanitation, and hygiene needs of marginalized communities. Additionally, the Company provides aid during natural and man-made disasters.

2. Composition of CSR Committee

As per Section 135(9) of the Companies Act, 2013, where the amount required to be spent by a company on CSR does not exceed Rs. 50 lakh, the requirement for constitution of the CSR Committee is not mandatory, accordingly, the functions of the CSR Committee as specified under the Act, in such cases, shall be discharged by the Board of Directors of the Company.

3. Web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company.

There is no requirement for composition of CSR Committee in Company.

For Web-link of CSR Policy and CSR Projects https://www.rhimagnesitaindia.com/

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

5. (a)	**Average net profit of the Company as per section 135(5)**	:	Rs. 465.64 lakh
(b)	**Two percent of average net profit of the Company as per section 135(5)**	:	Rs. 9.31 lakh
(c)	**Surplus arising out of the CSR Projects or programmes or activities of the previous financial years**	:	nil
(d)	**Amount required to be set-off for the financial year, if any**	:	nil
(e)	**Total CSR obligation for the financial year [(b)+(c)-(d)]**	:	Rs. 9.31 lakh

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) :

CSR Project Category	CSR Project	Implementation agency	Location	Amount (in Rs. lakh)			
				Spent (A)	Unspent for ongoing project (B)	Remaining Unspent- (c) (Needs to be deposited in Specified funds	Total (A+B+C)
Education, Skills Development & Vocational Training	Provide professional course competitive exam books for the libraries	Direct	Katni, Madhya Pradesh	0.56	-	-	0.56
	Provide furniture for the libraries	Direct		7.95	-	-	7.95
			Grand Total	**8.51**	**-**	**0.79**	**9.31**

(b) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year (Rs. in lakh)	Amount Unspent (Rs. in lakh)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
8.51	-	-	Prime Minister Relief Fund	0.79	04 April 2024

(c) Amount spent in Administrative Overheads : nil

(d) Amount spent on Impact Assessment, if applicable : nil

(e) Total amount spent for the Financial Year [(a)+(b)+(c)] : Rs. 8.51 lakh

(f) Excess amount for set-off, if any:

Sl. no.	Particulars	Amount (Rs. in lakh)
i.	Two percent of average Net Profit of the Company as per section 135(5)	465.64
ii.	Total amount spent for the financial year	8.51
iii.	Excess amount spent for the financial year [(ii)-(i)]	-
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)]	-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. no.	Preceding Financial year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (In Rs.)	Date of transfer		
1.	2022-23	nil						
2.	2021-22							
3.	2020-21							
	Total	**nil**						

8. Whether any property or assets ('Capital Assets') have been created or acquired through CSR amount spent in the Financial Year (asset-wise details): No

a)	Short Particulars of the Capital Asset [including complete address and location of the Capital Assets) & PIN Code of the Capital Assets	-
b)	Date of creation or acquisition of the Capital Asset(s)	-
c)	Amount of CSR spent for creation or acquisition of Capital Asset	-
d)	Details of the entity or authority or beneficiary under whose name such capital asset is registered, their address etc. (CSR Registration No., Name and Registered Address)	-

9. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) :**
The Company was unable to identify a specified project within scheduled time.

On behalf of Board of Directors

	Sd/-	Sd/-	Sd/-
	Abhishek Bajaj	Azim Syed	Vijay Sharma
	Chief Financial Officer	**Director**	**Chairman**
Gurugram, 24 May 2024		DIN: 10641934	DIN: 0088011

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ANNEXURE-B

PARTICULARS OF CONSERVATION OF ENERGY, 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) CONSERVATION OF ENERGY

i. Steps taken or impact on conservation of energy

a) Replaced halogen, mercury & sodium vapour lamps by LED lights.
Total LED lights installed in FY 2023-24 currently 100 % LED only

b) Fuel consumption reduced to 159 kg/Ton of binder production, 165kg in FY 2022-23, fuel reduction 6 kg per ton of production and total saving fuel reduction 10.986 Mt (value Rs. 2.20 lakh)

c) Energy consumption reduced in FY 2023-24 by proper utilization of machines with maximum peak hour operation & maintain power factor- Savings by power factor-Rs.1.42 lakh, by peak hour operation – Rs. 2.42 lakh, total saving-Rs.3.84 lakh

d) Conduct energy periodically audited through internal resources and external agencies.

ii. Steps taken by the Company for utilizing alternate sources of energy

Installation of solar power system was initiated in FY 2023-24

iii. Capital investment on energy conservation equipment's

There is no investment on energy conservation equipment's except on LED lamps

(B) TECHNOLOGY ABSORPTION

i. The efforts made towards technology absorption

Technology transferred only in one product during FY 2023 - 24, Seven Gun 50 RM-Lab trial completed.
Customized and cost effective product development – DS GUN 45 NM_3

ii. The benefits derived like product improvement, cost reduction, product development or import substitution

Received more orders from industrial businesses (Cement & Steel Segments)

iii. In case of imported technology
(imported during the last three years reckoned from the beginning of the financial year)

nil

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

i.	**Foreign exchange earned in terms of actual inflow during the year**	:	nil
ii.	**Foreign Exchange outgo during the year in terms of actual outflows**	:	Rs. 921.14 lakh

On behalf of Board of Directors

	Sd/-	Sd/-
	Azim Syed	Vijay Sharma
	Director	**Chairman**
Gurugram, 24 May 2024	DIN: 10641934	DIN: 0088011

Independent Auditors' Report

To the Members of RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)

Report on the audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of **RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited)** ("the Company"), which comprise the balance sheet as at March 31, 2024, the statement of profit and loss (including other comprehensive income), cash flow statement and the statement of changes in equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, as amended, ("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, 2024, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit of the Financial Statements in accordance with Standards on Auditing (SA) 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 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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 audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report particularly with respect to the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business responsibility report and Corporate Governance report, but does not include the Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially

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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.

Responsibilities of the Management and those charged with governance for the Financial Statements

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 Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant Rules issued thereunder.

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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 Financial Statements.

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

- Identify and assess the risks of material misstatement of the 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.

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- 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 system 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.

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

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

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

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

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d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued there under.

e) On the basis of the written representations received from the directors as on March 31, 2024 & taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" of this Report.

g) In our opinion, and according to the information and explanations given to us, the Company has paid/provided managerial remuneration for the year ended March 31,2024 in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act;

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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

   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;

   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; and

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c) Based on such audit procedures that were 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. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, the audit trail feature did not operate during the period April 01, 2023 to December 31, 2023. Accordingly, the question of our commenting on whether the audit trail was tampered with does not arise. For the period January 01, 2024 to March 31, 2024, based on our examination, which included test checks, the feature of recording audit trail (edit log) facility has operated for all relevant transactions recorded in the software, except that the audit log is not maintained in case of modification by certain users with specific access and at the database level. Further, during the course of our audit, except the aforesaid instances, we did not notice any instance of audit trail feature being tampered with.

Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is applicable for the financial year ended March 31, 2024

For S S Kothari Mehta & Co LLP
Chartered Accountants
Firm's Registration No. 000756N/N500441

S S KOTHARI MEHTA & CO. LLP NEW DELHI Chartered Accountants

AMIT GOEL
Partner
Membership No. 500607

Place: Gurugram
Date: May 24, 2024
UDIN: **24500607BKEIVO9572**

Annexure A to the Independent Auditor's Report to the members of RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) dated May 24, 2024.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ("the Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

i. (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) The management of the Company has conducted physical verification of Property, Plant and Equipment during the year. No discrepancies were 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 favor of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No material Discrepancies were noticed on such physical verification.

(b) As disclosed in Note 50 to the Financial Statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are not in agreement with the books of accounts (refer note 50 of the financial statements) of the Company and the details are as follows;

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Chartered Accountants

Amount in lakhs

Quarter ending	Value per books of account	Value per quarterly return/statement	Discrepancy (give details)
For reportable total class of current asset and current liabilities (net)			
June 30, 2023	1,660.51	1,748.83	(88.32)
September 30, 2023	1,523.50	1,702.25	(178.75)
December 31, 2023	1,807.80	1,486.34	321.46
March 31, 2024	1,762.73	1,327.00	435.73

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

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

vii. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing its undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, as applicable, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2024 for a period of more than six months from the date they became payable except TDS of amounting Rs. 8.68 lakh.

(b) According to the records of the Company, there are no dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of

S S KOTHARI MEHTA & CO. LLP * Chartered Accountants * NEW DELHI custom, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company has not defaulted in repayment of other borrowings or payment of interest thereon to any lender.

(b) According to the information and explanations given to us and records of the Company examined by us, the Company has not been declared willful defaulter by any bank or financial institution or Government or any government authority.

(c) According to the information and explanations given to us and records of the Company examined by us, the Company has not taken any term loan during the year. However the Company has taken a term loan in earlier years and it was applied for the purpose for which it was obtained. Hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and records of the Company examined by us, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

x. (a) In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer and term loans. Hence, 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 /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) In our opinion, and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(b) In our opinion, and according to the information and explanations given to us, we report that during the year, a report under sub-section (12) of section 143 of the Companies Act, 2013, 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. Hence, the requirement to report on clause 3(xi)(b) of the Order is not applicable to the Company.

S S KOTHARI MEHTA & CO. LLP * NEW DELHI * Chartered Accountants (c) In our opinion, and according to the information and explanations given to us, no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 188 of the Act, where applicable, and the details have been disclosed in the notes to the financial statements, as required by the applicable Indian accounting standards. The provisions of section 177 are not applicable to the Company and hence not commented upon.

xiv. The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to under section 192 of the Act.

xvi. (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

(b) In our opinion, and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.

(d) In our opinion, and according to the information and explanations given to us, we report that there is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

xvii. The Company has not incurred cash losses in the current year as well as in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

xix. On the basis of the financial ratios disclosed in note 48 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the

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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) In respect of other than ongoing projects, the Company has transferred unspent amount to a fund specified in Schedule VII of the Companies Act, 2013 (the Act) within a period of six months of the expiry of the financial year, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 42 to the financial statements.

(b) There are unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act.

xxi. The Company is not required to prepare the consolidated financial statements and accordingly the requirement to report on Clause 3(xxi) of the Order is not applicable to the Company.

For S S Kothari Mehta & Co LLP
Chartered Accountants
Firm's Registration No. 000756N/N500441

S S KOTHARI MEHTA & CO. LLP NEW DELHI Chartered Accountants

Amit Goel

AMIT GOEL
Partner
Membership No. 500607

Place: Gurugram
Date: May 24, 2024
UDIN: UDIN: **24500607BKEIVO9572**

Annexure B to the Independent Auditor's Report to the Members of RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) on its financial statements dated May 24, 2024.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

We have audited the internal financial controls over financial reporting of **RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited)** as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 issued by the Institute of Chartered Accountants of India". 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ('ICAI') and 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 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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NEW DELHI
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Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

b) 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

c) 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 over Financial Reporting

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

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Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 issued by ICAI.

For S S Kothari Mehta & Co LLP
Chartered Accountants
Firm's Registration No. 000756N/N500441

S S KOTHARI MEHTA & CO. LLP
NEW DELHI
Chartered Accountants

AMIT GOEL
Partner
Membership No. 500607

Place: Gurugram
Date: May 24, 2024
UDIN: **24500607BKEIVO9572**

RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)
CIN:- U74999DL2016PLC309327
Balance Sheet as at March 31, 2024

(₹ in lakh)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Non - current assets			
(a) Property, plant and equipment	3	2,116.18	2,052.52
(b) Right-of-use-assets	4	223.76	284.52
(c) Capital work - in - progress	5	139.37	149.77
(d) Other intangible assets	6	7.78	9.63
(e) Financial assets			
(i) Other financial assets	7	11.45	12.40
(f) Other non-current assets	8	3.91	5.39
Total non-current assets		**2,502.45**	**2,514.23**
Current assets			
(a) Inventories	9	1,400.39	1,270.90
(b) Financial assets	10		
(i) Trade receivables		1,687.77	1,866.56
(ii) Cash and cash equivalents		0.10	68.21
(iii) Bank balances other than (ii) above		-	64.64
(iv) Other financial assets		17.11	14.62
(c) Current tax assets (net)	11	-	90.88
(d) Other current assets	12	46.65	99.62
Total current assets		**3,152.02**	**3,475.43**
Total assets		**5,654.47**	**5,989.66**
Equity and liabilities			
Equity			
(a) Equity share capital	13	2,000.00	2,000.00
(b) Other equity	14	735.11	144.21
Total equity		**2,735.11**	**2,144.21**
Liabilities			
Non - current liabilities			
(a) Financial liabilities	15		
(i) Borrowings		341.96	869.96
(ii) Lease liabilities		208.29	269.70
(b) Employee benefit obligations	16	32.42	-
(c) Deferred tax liabilities (net)	17	72.75	81.28
Total non current liabilities		**655.42**	**1,220.94**
Current liabilities			
(a) Financial liabilities	18		
(i) Borrowings		617.45	440.00
(ii) Lease liabilities		68.04	59.07
(iii) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises		344.48	725.40
-Total outstanding dues of creditors other than micro enterprises and small enterprises		1,000.21	1,208.60
(iv) Other financial liabilities		155.19	113.68
(b) Contract liabilities	19	24.77	2.26
(c) Employee benefit obligations	20	5.96	31.69
(d) Other current liabilities	21	45.19	43.81
(e) Current Tax Liabilities (Net)	22	2.65	-
Total current liabilities		**2,263.94**	**2,624.51**
Total Equity & Liabilities		**5,654.47**	**5,989.66**
Material accounting policies	1&2		

The accompanying notes are an integral part of these financial statements
As per our report of even date

For S.S.Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No. 000756N / N500441

Amit Goel

Amit Goel
Partner
Membership No. 500607

Place: Gurugram
Date: May 24, 2024

S S KOTHARI MEHTA & CO. LLP
NEW DELHI
Chartered Accountants

For and on behalf of
RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)

Parmod Sagar
Director
DIN: 06500871

Vijay Sharma

Vijay Sharma
Director
DIN: 00880113

RHI Magnesita Seven Refractories Limited
RHI MAGNESITA

Abhishek Bajaj
Chief Financial Officer

Kirti Bajaj
Company Secretary
(ACS - A71440)

RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)
CIN:- U74999DL2016PLC309327
Statement of Profit & Loss for the year ended March 31, 2024

(₹ in lakh)

	Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from operations	23	10,090.01	12,568.71
II	Other income	24	12.90	16.58
III	**Total income (I + II)**		**10,102.91**	**12,585.29**
IV	**Expenses**			
	Cost of materials consumed	25	6,543.50	8,034.02
	Purchases of stock in trade	26	412.30	763.98
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(168.39)	(79.23)
	Employee benefits expense	28	564.91	561.00
	Finance costs	29	149.84	176.06
	Depreciation and amortisation expense	30	242.82	229.51
	Other expenses	31	1,550.53	1,996.56
	Total expenses		**9,295.51**	**11,681.90**
V	**Profit for the year before tax (III-IV)**		**807.40**	**903.39**
VI	Tax expense	32		
	- Current tax		225.08	-
	- Deferred tax		(8.55)	240.12
VII	**Net Profit for the year after tax (V - VI)**		**590.86**	**663.27**
VIII	Other Comprehensive income			
	- Re-measurement gains/ (losses) on defined benefit plans		0.06	0.56
	- Deferred tax relating to items that will not be reclassified to profit or loss		(0.02)	(0.14)
IX	**Total comprehensive Income for the year (VII + VIII)**		**590.90**	**663.69**
X	**Earnings per equity share - basic/diluted (Rs.)**	33	**2.95**	**3.32**
	Material accounting policies	1&2		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S.S.Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No. 000756N / N500441

Amit Goel

Amit Goel
Partner
Membership No. 500607

S S KOTHARI MEHTA & CO. LLP
NEW DELHI
Chartered Accountants

Place: Gurugram
Date: May 24, 2024

For and on behalf of
RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)

Parmod Sagar
Director
DIN: 06500871

Vijay Sharma

Vijay Sharma
Director
DIN: 00880113

Bajaj

Abhishek Bajaj
Chief Financial Officer

Kirti Bajaj

Kirti Bajaj
Company Secretary
(ACS - A71440)

RHI Magnesita Seven Refractories Limited
RHI MAGNESITA

RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)
CIN:- U74999DL2016PLC309327
Cash Flow Statement for the year ended March 31, 2024

(₹ in lakh)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A.	**Cash flow from operating activities**		
	Net Profit before tax	807.40	903.39
	Adjustments for :		
	Add : Depreciation and amortisation	242.83	229.51
	Add : Finance cost	149.84	176.06
	Add : Bad debts written off	0.60	-
	Add : Provision for doubtful debt	118.66	32.92
	Less: Impact of lease modification	-	(0.37)
	Less: Interest income	(6.39)	(8.61)
	Operating Profit before working capital changes	**1,312.94**	**1,332.90**
	Adjustments for working capital changes:		
	Trade and other receivables (net)	59.50	1,252.78
	Other financial assets	(1.53)	86.32
	Other current and non-current assets	54.45	-
	Inventories	(129.49)	(73.78)
	Trade payable and other financial liabilities	(547.79)	(1,183.23)
	Provisions and other current liabilities	30.64	(85.79)
	Cash generated from operations	**778.72**	**1,329.20**
	Income tax paid (Net)	(131.55)	(80.95)
	Net cash generated from operating activities	**647.17**	**1,248.25**
B.	**Cash flow from investing activities**		
	Interest income	6.39	8.72
	Purchase of property, plant & equipment including CWIP	(233.48)	(147.06)
	Received from Investment promotion assistance from MPIDC	-	113.00
	Proceeds received on maturity of fixed deposits	64.64	62.81
	Net cash (used in) / generated from investing activities	**(162.45)**	**37.47**
C.	**Cash flow from financing activities**		
	Repayment of short-term borrowings	-	(689.14)
	Repayment of term loan borrowings	(440.00)	(305.27)
	Proceeds from bank cash credits	82.22	-
	Interest paid	(114.89)	(166.30)
	Repayment of principal component of lease liabilities	(52.44)	(56.90)
	Repayment of interest component of lease liabilities	(27.72)	-
	Net cash used in financing activities	**(552.83)**	**(1,217.61)**
	Net Increase / (decrease) in cash and cash equivalents (A+B+C)	(68.11)	68.11
	Cash and cash equivalents at the beginning of the year	68.21	**0.10**
	Cash and cash equivalents at the end of the year	**0.10**	**68.21**
	Components of cash and cash equivalents		
	Balances with schedule banks		
	- on current accounts	0.10	68.21
		0.10	**68.21**

As per our report of even date

For S.S.Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No. 000756N / N500441

Amit Goel

Amit Goel
Partner
Membership No. 500607

S S KOTHARI MEHTA & CO. LLP NEW DELHI Chartered Accountants

Place: Gurugram
Date: May 24, 2024

For and on behalf of
RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)

Parmod Sagar
Director
DIN: 06500871

Vijay Sharma

Vijay Sharma
Director
DIN: 00880113

Abhishek Bajaj
Chief Financial Officer

Kirti Bajaj
Company Secretary
(ACS - A71440)

RHI Magnesita Seven Refractories Limited RHI MAGNESITA

RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)
CIN:- U74999DL2016PLC309327
Statement of Changes in Equity for the year ended March 31, 2024

(₹ in lakh)

A Equity share capital*

Particulars	Balance as at April 01, 2022	Issued during the year	Balance as at March 31, 2023	Balance as at April 01, 2023	Issued during the year	Balance as at March 31, 2024
	Amount		Amount	Amount		Amount
Equity share capital	2,000.00	-	2,000.00	2,000.00	-	2,000.00

B Other equity*

Particulars	Reserves and surplus	Other comprehensive income - Reserve	Total
	Retained earnings		
Balance as at April 01, 2022	(521.74)	2.26	**(519.48)**
Profit for the year	663.27	0.42	663.69
Balance as at March 31, 2023	**141.53**	**2.68**	**144.21**
Balance as at April 01, 2023	141.53	2.68	**144.21**
Profit for the year	590.86	0.04	590.90
Balance as at March 31, 2024	**732.39**	**2.72**	**735.11**

***Refer note no. 13 & 14**

As per our report of even date.

For S.S.Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No. 000756N / N500441

Amit Goel
Partner
Membership No. 500607

For and on behalf of
RHI Magnesita Seven Refractories Limited
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Parmod Sagar
Director
DIN: 06500871

Vijay Sharma
Director
DIN: 00880113

Abhishek Bajaj
Chief Financial Officer

Kirti Bajaj
Company Secretary
(ACS - A71440)

Place: Gurugram
Date: May 24, 2024

1. Corporate Information

The Company was incorporated on December 16, 2016. The Company is in the business of refractory manufacturing, sales and allied services. The Company has its registered and corporate office at 4, Scindia House, Connaught Place, New Delhi-110001 and plant at Katni (Madhya Pradesh).

The Financial Statements were approved by the Board of Directors and authorised for issue on May 24, 2024.

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.

(ii) New and amended standards adopted by the Company:

The Ministry of Corporate Affairs had vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective April 1, 2023.

a) Disclosure of accounting policies- amendments to Ind AS 1;
b) Disclosure of accounting estimated- amendments to Ind AS 8;
c) Deferred tax assets related to assets and liabilities arising from a single transaction- amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

(iii) Functional and presentation currency:

The Financial Statements are presented in Indian Rupee (Rs.) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest lakhs, unless otherwise stated.

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RHI Magnesita Seven Refractories Limited ★ RHI MAGNESITA

(iv) 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.

2.2 Critical accounting estimates, assumptions and judgements

The preparation of 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 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 Financial Statements:

(i) Property, plant and equipment

The management engages an 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.

(ii) Intangibles assets

Internal technical or user team assess the remaining useful lives of Intangible assets. The management believes that assigned useful lives are reasonable.

(iii) Leases

Ind As 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment of the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations.

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(iv) 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 the actual outcome which could lead to significant adjustment to the amounts reported in the Financial Statements. 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.

(v) 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.

(vi) 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.

2.3 Material Accounting Policies

(i) 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 Company and the 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.

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Depreciation methods, estimated useful lives and residual value

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 different from the useful lives as prescribed under Schedule II to the Companies Act, 2013. 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.

Class of assets	Estimated useful life
Leasehold Land	Amortised over the period of lease
Plant and machinery	3-15 years
Computer	3-6 years
Buildings	30 years
Furniture & Fixtures	10 years
Office equipment	5 years

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.

(ii) Intangible Assets

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 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 Statement of Profit and Loss.

a) Software

Softwares 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 3 years

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(iii) 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 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.

(iv) Impairment of assets

Property, plant and equipment and Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(v) Financial Assets

(a) Classification of financial assets at amortised cost

The Company classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest.

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- Financial assets classified at amortised cost comprise trade receivables, loans, investment in preference shares, bonds, debentures and government securities.

(b) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities (listed and unlisted) which are not held for trading, and for which the Company has irrevocably elected at initial recognition to recognise changes in fair value through OCI rather than profit or loss. These are strategic investments and the Company considers this classification to be more relevant.

- Debt securities where the contractual cash flows are solely principal and interest and the objective of the group's business model is achieved both by collecting contractual cash flows and selling financial assets. There are currently no debt securities which are carried at FVOCI.

(c) Classification of financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments (bonds, debentures and mutual funds) that do not qualify for measurement at either amortised cost or FVOCI,

- equity investments that are held for trading, and

- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI

(d) 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.

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(vi) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivable and contract assets, the Company applies the simplified approach required by Ind As 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(vii) Inventories

Inventories including stores and spares are valued at the lower of cost and the net realisable value. The Cost of individual items of inventory are determined using weighted average method. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. 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.

(viii) Revenue recognition

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. Where the customer expects supply of refractory material and its related services together to produce the steel, the management has determined that both supply of goods and services are not distinct and the arrangement is considered to have only one single performance obligation.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation, 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.

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(a) Sale of products

The Company manufactures and sells a range of refractories, monolithics, bricks and ceramic paper. Revenue from sale of products is recognised when the control of the products has transferred, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. No significant element of financing is deemed present as the sales are made with a credit term of 30 days to 90 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Sale of Services

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.

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.

2.4 Summary of other accounting policies

This note provides a list of other accounting policies adopted in the preparation of these Financial Statements to the extent they not already been disclosed above. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM").

The Board of Directors, together with Managing Director has been identified as being the Chief Operating Decision Maker ("CODM"). CODM evaluates the performance of the Company based on the single operative segment for the purpose of allocation resources and evaluating financial performance.

(ii) Foreign currency translation

(a) Functional and presentation currency

Items included in the 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 Financial Statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

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(b) 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/Expense.

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.

(iii) 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 Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. 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.

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Current and deferred tax is recognised in the 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.

(iv) 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.

(v) 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.

(vi) Financial assets

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.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit or Loss.

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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 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 and foreign exchange gains and losses which are recognised in profit or 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.

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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.

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.

(vii) 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 deducted from the fair value measured on initial recognition of financial liability. Financial liabilities are 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

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RHI Magnesita Seven Refractories Limited RHI MAGNESITA

any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

(viii) 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 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.

(ix) Derivative financial instruments

The Company acquires forward contracts to mitigate the risk arising from foreign currency exposures resulting 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 the derivative 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 and loss, unless the derivative is designated as hedging instrument and hedging relationship is established with the item being hedged.

(x) Provisions and contingent liabilities

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.

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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 Financial Statements.

(xi) 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 Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(xii) 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.

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RHI Magnesita Seven Refractories Limited RHI MAGNESITA

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 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 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.

(xiii) 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.

(xiv) 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.

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RHI Magnesita Seven Refractories Limited RHI MAGNESITA

(xv) Other income

Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance 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.

Interest income

Interest income from financial assets at FVPL is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is recognised in profit or loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance)

(xvi) 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:

- 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.

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RHI Magnesita Seven Refractories Limited ★ RHI MAGNESITA

RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)
CIN:- U74999DL2016PLC309327
Notes to the financial statements for the year ended March 31, 2024

(₹ in lakh)

3 Property, plant and equipment

Particulars	Land (Lease hold)	Plant & machinery	Computer	Buildings	Furniture & Fixtures	Office Equipment	Total
Gross Block							
As at April 1, 2022	**314.79**	**2,066.81**	**30.94**	**317.12**	**21.87**	**3.69**	**2,755.22**
Additions during the year	-	57.60	6.00	-	0.15	0.11	63.86
IP Assistance from MPIDC*	-	(113.00)	-	-	-	-	(113.00)
As at March 31, 2023	**314.79**	**2,011.41**	**36.94**	**317.12**	**22.02**	**3.80**	**2,706.08**
Additions during the year	-	206.03	34.51	3.34	-	-	243.88
As at March 31, 2024	**314.79**	**2,217.44**	**71.45**	**320.46**	**22.02**	**3.80**	**2,949.96**
Accumulated Depreciation							
As at April 1, 2022	**62.24**	**370.38**	**15.11**	**33.05**	**5.69**	**1.67**	**488.14**
Charge for the year	14.96	131.27	5.89	10.47	2.09	0.71	165.41
Disposals	-	-	-	-	-	-	-
As at March 31, 2023	**77.20**	**501.65**	**21.00**	**43.52**	**7.78**	**2.38**	**653.55**
Charge for the year	14.96	141.14	10.78	10.53	2.09	0.72	180.22
Disposals	-	-	-	-	-	-	-
As at March 31, 2024	**92.16**	**642.79**	**31.78**	**54.05**	**9.87**	**3.10**	**833.77**
Net Block							
As at March 31, 2023	**237.58**	**1,509.76**	**15.94**	**273.60**	**14.24**	**1.41**	**2,052.52**
As at March 31, 2024	**222.62**	**1,574.65**	**39.67**	**266.41**	**12.15**	**0.69**	**2,116.18**

* The Company has made capacity expansion of Plant situated at Lamtara, Katni (MP) and have invested in Plant and machinery, Buildings, Furniture & fixtures, Office equipment, Computer etc. in year 2018-19 and 2019-20.

The Company is eligible for Investment Promotion Assistance (IPA) under "Madhya Pradesh Nivesh Protsahan Yojna -2014 (MP Investment Promotion Assistance Scheme -2014)" for which registration has completed with MP Industrial Development Corporation (Government of Madhya Pradesh Undertaking), namely MPIDC. MPIDC has admitted permission for IPA vide his letter No. 183/MPIDC/FISCLE INCENTIVE/2020/6987 Dated November 03, 2020 on Investment in Plant and machinery of Rs. 1,980 Lakh are admissible Investment upon which Rs. 792 Lakh are Basic eligible IPA is claimable in next 7 years for period May 09, 2019 to May 08, 2026, subject to fulfilment of predefined terms and conditions as per MPIDC Scheme.

Second tranche of IPA has been released for year 2020-21 vide letter No. letter No. 1262/MPIDC/F.I./IPA/ Dated July 15, 2022 of Rs. 113 Lakh and First tranche of IPA has been released for year 2019-20 vide letter No. 1262/MPIDC/F.I./IPA/17 Dated January 07, 2022 of Rs 66.67 Lakh.

IPA received is adjusted from the Gross block of the Plant and machinery in the previous year and depreciation is calculated post adjustment for IPA. Grant of FY 2022-23 which is not yet received and due to uncertainity of realisation, the Company has not booked the incentive.

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RHI Magnesita Seven Refractories Limited RHIMAGNESITA

RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)
CIN:- U74999DL2016PLC309327
Notes to the financial statements for the year ended March 31, 2024

(₹ in lakh)

4 Right-of-use-asset

Particulars	Amount
Gross Block	
As at April 1, 2022	**496.37**
Additions during the year	4.07
Disposals / Adjustment during the year	8.13
As at March 31, 2023	**492.31**
Additions during the year	-
Disposals / Adjustment during the year	7.61
As at March 31, 2024	**484.70**
Accumulated Depreciation	
As at April 1, 2022	**150.49**
Charge for the year	63.77
Disposals	6.46
As at March 31, 2023	**207.80**
Charge for the year	60.75
Disposals	7.61
As at March 31, 2024	**260.94**
Net Block	
As at March 31, 2023	**284.52**
As at March 31, 2024	**223.76**

5 Capital Work-in-Progress

Particulars	Amount
As at April 1, 2022	**3.74**
Additions during the year	218.89
Capitalised during the year	72.86
As at March 31, 2023	**149.77**
Additions during the year	233.48
Capitalised during the year	243.88
As at March 31, 2024	**139.37**

Aging of Capital Work-in-Progress as at March 31, 2024

Particular	0-1 Year	1-2 Years	2-3 Years	>3 Years
Buildings	8.70	0.30	-	-
Plant & equipment	130.37	-	-	-
Total	**139.07**	**0.30**	-	-

Aging of Capital Work-in-Progress as at March 31, 2023

Particular	0-1 Year	1-2 Years	2-3 Years	>3 Years
Buildings	0.30	-	-	-
Plant & equipment	149.47	-	-	-
Total	**149.77**	-	-	-

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RHI Magnesita Seven Refractories Limited RHI Magnesita

(₹ in lakh)

6 Other Intangible Assets

Particulars	Computer Software
Gross Block	
As at April 1, 2022	**1.98**
Additions during the year	9.14
Disposals / Adjustment during the year	-
As at March 31, 2023	**11.12**
Additions during the year	
Disposals / Adjustment during the year	-
As at March 31, 2024	**11.12**
Accumulated Depreciation	
As at April 1, 2022	**1.16**
Charge for the year	0.33
Disposals	-
As at March 31, 2023	**1.49**
Charge for the year	1.85
Disposals	-
As at March 31, 2024	**3.34**
Net Block	
As at March 31, 2023	**9.63**
As at March 31, 2024	**7.78**

S S KOTHARI MEHTA & CO. LLP NEW DELHI Chartered Accountants

RHI Magnesita Seven Refractories Limited RHI MAGNESITA

RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)
CIN:- U74999DL2016PLC309327
Notes to the financial statements for the year ended March 31, 2024

(₹ in lakh)

	Particulars	As at March 31, 2024	As at March 31, 2023
	Non - current assets:		
7	**Other financial assets**		
	Security deposit		
	- Unsecured & considered good	11.45	12.40
		11.45	**12.40**
8	**Other non-current assets**		
	Prepaid expenses	3.91	5.39
		3.91	**5.39**
9	**Inventories**		
	Raw materials	938.90	959.86
	Work - in - progress	48.70	26.77
	Finished goods {including goods in transit of Rs. 186.31 lacs (March 31, 2023: Nil lacs)}	305.28	158.62
	Trading stock	0.17	0.37
	Stores and spares	107.34	125.28
		1,400.39	**1,270.90**
10	**Current financial assets**		
	(i) Trade receivable		
	- Undisputed Trade Receivable - Considered good	1,842.41	1,902.54
	- Undisputed Trade Receivable - which have significant increase in credit risk	(154.64)	(35.98)
		1,687.77	**1,866.56**

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RHI Magnesita Seven Refractories Limited RHI MAGNESITA

RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)
CIN:- U74999DL2016PLC309327
Notes to the financial statements for the year ended March 31, 2024

(₹ in lakh)

Trade receivables aging schedule March 31, 2024							
Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	920.64	530.26	104.05	251.68	31.14	4.64	1,842.41
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	(118.86)	(31.14)	(4.64)	(154.64)
Total	**920.64**	**530.26**	**104.05**	**132.82**	**-**	**-**	**1,687.77**

Trade receivables aging schedule March 31, 2023							
Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,101.88	248.16	495.27	52.32	4.91	-	1,902.54
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	(8.99)	(26.99)	-	-	-	(35.98)
Total	**1,101.88**	**239.17**	**468.28**	**52.32**	**4.91**	**-**	**1,866.56**

(ii) Cash & cash equivalent		
Balances with banks		
-in Current accounts	0.10	68.21
	0.10	**68.21**
(iii) Bank balances other than (ii) above		
-Fixed deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months	-	64.64
	-	**64.64**
(iv) Other Financial Assets		
-Security deposits	16.67	11.67
-Interest accrued on deposits	-	0.14
-Loans and advances to employees	0.44	2.81
	17.11	**14.62**
11 Current tax assets		
TDS receivable	-	12.88
Advance Tax	-	78.00
	-	**90.88**
12 Other current assets		
Prepaid expenses	3.49	8.60
Balance with statutory authorities	29.89	52.31
Other advances	13.27	38.71
	46.65	**99.62**

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RHI Magnesita Seven Refractories Limited RHI MAGNESITA

RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)
CIN:- U74999DL2016PLC309327
Notes to the financial statements for the year ended March 31, 2024

(₹ in lakh)

	Particulars	As at March 31, 2024	As at March 31, 2023
13	**Equity share capital**		
	Authorised		
	2,00,00,000 (March 31, 2023 - 2,00,00,000) Equity shares of Rs. 10 each)	2,000.00	2,000.00
		2,000.00	**2,000.00**
	Issued, subscribed and paid up		
	2,00,00,000 (March 31, 2023 - 2,00,00,000) Equity shares of Rs. 10 each fully paid up)	2,000.00	2,000.00
		2,000.00	**2,000.00**

Notes:

a. Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	20,000,000	2,000.00	20,000,000	2,000.00
Addition during the Year	-	-	-	-
At the end of the year	**20,000,000**	**2,000.00**	**20,000,000**	**2,000.00**

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs.10 per share. Each equity shareholder is entitled to one vote per share.

In the event of winding-up of the Company, the equity shareholders shall be entitled to be repaid remaining assets of the company after distribution of all preferential amounts in the ratio of the amount of capital paid up on such equity shares.

c. Equity shares held by holding company

	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of holding	No. of Shares	% of holding
RHI Magnesita India Refractories Limited (Formerly known as Dalmia OCL Limited) (A wholly owned subsidiary of RHI Magnesita india Limited)*	20,000,000	100%	10,200,000	51%
Seven Refractories GmbH	-	-	9,800,000	49%

* Including shares held by nominees of the Company

d. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the Balance Sheet date- Nil

e. Details of shareholding of promoters

As at March 31, 2024

Name of Promotors	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% change during the year
RHI Magnesita India Refractories Limited (Formerly known as Dalmia OCL Limited) (A wholly owned subsidiary of RHI Magnesita India Ltd)*	10,200,000	9,800,000	20,000,000	49%
Seven Refractories GmbH	9,800,000	(9,800,000)	-	(100%)

As at March 31, 2023

Name of Promotors	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% change during the year
RHI Magnesita India Refractories Limited (Formerly known as Dalmia OCL Limited) (A wholly owned subsidiary of RHI Magnesita India Ltd)*	-	10,200,000	10,200,000	100%
Dalmia Bharat Refractories Limited (along with its nominees)	10,200,000	(10,200,000)	-	(100%)
Seven Refractories GmbH	9,800,000	-	9,800,000	-

f. Details of shareholders holding more than 5% shares in the company

	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% holding	No. of Shares	% holding
RHI Magnesita India Refractories Limited (Formerly known as Dalmia OCL Limited) (A wholly owned subsidiary of RHI Magnesita India Limited)*	20,000,000	100%	10,200,000	51%
Seven Refractories GmbH	-	-	9,800,000	49%

* Including shares held by nominees of the Company

Note: As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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RHI Magnesita Seven Refractories Limited RHI MAGNESITA

(₹ in lakh)

	Particulars	As at March 31, 2024	As at March 31, 2023
14	**Other equity**		
	(i) Retained earnings		
	Balance at the beginning of the year	141.53	(521.74)
	Add: Profit for the Year	590.86	663.27
	Balance at the end of Year	**732.39**	**141.53**
	(ii) Other		
	Balance at the beginning of the year	2.68	2.26
	Addition during the year - Actuarial Gain & Losses on defined benefit obligation	0.04	0.42
	Balance at the end of Year	**2.72**	**2.68**
		735.11	**144.21**
	Non - current liabilities		
15	**Financial liabilities**		
	(i) Borrowings		
	Secured at amortised Cost		
	Loan from banks		
	- Term Loan	877.19	1,309.96
	- Less : Current maturities of long term borrowings (Including accrued interest)	(535.23)	(440.00)
		341.96	**869.96**

Term Loan

Term loan of Rs 880.20 Lakh (March 31, 2023: Rs. 1312.97 Lakh) is secured by equitable mortgage of factory Land & Building and Plant & machinery, which carries interest rate at 9.75% p.a. It is further secured by first charge over movable and immovable fixed assets of the company. It is repayable in quarterly instalment ranging from Rs. 66 Lakh to Rs 132 Lakh.

	Particulars	As at March 31, 2024	As at March 31, 2023
	(ii) Lease liabilities	208.29	269.70
		208.29	**269.70**
16	**Employee benefit obligations**		
	Gratuity (Refer note no 41)	20.85	-
	Leave encashment (Refer note no 41)	11.57	-
		32.42	**-**
17	**Deferred tax assets / (liabilities) (net)**		
	Recognised deferred tax assets and liabilities:		
	Property, plant and equipment and intangible assets	(145.81)	(130.26)
	Unabsorbed depreciation and business losses	-	17.91
	Provisions for employee benefits	21.67	11.63
	Provision for doubtful debts	38.92	9.06
	Right-of-use assets	13.23	11.14
	Other temporary differences	(0.76)	(0.76)
	Deferred tax liabilities	**(72.75)**	**(81.28)**
	Reconciliation of Deferred Tax Liability:		
	Property, plant and equipment and intangible assets	(15.55)	(16.00)
	Unabsorbed depreciation and business losses	(17.91)	(235.96)
	Provisions for employee benefits	10.05	1.24
	Provision for doubtful debts	29.87	8.28
	Right-of-use assets	2.09	1.64
	Other temporary differences	-	0.69
	Deferred tax in Statement of Profit and Loss	**8.55**	**(240.12)**
	Temporary difference of liabilities in other comprehensive income	(0.02)	(0.14)
	Deferred tax in Total Comprehensive Income	**8.53**	**(240.26)**
	Current liabilities		
18	**Financial liabilities**		
	(i) Borrowings		
	- from bank cash credit	82.22	-
	- Current maturities of long term borrowings (Including accrued interest)*	535.23	440.00
		617.45	**440.00**

Cash credit

Cash Credit is secured by hypothecation of stocks of raw material, semi finished goods, finished goods, store & spares, book debts and movable assets of the company and carries interest rate in the range of 9.18% to 10.50% p.a. It is repayable on demand. Undrawn borrowing limit as on March 31, 2024 is Rs. 418.78 lakh (March 31, 2023: 1,200 Lakh).

Borrowings are subsequently measured at amortised cost and therefore interest accrued on current borrowings are included in the respective amounts.

S S KOTHARI MEHTA & CO. LLP NEW DELHI Chartered Accountants

RHI Magnesita Seven Refractories Limited RHI MAGNESITA

(₹ in lakh)

18 Financial liabilities (Continued)

(ii) Lease liabilities	68.04	59.07
	68.04	**59.07**
(iii) Trade payables		
-Total outstanding dues of micro enterprises and small enterprises	344.48	725.40
-Total outstanding dues of creditors other than micro enterprises and small enterprises	1,000.21	1,208.60
	1,344.69	**1,934.00**

Disclosure of sundry creditors under current liabilities is based on the information available with the company regarding the status of suppliers as defined under Micro, Small and Medium Enterprises Development Act, 2006.

Trade payables aging schedule March 31, 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	344.48	-	-	-	344.48
(ii) Others	794.09	76.91	78.95	50.27	1,000.21
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
TOTAL	**1,138.57**	**76.91**	**78.95**	**50.27**	**1,344.69**

Trade payables aging schedule March 31, 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	725.40	-	-	-	725.40
(ii) Others	1,066.11	80.40	57.46	4.63	1,208.60
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
TOTAL	**1,791.51**	**80.40**	**57.46**	**4.63**	**1,934.00**

(iv) Other financial liabilities		
- Liability for capital assets	62.84	79.41
- Employee's benefits payable	74.70	21.47
- Interest payable on term loan	-	9.76
- Interest payable - others	14.93	-
- Unspent amount of CSR (Refer note no. 42)	0.79	-
- Security deposits from customers	1.93	3.04
	155.19	**113.68**

19 Contract liabilities

Advances from customers	24.77	2.26
	24.77	**2.26**

20 Employee benefit obligations

Gratuity (refer note no. 41)	3.89	21.73
Leave encashment (refer note no. 41)	2.07	9.96
	5.96	**31.69**

21 Other current liabilities

Statutory liabilities	44.86	43.43
Other payable	0.33	0.38
	45.19	**43.81**

22 Current tax liabilities (net)

Provision for Income tax (Net of Advance tax of Rs. 222.44 Lakhs (March 31, 2023: Nil))	2.65	-
Net current tax liability	**2.65**	-

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RHI Magnesita Seven Refractories Limited RHI MAGNESITA

(₹ in lakh)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
23	**Revenue from operations**		
	Revenue from contract with customers	10,090.01	12,568.71
		10,090.01	**12,568.71**
23.1	**Disaggregated revenue information**		
	Sale of products		
	Refractories	9,102.82	10,900.39
	Traded goods	480.04	878.62
		9,582.86	**11,779.01**
	Sale of services	507.15	781.48
		507.15	**781.48**
	Other operating revenue		
	Export Incentives	-	8.22
		-	**8.22**
		10,090.01	**12,568.71**
	Timing of revenue recognition		
	Goods transferred at a point in time	10,090.01	12,568.71
	Total Revenue from contract with customers	**10,090.01**	**12,568.71**

23.2 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customer.

	As at March 31, 2024	As at March 31, 2023
Trade receivables	1,687.77	1,866.56
Contract liabilities	24.77	2.26

23.3 Reconciling the amount of revenue recognised in statement of profit and loss with the contracted price

	For the year ended March 31, 2024	For the year ended March 31, 2023
Contract price	10,098.66	12,568.71
Adjustments:		
Rebate and Discount	(8.65)	-
Revenue from operations	**10,090.01**	**12,568.71**

23.4 The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) are as follows:

	As at March 31, 2024	As at March 31, 2023
Advances from customer	24.77	2.26
	24.77	**2.26**

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial period.

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RHI Magnesita Seven Refractories Limited RHI MAGNESITA

(₹ in lakh)

		For the year ended March 31, 2024	For the year ended March 31, 2023
24	**Other income**		
	Interest income from bank/others		
	- on bank deposits	-	5.32
	- on others	0.74	0.63
	- Income tax	5.65	2.67
	Scrap sales & others	6.51	6.67
	Miscellaneous income	-	1.29
		12.90	**16.58**
25	**Cost of material consumed**		
	Opening stock	959.86	821.93
	Add: Purchases	6,522.54	8,171.95
	Less: Closing stock	938.90	959.86
	Consumption	**6,543.50**	**8,034.02**
26	**Purchase of stock-in trade**		
	Purchase of traded goods	412.30	763.98
		412.30	**763.98**
27	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Opening Stock		
	-Work-in-progress	26.77	35.17
	-Finished goods	158.62	70.99
	-Traded goods	0.37	0.37
		185.76	**106.53**
	Closing Stock		
	-Work-in-progress	48.70	26.77
	-Finished goods	305.28	158.62
	-Traded goods	0.17	0.37
		354.15	**185.76**
	Change in Inventories	**(168.39)**	**(79.23)**
28	**Employee benefits expense**		
	Salaries, wages, allowances & commission	529.37	522.37
	Contribution to Provident & other funds	14.84	17.11
	Gratuity & Leave encashment	11.02	6.38
	Staff welfare expenses	9.68	15.14
		564.91	**561.00**
29	**Finance costs**		
	Interest on		
	(i) Term loans	101.23	125.71
	(ii) Cash Credits	5.96	17.05
	(iii) Bills discounting	-	0.12
	- Interest on MSME	14.93	-
	- Interest expenses on lease liabilities	27.72	33.18
		149.84	**176.06**
30	**Depreciation and amortisation expense**		
	Depreciation on tangible assets	180.22	165.41
	Depreciation on Right-of-use assets	60.75	63.77
	Amortization on intangible assets	1.85	0.33
		242.82	**229.51**

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RHI Magnesita Seven Refractories Limited RHI MAGNESITA

RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)
CIN:- U74999DL2016PLC309327
Notes to the financial statements for the year ended March 31, 2024

(₹ in lakh)

		For the year ended March 31, 2024	For the year ended March 31, 2023
31	**Other expenses**		
	Consumption of stores & spare parts	26.56	11.88
	Power and fuel	145.97	150.00
	Packing freight & transport	406.57	481.60
	Repairs to buildings	2.40	1.68
	Repairs to machinery	50.35	46.30
	Insurance	6.57	7.71
	Rates and taxes	10.38	5.40
	Payment to the auditors		
	- Statutory Audit fees	4.25	4.25
	- Limited Review fees	3.75	3.75
	- Tax Audit Fees	1.00	0.75
	- Other Services	0.90	3.40
	- for reimbursement of expenses	0.41	0.55
	Advertisement & publicity	0.27	2.45
	Foreign exchange fluctuations	25.30	82.77
	Travelling & conveyance	63.82	105.73
	Professional & Legal fees	22.04	27.96
	Application services expenses	446.96	725.78
	Royalty expenses	26.04	45.71
	Commission	117.73	196.71
	Bad Debts written off	0.60	-
	Provision for Doubtful Debt	118.66	32.92
	CSR expenses	9.31	-
	Miscellaneous expenses	60.69	59.26
		1,550.53	**1,996.56**
32	**Tax expense**		
	Current tax	225.08	-
	Deferred tax	(8.53)	240.27
		216.55	**240.27**
	Tax reconciliation		
	Profit as per statement of profit and loss	807.40	903.39
	Enacted tax rate	25.17%	25.17%
	Tax should be	203.21	227.37
	Reconciliation item		
	Permanent disallowance of the expenditure	7.57	-
	Previous year tax actualisation	5.78	12.90
		203.21	**227.37**

		Unit of Measurement		
33	**Earnings per share**			
	Profit after tax	Rupees in lakh	590.86	663.27
	Weighted average of number of equity shares outstanding during the year	Number	20,000,000	20,000,000
	Nominal value of Equity Share (Rs)	Rupees	10	10
	Basic and Diluted earnings per share (Rs.)	Rupees	2.95	3.32

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RHI Magnesita Seven Refractories Limited RHI MAGNESITA

(₹ in lakh)

34 Contingent liabilities:

	As at March 31, 2024	As at March 31, 2023
Bank Guarantee	615.82	807.47
	615.82	**807.47**

35 Capital commitments

	As at March 31, 2024	As at March 31, 2023
Estimated amount of Contract remaining to be executed on capital account and not provided for (net of capital advances)	-	88.47
	-	**88.47**

36 Segment Information

Operating Segments

The Company is primarily engaged in a single operating segment of manufacture and sale of Refractory and hence this is the only reportable primary business segment.

The disaggregation of revenue by geography is set out in the tables below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Domestic	9,767.19	12,455.15
Export	322.82	113.56
Total	**10,090.01**	**12,568.71**

There is 1 customer in FY 2023-24 (1 customer in FY 2022-23) where revenue from that customer aggregating to Rs. 1,620.15 lakh (FY 2022-23: Rs. 2,239.90 lakh) exceeds 10 per cent of Company's revenue.

37 Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations are:-

(i) Operating margins (Earnings before interest and taxes),
(ii) Discount Rate
(iii) Growth Rates and
(iv) Capital Expenditure

38 Events occurring after the Balance Sheet date

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements.

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Chartered Accountants

RHI Magnesita Seven Refractories Limited
RHI MAGNESITA

(₹ in lakh)

39 Lease related disclosures

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method. The Company has leases for Plant and Equipment, building, warehouses and related facilities. We have added leased cars to employee facilitation.

The following is the movement in lease liabilities for leases classified under lease arrangements during the year ended March 31, 2024 and March 31, 2023:

Movement in Lease liabilities

	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	328.77	383.58
Additions during the year	-	4.07
Impact of lease modifications / terminations	-	(2.03)
Payments during the year (including interest on lease liabilities)	(80.16)	(90.03)
Finance cost	27.72	33.18
Balance at the end of the year	**276.33**	**328.77**

The following is the break-up of current and non-current lease liabilities:

As at March 31, 2024

Lease Liabilities

	Lease Payments	Interest expense	Net Present value
Less than one year	90.48	22.44	68.04
One to five years	239.31	31.02	208.29
More than five years	-	-	-
Total	**329.79**	**53.46**	**276.33**

As at March 31, 2023

	Lease Payments	Interest expense	Net Present value
Less than one year	87.03	27.95	59.07
One to five years	323.14	53.45	269.70
More than five years	-	-	-
Total	**410.17**	**81.40**	**328.77**

The statement of profit or loss shows the following amounts relating to leases:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on Right of use assets	60.75	63.77
Interest expense on lease liability (included in finance cost)	27.72	33.18
Total	**88.47**	**96.95**

S S KOTHARI MEHTA & CO. LLP NEW DELHI Chartered Accountants

RHI Magnesita Seven Refractories Limited RHI MAGNESITA

RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)
CIN:- U74999DL2016PLC309327
Notes to the financial statements for the year ended March 31, 2024

40 Related Party Disclosures

(a) List of related parties

i. Holding and ultimate holding company

The Company is controlled by the following:

Name	Type	Place of Incorporation	Ownership interest (in %)	
			As at March 31, 2024	As at March 31, 2023
RHI Magnesita India Refractories Limited (Formerly known as Dalmia OCL Limited) (w.e.f. January 05, 2023)	Holding Company	India	100%	51%
RHI Magnesita India Limited (w.e.f. January 05, 2023)	Intermediate Holding Company	India	0%	0%
RHI Magnesita N.V., Austria (w.e.f. January 05, 2023)	Ultimate Holding Company	Austria	0%	0%
Dalmia Bharat Refractories Limited (upto January 04, 2023)	Holding Company	India	0%	0%

ii. Directors of the Company

Mr. Parmod Sagar (w.e.f. January 05, 2023)
Mr. Gustavo Luciogoncalves Franco (w.e.f July 14, 2023)
Mr. Erik Zobec (upto July 17, 2023)
Mr. Roman Chegiov (upto July 17, 2023)
Ms. Vijaya Gupta (upto April 03, 2024)

iii. Key Managerial Personnel (KMP)

Mr. Sanat Ganguli – Manager
Mr. Abhishek Bajaj – Chief Financial Officer (w.e.f. May 29, 2023)
Mr. Ayush Jain - Company Secretary (upto December 15, 2023)
Ms. Kirti Bajaj - Company Secretary (w.e.f February 08, 2024)
Mr. Binayak Kumar Shah - Chief Financial Officer (upto December 31, 2022)

iv. Fellow subsidiaries with whom the Company had transactions

Seven Refractories D.O.O

v. Significant influence on the Company

Seven Refractories GmbH (upto July 24, 2023)

vi. Related parties of the holding company with whom transactions have taken place during the year

Dalmia DSP Limited (upto January 04, 2023)
Dalmia Cement (Bharat) Limited (upto January 04, 2023)
Govan Travels (Prop. Dalmia Bharat Sugar & Industries Limited) (upto January 04, 2023)

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RHI Magnesita Seven Refractories Limited RHI MAGNESITA

RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)
CIN:- U74999DL2016PLC309327
Notes to the financial statements for the year ended March 31. 2024

(₹ in lakh)

Note 40 Contd:
(b) Related Party Transactions

Particulars	Relationship	Year ended March 31, 2024	Year ended March 31, 2023
Sales			
RHI Magnesita India Refractories Limited	Holding company	1,620.15	-
RHI Magnesita India Limited	Intermediate Holding Company	550.32	-
Dalmia Bharat Refractories Limited	Other related parties*	-	2,150.65
Dalmia Cement (Bharat) Limited	Other related parties*	-	683.96
Dalmia DSP Limited	Other related parties*	-	176.32
Purchases			
RHI Magnesita India Limited	Intermediate Holding Company	80.61	-
RHI Magnesita India Refractories Limited	Holding company	80.31	49.77
Seven Refractories D.O.O	Fellow subsidiary	69.91	258.85
Dalmia Bharat Refractories Limited	Other related parties*	-	146.65
Availment of leasing / rental services			
RHI Magnesita India Refractories Limited	Holding company	79.63	19.91
Dalmia Bharat Refractories Limited	Other related parties*	-	59.72
Royalty expense			
RHI Magnesita India Refractories Limited	Holding company	1.50	0.50
Seven Refractories GmbH	Significant influence on the Company	6.16	43.71
Dalmia Bharat Refractories Limited	Other related parties*	-	1.50
Management services			
RHI Magnesita India Refractories Limited	Holding company	47.44	15.81
Dalmia Bharat Refractories Limited	Other related parties*	-	47.44
Commission on sales			
RHI Magnesita India Refractories Limited	Holding company	117.13	32.92
Dalmia Bharat Refractories Limited	Other related parties*	-	100.67
Rendering/availment of services of resources			
Govan Travels (Prop. Dalmia Bharat Sugar & Industries Limited)	Other related parties*	-	28.54
Purchase of capital assets			
Seven Refractories D.O.O	Fellow subsidiary	22.46	-
Expenses reimbursement {Received/(Paid)}			
RHI Magnesita India Limited*	Intermediate Holding Company	27.06	-
* this includes allocation of common cost from Holding Company			
Salary and perquisites			
Mr. Sanat Ganguli	Key Managerial Personnel	-	73.73
Mr. Binayak Kumar Shah	Key Managerial Personnel	-	21.92
Mr. Ayush Jain	Key Managerial Personnel	11.74	7.23
Director's sitting fees			
Mr. Vijay Sharma	Key Managerial Personnel	2.50	-

(c) Outstanding balances
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	Relationship	Year ended March 31, 2024	Year ended March 31, 2023
Trade Payables:			
RHI Magnesita India Limited	Intermediate Holding Company	24.52	-
Seven Refractories GmbH	Significant influence on the Company	-	125.08
Seven Refractories D.O.O	Fellow subsidiary	104.42	112.04
RHI Magnesita India Refractories Limited	Holding company	201.32	77.86
Govan Travels (Prop. Dalmia Bharat Sugar & Industries Limited)	Other related parties*	-	0.11
Total Trade payables to related parties		**330.26**	**315.09**
Trade Receivables:			
RHI Magnesita India Limited	Intermediate Holding Company	242.20	-
RHI Magnesita India Refractories Limited	Holding company	269.48	-
Dalmia Cement (Bharat) Limited	Other related parties*	-	150.87
Dalmia DSP Limited	Other related parties*	-	111.74
Total Trade receivables from related party		**511.68**	**262.61**
Other transactions			
RHI Magnesita GmbH	Fellow subsidiary	-	13.00
Total		**-**	**13.00**

* Other related parties represents related parties of the erstwhile holding company (Dalmia Bharat Refractories Limited) with whom transactions have taken place during year ended March 31, 2023 (upto January 04, 2023).

(₹ in lakh)

41 **(i) Compensated absences**

The Company has recognised liability for short term compensated absences on full cost basis with reference to unavailed earned leaves at the year end. To the extent, the compensated absences qualify as a long term benefit, the Company has provided for the long term liability at year end as per the actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the Statement of profit and loss in the year in which such gains or losses arise.

(ii) Disclosure of gratuity (non-funded)

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 the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(iii) Change in benefit obligation

	As at March 31, 2024		As at March 31, 2023	
	Gratuity (un funded)	Leave Encashment	Gratuity (un funded)	Leave Encashment
Present value of obligation at the beginning of the year	21.72	9.96	17.05	6.85
Interest cost	1.60	0.74	1.22	0.49
Past service cost	-	2.36	-	-
Current service cost	5.69	2.72	5.15	2.92
Benefits paid	(4.22)	(0.05)	(1.14)	-
Actuarial (gain)/loss on obligation	(0.06)	(2.09)	(0.56)	(0.30)
Present value of obligation at the end of the year	**24.73**	**13.64**	**21.72**	**9.96**
(iv) Actuarial (Gain) / Loss recognised				
Actuarial gain for the year	0.06	2.09	0.56	0.30
Total (gain) for the year	(0.06)	(2.09)	(0.56)	(0.30)
Actuarial (gain) recognized during the year	(0.06)	(2.09)	(0.56)	(0.30)
Unrecognized actuarial (gains) at the end of the year	-	-	-	-
(v) Amount recognised in balance sheet				
Present value of obligation as at the end of the year	24.73	13.64	21.72	9.96
Net asset / (liability) recognized in balance sheet	**(24.73)**	**(13.64)**	**(21.72)**	**(9.96)**
(vi) Expense recognized in the statement of profit and loss				
Current service cost	5.69	2.72	5.15	2.92
Past service cost	-	2.36	-	-
Interest cost	1.60	0.74	1.22	0.49
Net actuarial (gain) / loss recognized during the year	(0.06)	(2.09)	(0.56)	(0.30)
Expenses recognized in the statement of profit and loss	**7.23**	**3.73**	**5.82**	**3.11**
(vii) Reconciliation statement of expense in the statement of profit and loss				
Present value of obligation as at the end of the year	24.73	13.64	21.72	9.96
Present value of obligation as at the beginning of the year	21.72	9.96	17.05	6.85
Benefits paid	4.22	0.05	1.14	-
Expenses recognized in the statement of profit and loss	**7.23**	**3.73**	**5.82**	**3.11**

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RHI Magnesita Seven Refractories Limited RHI MAGNESITA

(₹ in lakh)

(viii) Amounts for the current year				
Present value of obligation as at the end of the year	24.73	13.64	21.72	9.96
Surplus / (Deficit)	(24.73)	(13.64)	(21.72)	(9.96)
Experience adjustment on plan liabilities (loss) / gain	(0.06)	(2.09)	0.10	0.06
(ix) Movement in the liability recognized in the balance sheet				
Opening liability	21.72	9.96	17.05	6.85
Expenses as above	7.23	3.73	5.82	3.11
Benefits paid	(4.22)	(0.05)	(1.14)	-
Closing liability	**24.73**	**13.64**	**21.73**	**9.96**
(x) Bifurcation of Employee benefit obligation at the end of year				
Current Liability	3.88	2.07	4.65	2.10
Non-current Liability	20.85	11.57	17.08	7.86
Total Employee benefit obligation at the end of year	**24.73**	**13.64**	**21.73**	**9.96**
(xi) Impact of the change in discount rate				
Present Value of obligation at the end of the year	24.73		21.73	
Impact due to increase of 0.50%	(0.79)		(1.11)	
Impact due to decrease of 0.50 %	0.85		1.21	
(xii) Impact of the change in salary increase				
Present Value of obligation at the end of the year	24.73		21.73	
Impact due to increase of 0.50%	0.84		1.21	
Impact due to decrease of 0.50 %	(0.79)		(1.12)	

S S KOTHARI MEHTA & CO. LLP NEW DELHI Chartered Accountants

RHI Magnesita Seven Refractories Limited RHI MAGNESITA

RHI Magnesita Seven Refractories Limited
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CIN:- U74999DL2016PLC309327
Notes to the financial statements for the year ended March 31, 2024

42 Expenditure incurred on Corporate Social Responsibilities

(₹ in lakh)

Particulars	**Year ended 31 March, 2024**	**Year ended 31 March, 2023**
Expenditure on Corporate Social Responsibility (CSR)		
a) Gross amount required to be spent by the Company during	9.31	-
b) Cumulative provision for unspent expenditure at the beginning of the year	-	-
c) Amount spent during the year on:		
i) Construction/ acquisition of any asset		
ii) On purposes other than (i) above	8.52	-
d) Provision for unspent expenditure for the year	0.79	-
e) Cumulative provision for unspent expenditure as at year end*	0.79	

The Company has transferred Rs. 0.79 Lakhs to PM Cares Fund as specified in Schedule VII of Companies Act, 2013 on April 04, 2024.

Particulars	**Year ended 31 March, 2024**	**Year ended 31 March, 2023**
1 Library for school education	8.52	-
	8.52	**-**

(₹ in lakh)

43 Financial Risk Management

Financial instruments by category

	As at March 31, 2024			As at March 31, 2023		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Cash and cash equivalents	-	-	0.10	-	-	68.21
Bank balances other than above	-	-	-	-	-	64.64
Trade receivable	-	-	1,687.77	-	-	1,866.56
Other financial assets	-	-	28.56	-	-	27.02
Total financial assets	**-**	**-**	**1,716.42**	**-**	**-**	**2,026.44**
Financial liabilities						
Borrowings	-	-	959.41	-	-	1,309.96
Lease liabilities	-	-	276.32	-	-	328.77
Trade payables	-	-	1,344.69	-	-	1,934.00
Other financial liabilities	-	-	155.19	-	-	113.68
Total financial liabilities	**-**	**-**	**2,735.62**	**-**	**-**	**3,686.41**

Financial risk management objectives and policies

(i) Financial risk factors

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks and devise appropriate risk management framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(ii) Credit risk management

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments

To manage this, Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customer Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each year end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in accounting policy. The Company evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Upto 6 months	More than 6 months	Upto 6 months	More than 6 months
Gross carrying amount (A)	1,450.90	391.51	1,350.04	561.49
Expected Credit Losses (B)	-	(154.64)	(8.99)	(35.98)
Net carrying amount (A-B)	**1,450.90**	**236.87**	**1,341.05**	**525.51**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company. The maximum exposure to credit risk at the balance sheet date is represented by the carrying value of each financial asset.

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RHI Magnesita Seven Refractories Limited RHI MAGNESITA

(₹ in lakh)

44 Liquidity risk management

Liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligation when due and to close out market position. Due to the dynamic nature of the underlying business, Company maintains flexibility in funding by maintaining availability under committed credit lines, by matching the maturity profiles of financial assets and liabilities, continuously monitoring forecast and actual cash flows.

The table below analysed the maturity profile of the Companies financial liabilities.

Particulars	Payable on Demand	Less than 1 year	More than 1 year	Total
As at March 31, 2024				
Borrowing	82.22	535.23	341.96	959.41
Other financial liabilities	-	155.19		155.19
Trade payable & Other Payable	-	1,344.69	-	1,344.69
Lease liabilities	-	83.47	239.69	323.16
Total	**82.22**	**2,118.58**	**581.65**	**2,782.45**
As at March 31, 2023				
Borrowing	-	440.00	869.96	1,309.96
Other financial liabilities	-	113.68	-	113.68
Trade payable & Other Payable	-	1,934.00	-	1,934.00
Lease liabilities	-	84.67	323.16	407.82
Total	-	**2,572.34**	**1,193.11**	**3,765.46**

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(₹ in lakh)

45 Market Risk:

Market risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market risk. The company is exposed to the risk of movements in interest rate, inventory price and foreign currency exchange rate that effects its assets, liabilities and future transaction. The companies is exposed to the following key market risk.

(i) Interest Rate Risk

Interest risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest risk. The company's exposure to the risk of changes in market interest rate relates primarily to the company's short term borrowing obligation in the form of cash credit carrying floating interest rate.

Particulars	Fixed Rate Borrowing	Variable Rate Borrowing	Total Borrowing
As at March 31, 2024	877.19	82.22	959.41
As at March 31, 2023	1,309.96	-	1,309.96

Sensitivity Analysis: For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

Sensitivity on variable rate borrowings	Impact on Statement of Profit and Loss (net of tax)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest rate increase by 1%	(0.62)	-
Interest rate decrease by 1%	0.62	-

(ii) Foreign Currency Risk :

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowings and foreign payables on account import of raw materials and other consumables.. This foreign currency risk is covered by using foreign exchange forward contracts and currency swap contracts.

The details of foreign currency (FC) exposure is as follows:

Particulars	As at March 31, 2024		As at March 31, 2023	
	FC in Lakh	₹ in Lakh	FC in Lakh	₹ in Lakh
Unhedged Foreign Currency				
Other Payables (EUR)	2.53	221.03	2.65	237.11
Receivable				
Trade Receivable (USD)	-	-	0.05	3.75

Rate Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Particulars	Increase / Decrease in basis points	Impact on Statement of Profit and Loss (net of tax)	
		For the year ended March 31, 2024	For the year ended March 31, 2023
Euro Sensitivity	+ 50 basis	(0.83)	(0.89)
	- 50 basis	0.83	0.89
Dollar Sensitivity	+ 50 basis	-	0.01
	- 50 basis	-	(0.01)

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(₹ in lakh)

46 Financial Instrument

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Financial assets

S.No	Particulars	As at March 31, 2024		As at March 31, 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Financial assets designated at amortised cost				
	Non Current				
	Other financial assets	11.45	11.45	12.40	12.40
	Current				
a)	Trade receivables *	1,687.77	1,687.77	1,866.56	1,866.56
b)	Cash & Cash Equivalents *	0.10	0.10	68.21	68.21
c)	Bank balances other than (b) above*	-	-	64.64	64.64
d)	Other financial assets*	17.11	17.11	14.62	14.62
		1,716.42	**1,716.42**	**2,026.44**	**2,026.44**

Financial Liabilities

S.No	Particulars	As at March 31, 2024		As at March 31, 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Financial liability designated at amortised cost				
	Non Current				
	- Borrowings	341.96	341.96	869.96	869.96
	- Lease liabilities	208.29	208.29	269.70	269.70
	Current				
	Borrowings*	617.45	617.45	440.00	440.00
	Trade payables*	1,344.69	1,344.69	1,934.00	1,934.00
	Lease liabilities	68.04	68.04	59.07	59.07
	Other financial liabilities*	155.19	155.19	113.68	113.68
		2,735.62	**2,735.62**	**3,686.41**	**3,686.41**

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

* The carrying amounts are considered to be the same as their fair values due to short term nature.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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(₹ in lakh)

47 Capital Management

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Debt (i)	959.41	1,309.96
Lease liabilities	276.32	328.77
Cash & bank balances	0.10	68.21
Net Debt	1,235.64	1,570.52
Total Equity	2,735.11	2,144.21
Net debt to equity ratio (Gearing Ratio)	**45.18%**	**73.24%**

(i) Debt includes long term and short term borrowings

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RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)
CIN:- U74999DL2016PLC309327
Notes to the financial statements for the year ended March 31, 2024

Note 48:
Financial performance ratios

S. No.	Ratios	Numerator	Denominator	Unit of Measurement	March 31, 2024	March 31, 2023	% change	Reason for variance (where variance is more than 25%)
1	Current ratio	Current assets	Current liabilities	Times	1.39	1.33	4.68%	
2	Debt equity ratio	Total debt = Long term borrowings including current maturities + current borrowings	Total equity	Times	0.35	0.63	(44.32%)	The Company's Debt equity ratio has improved majorly due to repayment of term loans from banks amounting Rs. 440 Lacs in the current year.
3	Debt Service Coverage Ratio	Earnings available for debt service = Profit before tax + finance costs + depreciation and amortisation expense	Debt service = Interest & Lease Payments + Principal Repayments	Times	(14.97)	2.46	(708.58%)	The Company's Debt service coverage ratio has impacted majorly due to repayment of term loans from banks amounting Rs. 440 Lacs in the current year.
4	Return on equity ratio	Net profits after taxes	Average total equity	Percentage	24.22%	30.00%	(19.27%)	
5	Inventory turnover ratio	Cost of Goods Sold (Cost of Material Consumed + Purchases of stock-in-trade of traded goods+ Changes in Inventory)	Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	Times	5.08	9.89	(48.62%)	The Company's inventory turnover ratio has declined primarily due to reduction of turnover during the current year.
6	Trade receivables turnover ratio	Revenue from sale of products and services	Average accounts receivable	Times	5.68	6.73	(15.64%)	
7	Trade payables turnover ratio	Net purchases of goods = Purchase of raw materials included in cost of raw materials consumed + Purchases of stock in trade	Average Trade payables	Times	4.14	4.43	(6.54%)	
8	Net capital turnover ratio	Revenue from sale of products and services	Working capital = Current assets - Current liabilities	Times	11.36	14.71	(22.76%)	
9	Net profit ratio	Net profit after tax	Revenue from operations	Percentage	5.86%	5.28%	10.97%	
10	Return on capital employed	Earning before interest and taxes	Average capital employed = Net worth + Total debt + Deferred tax liability	Percentage	26.22%	32.00%	(18.07%)	
11	Return on investment	Earning before interest and taxes	Average total assets	Percentage	16.44%	16.03%	2.60%	

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RHI Magnesita Seven Refractories Limited ★ RHI MAGNESITA

(₹ in lakh)

49 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year*	353.99	725.40
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprises (Development) Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	860.07	-
The 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 Micro Small and Medium Enterprise Development Act, 2006.	13.73	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	1.20	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

* Includes capital creditors shown separately in Other financial liabilities.

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditor.

50 Additional regulatory information required by Schedule III

Borrowing secured against current assets

Name of the Bank	Particulars	Quarter ended	Amount as per books	Amount disclosed as per quarterly returns	Variance
HDFC Bank	Inventory	March 31, 2024	1,420.26	1,420.00	0.26
	Debtors	March 31, 2024	1,662.81	1,087.00	575.81
	Creditors	March 31, 2024	(1,320.33)	(1,180.00)	(140.33)
	Net Total	**March 31, 2024**	**1,762.73**	**1,327.00**	**435.73**
	Inventory	December 31, 2023	1,479.78	1,479.79	(0.01)
	Debtors	December 31, 2023	2,070.29	1,555.25	515.04
	Creditors	December 31, 2023	(1,742.27)	(1,548.70)	(193.57)
	Net Total	**December 31, 2023**	**1,807.80**	**1,486.34**	**321.46**
	Inventory	September 30, 2023	1,818.23	1,818.24	(0.01)
	Debtors	September 30, 2023	2,699.80	2,433.43	266.37
	Creditors	September 30, 2023	(2,994.54)	(2,549.42)	(445.12)
	Net Total	**September 30, 2023**	**1,523.50**	**1,702.25**	**(178.75)**
	Inventory	June 30, 2023	1,377.78	1,376.78	1.00
	Debtors	June 30, 2023	2,617.40	2,301.96	315.44
	Creditors	June 30, 2023	(2,334.66)	(1,929.91)	(404.75)
	Net Total	**June 30, 2023**	**1,660.51**	**1,748.83**	**(88.32)**

Reasons for variances:

(a) The difference in debtors are due to adjustment made in the books of account which is not considered in DP statements filled with bankers. (e.g. Debtors greater than 90 days and Inter company transactions not eligible for drawing power calculation)

(b) The difference in creditors are due to adjustment made in the books of account which is not considered in DP statements filled with bankers. (e.g. Provisions are not eligible, Creditors related to stock are allowed in DP calculation except Inter company.)

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RHI Magnesita Seven Refractories Limited RHI MAGNESITA

(₹ in lakh)

50 Additional regulatory information required by Schedule III (Contd.)

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vi) 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: (a) 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 (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) 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: (a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) 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) The Company has not entered into any scheme of arrangement which has an accounting impact on current year or previous year.

(x) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(xi) 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.

(xii) The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were taken.

(xiii) The title deeds of all the immovable properties held by the Company (other than properties where the Company is a lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

51 Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report of even date

For S.S.Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No. 000756N / N500441

S S KOTHARI MEHTA & CO. LLP NEW DELHI Chartered Accountants

Amit Goel
Partner
Membership No. 500607

Place: Gurugram
Date: May 24, 2024

For and on behalf of
RHI Magnesita Seven Refractories Limited
(formerly known as Dalmia Seven Refractories Limited)

Parmod Sagar
Director
DIN: 06500871

Vijay Sharma
Director
DIN: 00880113

Abhishek Bajaj
Chief Financial Officer

Kirti Bajaj
Company Secretary
(ACS - A71440)

RHI Magnesita Seven Refractories Limited RHI MAGNESITA