



**RHI MAGNESITA**

**RHI MAGNESITA INDIA REFRACTORIES LTD.**  
(A subsidiary of RHI Magnesita India Ltd.)  
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## NOTICE

**NOTICE** is hereby given that the Seventh Annual General Meeting (“**AGM**”) of RHI Magnesita India Refractories Limited (“**RHIM IR**” or “**the Company**”) will be held on Wednesday, the 30<sup>th</sup> July 2025 at registered office of the Company situated at Dalmiapuram, Lalgudi, District Tiruchirapalli, Chennai, Tamil Nadu- 621651 at 11:00 A.M. to transact the following businesses:

### ORDINARY BUSINESS

1. To consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended on 31 March 2025, along with Director’s and Auditor’s report thereon and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the audited financial statement of the Company for the financial year ended 31 March 2025 together with the reports of Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

2. To consider and appoint a director in place of Mr. Parmod Sagar (DIN: 06500871), who retires by rotation and being eligible, offers himself for re-appointment and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Parmod Sagar (DIN: 06500871), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

### SPECIAL BUSINESS

3. To ratify the remuneration of Cost auditors of the Company for the financial year 2025-26 and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the members of the Company hereby ratify the remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only) plus applicable taxes and out of pocket expenses incurred or to be incurred in connection with the cost audit, as approved by the Board of Directors, payable to M/s. K. G. Goyal & Associate, Cost Accountants (having firm registration number-000024), who were appointed as the cost auditors of the Company to conduct the audit of the cost records maintained by the Company for the financial year 2025-2026.

**RESOLVED FURTHER THAT** the Board of Directors and/ or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, proper, desirable or expedient to give effect to this resolution.”



4. To appoint and fix the remuneration of Secretarial Auditors and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the provisions of Regulation 24A and other applicable provisions, if any, of the SEBI Listing Obligations and Disclosures Requirements Regulations, 2015, Mr. Naresh Verma, (Membership No. FCS 5403; COP: 4424), Proprietor of M/s. Naresh Verma & Associates, Company Secretaries, a Peer Reviewed firm, who has submitted his consent to act as Secretarial Auditor of the Company, be and is hereby appointed as Secretarial Auditor of the Company, for a term of five (5) consecutive years, to hold office from the conclusion of this 7<sup>th</sup> Annual General Meeting ('AGM') till the conclusion of the 12<sup>th</sup> AGM to be held in the calendar year 2030, as may be mutually agreed between the Board of Directors of the Company and the said Secretarial Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company ('Board' which term shall be deemed to include any committee thereof) and/ or Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto.”

By order of Board of Directors



**Bobby Mehndiratta**  
Company Secretary  
Membership No. A54443

**Gurugram, 27 May 2025**

**Registered Office:**

Dalmiapuram, Lalgudi District Tiruchirapalli,  
Chennai, Tamil Nadu, India, 621651  
Tel: +91 22 49851200  
Email: corporate.india@rhimagnesita.com  
CIN: U26100TN2018PLC125133

**EXPLANATORY STATEMENT WITH REGARD TO AGENDA AS MENTIONED ABOVE  
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 3**

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to have audit of its cost records maintained for the specified product in relation to the business activity of the Company by a Cost Accountant. The Board at their meeting held on 27 May 2025 has approved the appointment of M/s. K. G. Goyal & Associate, Cost Accountants (having firm registration number 000024) as cost auditor of the Company for the purpose of conducting audit of the cost records maintain by the Company for the financial year 2025-26 at a remuneration of Rs. 50,000/- plus applicable taxes, out-of-pocket and other expenses.

In accordance with the aforesaid provisions of the Act, the remuneration payable to the Cost Auditors to conduct audit of cost records of the Company for the said financial year, shall be required to be ratified by the shareholders of the Company. Accordingly, consent of the members is being sought for resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2025-2026.

The Directors recommend the aforesaid resolution for approval by the members as an ordinary resolution pursuant to the provisions of the Act.

None of the directors or key managerial personnel of the Company or their relatives is concerned or interested in the said resolution either financially or otherwise.

**ITEM NO. 4**

In terms of the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in accordance with the provisions of Regulation 24A and other applicable provisions, if any, of the SEBI Listing Obligations and Disclosures Requirements Regulations, 2015, Every Material unlisted subsidiary is required to undertake Secretarial Audit by a Peer Reviewed firm who shall be appointed by the Members of the Company, on the recommendation of the Board of Directors, for a period of five (5) consecutive years.

Accordingly, the Board of Directors, at its meeting held on 27 May, 2025, subject to the approval of member of the Company, approved the appointment of Mr. Naresh Verma, (Membership No. FCS 5403; COP: 4424), Proprietor of M/s. Naresh Verma & Associates, Company Secretaries, as the Secretarial Auditor of the Company, for a term of five (5) consecutive years, to hold the office of the Secretarial Auditor, effective from the conclusion of 7<sup>th</sup> AGM until the conclusion of the 12<sup>th</sup> AGM to be held in the calendar year 2030. He was Secretarial Auditor of the Company for FY25.

Mr. Naresh Verma, had already given his consent for his appointment as the Secretarial Auditor of the Company and have confirmed that he fulfills the criteria as specified in clause (a) of Regulation 24A(1A) of SEBI Listing Regulations including the test of independence and have further confirmed that he has not incurred any of disqualifications as specified by the Securities and Exchange Board of India.

M/s. Naresh Verma & Associates is primarily engaged in providing professional services in the field of Corporate Laws, SEBI Regulations, FEMA Regulations, including carrying out Secretarial Audit, Due Diligence Audit and Compliance Audit for various reputed companies. The firm is peer reviewed under Institute of Companies Secretaries of India regulations and is holding peer review certificate no. 3266/2023.

The Directors recommend the aforesaid resolution for the approval by the members as an ordinary resolution pursuant to the provisions of the Act.

None of the directors or key managerial personnel of the Company or their relatives is concerned or interested in the said resolution either financially or otherwise.

**Gurugram ,27 May 2025**



By order of Board of Directors

**Bobby Mehndiratta**  
Company Secretary  
Membership No. A54443

**NOTES:**

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to special business under item no 3 and 4 as mentioned above and the details as required under Secretarial Standard on General Meeting (SS-2) in respect of the director seeking appointment/re- appointment at this AGM, to be transacted at the meeting is annexed thereto.

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, ON A POLL, IN HIS/HER STEAD. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, DULY COMPLETED, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS/AUTHORITY, AS APPLICABLE.**

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Corporate members/ institutional investors, as the case may be, intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of Companies Act, 2013 ("**the Act**") are requested to send to the Company a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their copies of AGM notice to the meeting. In order to enable us to register your attendance at the venue of the AGM, members are requested to please bring their folio number/ demat account number/DPID- Client ID to enable us to provide a duly filled attendance slip for participation at the meeting.
4. All documents referred to in the notice and the explanatory statement are open for inspection by the members at the registered office of the Company on all the working days (that is, except Saturdays, Sundays and Public Holidays) during normal business hours upto the date of the Meeting. The aforesaid documents will also be available for inspection by the members at the Meeting.
5. In terms of the applicable Secretarial Standard issued by the Institute of Company Secretaries of India (ICSI), the details with respect to the Directors seeking appointment/ re-appointment at the General Meeting is annexed hereto and forms integral part of the Notice. Requisite declarations as specified under the Act read with Rules made thereunder, have been received from the Directors for their appointment/re-appointment, as the case may be.



## RHI Magnesita India Refractories Limited

### Annexure to the Notice

**Details of Director proposed to be appointed/re-appointed at the ensuing Annual General Meeting**  
(Pursuant to Secretarial Standard-2 of the Institute of Company Secretaries of India)

S. No	Name of Director	Mr. Parmod Sagar
1.	Director Identification Number	06500871
2.	Date of Birth	4 September 1965
3.	Date of first appointment at the Board	5 January 2023
4.	Qualifications	B-Tech (Mechanical) Bachelor of Engineering (Instrumentation and Control)
5.	Experience (Including expertise in specific functional area)/ Brief Resume	Techno Commercial (Operation & Marketing) in Refractory Industry
6.	Terms and Conditions of Appointment/ Re-appointment	His office shall be liable to retire by rotation
7.	Shareholding in the Company	Hold 1 share as nominee of RHI Magnesita India Limited i.e. Holding Company
8.	Relationship with other Directors and Key Managerial Personnel	None
9.	Number of Meetings of Board attended during the year	Four
10.	Directorships held in other public companies	1. RHI Magnesita India Limited 2. Intermetal Engineers (India) Private Limited 3. RHI Magnesita Seven Refractories Limited







## RHI MAGNESITA

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 (A subsidiary of RHI Magnesita India Ltd.)  
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### BOARD REPORT

Dear Members,

Your directors have great pleasure in presenting the Seventh Annual Report of RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited) (“**RHIMIRL**” / “**the Company**”), along with audited financial statements of the Company for the financial year (“**FY**”) ended 31 March 2025 (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. Lacs)

Particulars	FY 2024-25	FY 2023-24
Revenue from Operations	87,370.73	102,443.18
(Loss)/ Profit before Interest, Depreciation, Amortization, Tax and Exceptional Items	10,244.02	11,586.95
Less: Interest and financial charges	3,102.07	4,689.62
Profit before Depreciation, Amortization, Tax and Exceptional Items	7,141.95	6,897.33
Less: Depreciation and Amortization	11,344.79	10,479.21
(Loss)/ Profit before tax and Exceptional Items	(4,202.84)	(3,581.88)
Less: Exceptional items	–	(31,725.63)
(Loss)/ Profit before tax	(4,202.84)	(35,307.51)
Provision for deferred tax	(2,056.23)	(801.40)
(Loss)/ Profit after tax	(2,146.61)	(34,506.11)

#### 2. STATE OF COMPANY'S AFFAIRS

The revenue from operations of the Company was Rs. 87,370.73 lacs during FY 2024-25 & the net profit/(loss) before tax and after tax is Rs. (4,202.84) lacs and Rs. (2,146.61) lacs respectively. For more details, please refer financial statements of the Company.

#### 3. TRANSFER TO RESERVE

During the financial year ended 31 March 2025, the Company has reported net loss of Rs. (2,146.61) lacs and hence there is no appropriation of profits in the current year. For more details, please refer to note 8b of the financial statements of the Company.

#### 4. DIVIDEND

Due to losses in the Company, your directors have decided not to recommend any dividend for FY 2024-25.

#### 5. MERGER OF RHI MAGNESITA SEVEN REFRACTORIES LIMITED WITH THE COMPANY

As disclosed earlier, The Board of Directors of RHI Magnesita Seven Refractories Limited (“**RHIM Seven**”) and the Company in their respective meetings held on 8 February 2024 has approved the scheme of merger of RHIM Seven with and into the Company under the provisions of Section 233 of the Companies Act and the applicable rules framed thereunder. The aforesaid merger is in process.



**6. SHARE CAPITAL STRUCTURE**

The share capital structure of the Company as on 31 March 2025 is given below:

Particulars	Share capital during FY 2024-25
<b>Authorized Share Capital</b>	Rs. 1,25,00,00,000/- constituting of 12,50,00,000 equity shares of Rs. 10/- each.
<b>Issued, Subscribed and Paid-up Share Capital</b>	Rs. 1,04,53,11,570/- constituting of 10,45,31,157 equity shares of Rs. 10/- each

**7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

The Company is a material and wholly owned subsidiary of RHI Magnesita India Limited ("RHIM")

Intermetal Engineers (India) Private Limited, another wholly owned subsidiary of RHIM is fellow subsidiary of the Company.

**RHIM Seven** is a wholly owned subsidiary of the Company.

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

In terms of the provisions of Rule 6 of Companies (Accounts) Rules, 2014, as amended from time to time, the Company is not required to prepare its consolidated financial statements with its wholly owned subsidiary i.e. RHIM Seven for FY 2024-25, as RHIM, the holding company is preparing consolidated financial statements in compliance with the applicable Accounting Standards and in accordance with the provisions of Schedule III of the Act and the same to be filed with the concerned Registrar of Companies.

The Company does not have any associate or joint venture within the meaning of Section 2(6) of the Companies Act, 2013 ("the Act").

**8. 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:

- in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- 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;
- 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.
- the Directors had prepared the annual accounts on a going concern basis.
- 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.
- 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.

**9. 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.

**10. MATERIAL CHANGES AND COMMITMENTS**

There is no material changes or commitments affecting the financial position of the Company during the period under review.





**11. BOARD MEETINGS**

During the financial year under review, four (4) Board Meetings were duly held and convened. Details of the meetings and attendance of Directors therein are as follows:

Name of Directors	24 May 2024	13 August 2024	6 November 2024	10 February 2025
Dr. Vijay Sharma*	Yes	Yes	Yes	-
Mr. Nazim Sheikh	Yes	Yes	Yes	Yes
Mr. Gustavo Lucio Goncalves Franco	Yes	Yes	No	Yes
Mr. Parmod Sagar	Yes	Yes	Yes	Yes
Ms. Vijaya Gupta**	-	-	-	-
Mr. Azim Syed	Yes	Yes	Yes	Yes
Ms. Ticiana Kobel***	-	-	Yes	No

\* resigned on 11 November 2024.

\*\* resigned on 3 April 2024

\*\*\* appointed on 6 November 2024.

The time gap between the two consecutive meetings did not exceed one hundred and twenty days during the FY 2024-25.

The Board meetings were conducted in due compliance with and following the procedures prescribed in the Act and applicable Secretarial Standards issued by Institute of Company Secretaries of India.

**12. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Azim Syed (DIN: 10641934) and Ms. Ticiana Kobel (DIN: 09850411) have been appointed as Non- Executive, Non-Independent Additional Director of the Company liable to retire by rotation effective from 24 May 2024 and 6 November 2024 respectively. Their appointments were subsequently approved by the shareholders at their Annual General Meeting ('AGM') held on 5 August 2024 and the Extraordinary General Meeting held on 15 November 2024 respectively.

During the period under review, Ms. Vijaya Gupta (DIN: 06435747) and Dr. Vijay Sharma (DIN: 00880113) have resigned from directorship of the Company with effect from 3 April 2024 and 11 November 2024 citing personal reasons. The Board accepted her resignation and placed on record its sincere appreciation for the valuable contributions made by her during her tenure.

The Board of Directors placed on record its deep appreciation for the long-standing association, insightful guidance, and valuable contributions made by Dr. Sharma and Ms. Gupta during their respective tenures with the Company. The Board remains committed to maintaining the highest standards of corporate governance and expresses its sincere gratitude to the outgoing Directors for their dedicated service and leadership.

Following the conclusion of Dr. Sharma's tenure, Mr. Parmod Sagar (DIN- 06500871), Managing Director & CEO, was appointed as the Chairman of the Company. Accordingly, with effect from November 12, 2024, Mr. Parmod Sagar holds the designation of Chairman, Managing Director & Chief Executive Officer (CMD).

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Parmod Sagar (DIN: 06500871), is liable to retire by rotation at this AGM and is eligible for re-appointment.

The disclosures required pursuant to Secretarial Standards on General Meeting ('SS-2') are given in the Notice of AGM, forming part of the Annual Report.

Mr. Sanjeev Bhardwaj has resigned from the designation of Chief Financial Officer and Key Managerial Personnel of the Company with effect from end of working hours of 24 May 2024. The Board accepted his resignation and placed on record





its sincere appreciation for the valuable contributions made by him during his tenure. and Mr. Abhishek Bajaj has been appointed as Chief Financial Officer and Key Managerial Personnel of the Company with effect from 1 June 2024.

The Company has obtained necessary disclosures from its Directors in terms of the applicable provisions of the Companies Act, 2013. None of the Directors have incurred any disqualification under Section 164(2) of the Act and are eligible to be appointed as Director of the Company.

Pursuant to the provisions of Section 203 of the Act, as on 31 March 2025, Mr. Parmod Sagar – Chairman, Managing Director & CEO, Mr. Abhishek Bajaj – Chief Financial Officer and Ms. Bobby Mehndiratta – Company Secretary were Key Managerial Personnels (“KMPs”) of the Company.

### 13. CONSTITUTION OF COMMITTEES

In accordance with sub-rule (2) of rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Company, as a wholly owned subsidiary of RHIM, is exempt from constituting an Audit Committee and Nomination and Remuneration Committee.

The Company have following functional committees

#### ➤ FINANCE AND INVESTMENT COMMITTEE

During the period under review, there has been no change in terms of reference of the Committees while due to change in directors of the Company constitution has been changed with details specified herein below:

Name of Member	Designation	Cessation or appointment	Date of change
Dr. Vijay Sharma	Chairman	Cessation	11 November 2024
Mr. Parmod Sagar	Member	-	-
Ms. Vijaya Gupta	Member	Cessation	3 April 2024
Mr. Azim Syed	Member	Appointment	24 May 2024
Mr. Nazim Shiekh	Member	Appointment	6 November 2024

#### Revised constitution of the Committee

Mr. Parmod Sagar - Member  
Mr. Nazim Shiekh- Member  
Mr. Azim Syed- Member

#### ➤ MERGER COMMITTEE

The Board of Directors in its meeting held on 6 November 2024 approved the revised terms of reference of the Committee as specified herein below:

Change in constitution during the period under review

Name of Member	Designation	Cessation or appointment	Date of change
Dr. Vijay Sharma	Chairman	Cessation	11 November 2024
Mr. Parmod Sagar	Member	-	-
Ms. Vijaya Gupta	Member	Cessation	3 April 2024
Mr. Azim Syed	Member	Appointment	24 May 2024
Mr. Nazim Shiekh	Member	Appointment	6 November 2024

#### Revised constitution of the Committee

Mr. Parmod Sagar - Member  
Mr. Nazim Shiekh- Member  
Mr. Azim Syed- Member



The Board is authorized to constitute one or more functional committees delegating thereto powers and duties with respect to specific purposes for which such committee has been constituted. Meeting of such committees are held, as and when the need arises. Time schedule for holding such functional committees is finalized in consultation with the committee members.

#### 14. PERFORMANCE EVALUATION CRITERIA

The Board of Directors has carried out evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act.

Evaluation criteria and procedure for the performance of the Board, its committees and individual Directors including Independent Directors is already specified. The criteria for evaluation of Directors include certain parameters i.e.

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

#### 15. DIRECTORS' REMUNERATION

##### Criteria for making payments to Non-Executive Directors

The Non-Executive Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. The sitting fees as decided by the Board is reasonable and sufficient to attract, retain and motivate Non-Executive Directors aligned to the requirement of the Company. However, it is ensured that the amount of such fees does not exceed the amount prescribed by the Central Government from time to time.

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

The amount of sitting fees of Rs. 50,000 for each Board Meeting was paid to non-executive directors except Mr. Azim Syed, Mr. Gustavo Goncalves Franco and Ms. Ticiana Kobel who waived their right for sitting fees for attending board meeting.

##### Details of Remuneration paid to the Non-Executive Directors

Apart from sitting fee that Non-Executive Directors are entitled to as per Companies Act, 2013 and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors have any other material pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates. Mr. Azim Syed is also an employee of RHI Magnesita India Limited, holding company and Mr. Gustavo Lucio Goncalves Franco and Ms. Ticiana Kobel are employees of ultimate holding Company.

The sitting fees was paid to the Non-Executive Directors of the Company for attending each of the board meeting was within the limits as prescribed under the Companies Act, 2013 and as approved by the Board of Directors of the Company. The sitting fees paid for FY 2024-25 is as follows:

(Amount in Rs. Lacs)	
Name of director	Sitting fees of Board Meeting
Dr. Vijay Sharma	1.50
Mr. Nazim sheikh	2.00





Apart from sitting fees Directors are not entitled to any remuneration from the Company. As on 31 March 2025, none of the Director hold any share of the Company while Mr. Parmod Sagar is holding one (1) equity share as nominee of holding company.

**16. HUMAN RESOURCES**

The Company upholds strong people and culture policies that align with its strategic goals. The Company is dedicated to employee development, offering training programs that foster a diverse talent pool. By blending experienced professionals with emerging talent, it drives growth and achieves its business objectives.

The Company is committed to fostering a learning environment, providing both technical and behavioral training based on need assessments. The organization also implements recognition programs to inspire and engage employees.

Diversity is a key focus for the Company, which diligently works towards its diversity targets through intentional hiring practices, equal opportunity creation, and various learning programs for people managers. The Company utilizes a robust, automated performance management system, ensuring that all employees have clear goals to help them meet their targets. Each year, the People & Culture team sets increasingly ambitious goals, aiming to deliver a seamless employee experience that motivates and supports individual growth.

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.

**17. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The provisions of the Companies Act, 2013 related to Corporate Social Responsibility are not applicable to the Company for the financial year 2024-25.

**18. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENT**

During the period under review, the Company has not given any loan, advance or security with respect of loan to any firms/companies in which directors of the Company are interested.

Detailed disclosure on loan, guarantee and investment as per Section 186 of the Act, have been disclosed in the financial statements.

**19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

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

The details of contracts with related parties are provided under the notes to the Financial Statements of the Company.

**20. 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. Risk management policy of holding company is also applicable on your Company.





**21. AUDITORS' & AUDITORS' REPORT****A. Statutory Auditors**

The Board of Directors of the Company at their meeting held on 29 June 2023, has appointed M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) as the Statutory Auditors of the Company for the period of five years from the conclusion of 5th AGM of the Company till the conclusion of the 10th AGM of the Company to be held in the year 2028 to conduct the statutory audit of the Company relating to the financial year starting from 2023-24 to 2027-28, on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company and members of the Company in their AGM held on 30 June 2023 also approved the aforesaid proposal.

The audit report of the Statutory Auditors is self-explanatory and do not need any further comments.

**B. Secretarial Auditor**

The Board of Directors of the Company at their meeting held on 24 May 2024, has appointed M/s. Naresh Verma & Associates, Company Secretaries in Practice, to conduct Secretarial Audit for the FY 2024-25 as required by Section 204 of the Companies Act, 2013 and rules made thereunder. The Company provided all assistance and facilities to the secretarial auditors for conducting their audit. The Secretarial Audit Report for the FY 2024-25 is annexed herewith marked as **Annexure - II**.

The observations of the Secretarial Auditor in their report are self-explanatory and therefore, the Directors do not have any further comments to offer on the same.

Further, as required under Section 204 of the Act and rules thereunder, the Board has appointed M/s. Naresh Verma & Associates, Company Secretaries, to also conduct the Secretarial Audit for the FY 2025-26.

The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. The Secretarial Auditors have confirmed that they are not disqualified to be appointed as the Secretarial Auditors of the Company for FY 2025-26.

**C. Internal Auditor**

The Board of Directors of the Company at their meeting held on 24 May 2024, has appointed M/s. Chaturvedi & Partners, Chartered Accountant, to conduct the internal audit of the company for the financial year ended 31 March 2025 under Section 138 of the Act and they have completed the internal audit as per the scope defined by the Board. M/s. Chaturvedi & Partners was re-appointed as Internal Auditors of the Company for FY 2025-26 as well.

**D. Cost Auditor**

The Board of Directors, has appointed M/s. K. G. Goyal & Associates, Cost Accountants, (Firm Registration No.: 00024) as Cost Auditors to audit the cost accounts of the Company for the FY 2025-26. As required under the Act, a resolution seeking shareholders' approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the 7th AGM.

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records & Audit) Rules, 2014, the Company has maintained cost records.

**E. Reporting of fraud by auditors**

During the year under review, the Auditors of the Company have not reported any material fraud as specified under Section 143(12) of the Act to the Audit Committee.

**22. CHANGE IN CORPORATE OFFICE AND MAINTENANCE OF BOOKS OF ACCOUNTS**

Effective 1 September 2024, the corporate office of the Company has been relocated to 19th & 20th Floor, DLF Square, M-Block, Phase-II, Jacaranda Marg, DLF City, Sector 25, Gurugram, Haryana – 122002.



Furthermore, in compliance with the provisions of Section 128 of the Companies Act, 2013, the Company has commenced keeping and maintaining its books of accounts at the new corporate office with effect from 6 November 2024.

**23. REGISTRAR AND TRANSFER AGENT**

M/s KFIN Technologies Limited  
Karvy Selenium Tower B, Plot 31-32, Financial District,  
Nanakramguda, Serilingampally Hyderabad – 500032  
Tel No: 040 67162222  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) Website: [www.kfintech.com](http://www.kfintech.com)

**24. DEMATERIALISATION OF SECURITIES**

The Equity Shares of the Company have been admitted with National Securities Depository Limited (NSDL) under the ISIN No. INE0F9V01010 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 2025, 100% equity shares of the Company are held in dematerialized form with the participants of NSDL.

**25. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION**

Pursuant to the provisions of Section 178 of the Act, The Company has devised a policy for the appointment and remuneration of Directors, Key Managerial Personnel and Senior Management. The policy of RHIM, holding company is also applicable on the Company and the same is available on the website of RHIM i.e [www.rhimagnesitaindia.com](http://www.rhimagnesitaindia.com)

**26. VIGIL MECHANISM /WHISTLE BLOWER POLICY**

Pursuant to the provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors had approved the Policy on Vigil Mechanism/Whistle Blower. The Company ensure to establish the reputation for doing business with integrity and displays zero tolerance for any form of unethical behaviour. The mechanism under the Policy has been appropriately communicated within and outside the organisation.

The Company reached out to employees through physical/ virtual sessions with an aim of creating greater awareness on this subject. During the year under review, the Company has received Two (2) complaints under the said mechanism which were resolved during the year.

**27. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**28. ADEQUACY OF INTERNAL CONTROLS**

The Company is having adequate internal control system which commensurate with size and business of the Company.

**29. 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.

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

Your Company is committed to ensuring that all are treated with dignity and respect. The Human Resource Department of the Company 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 holding company i.e. RHIM, to redress complaints received regarding sexual harassment.

During the financial year 2024-25, Two (2) complaints has been received during the period under review.

**31. 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 2024-25 is available for inspection during working hours on working day.

**32. 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**

- a. Details relating to deposit and unclaimed deposits or interest thereon.
- b. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- c. Issue of shares (including sweat equity shares) and Employee Stock Option Scheme of the Company under any scheme.
- d. 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.
- e. 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 2024-25.
- f. Difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions.
- g. No company has become or ceased to be a subsidiary, joint venture, or associate company during the year.

**33. 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.

Gurugram , 27 May 2025

By order of the Board of Directors

  
Parmod Sagar  
Chairman, Managing Director & CEO  
(DIN: 06500871)





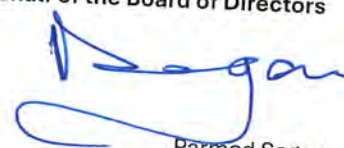
## FORM AOC-1

## ANNEXURE-I

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

Name of the subsidiary company	:	RHI Magnesita Seven Refractories Limited
Date of becoming subsidiary	:	5 January 2023
Start date of accounting period of subsidiary	:	1 April 2024
End date of accounting period of subsidiary	:	31 March 2025
Reporting currency	:	INR
Exchange rate	:	-
Rounding-off	:	(In Rs. Lacs)
Share capital	:	2,000
Reserves and surplus/ other equity	:	1,353.52
Total Assets	:	6,927.11
Total Liabilities	:	6,927.11
Investments	:	-
Turnover	:	12,726.25
Profit/ (Loss) before tax	:	851.28
Provision for tax	:	229.88
Profit/ (Loss) after tax	:	621.40
Proposed dividend	:	-
% of shareholding	:	100%
Country	:	India

On behalf of the Board of Directors



Parmod Sagar  
Chairman, Managing Director & CEO  
(DIN:06500871)

Gurugram, 27 May 2025



## 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. ENERGY MANAGEMENT

Your Company is committed to sustainable business practices by contributing to environment protection and considers energy conservation as one of the strong pillars of preserving natural resources. Also, the Company's integrated operations ensure sustainable usage of the available resources. Joint project opportunities amongst various business units improve efficiencies in sourcing besides resulting in product efficiencies.

Your Company has a robust roadmap for achieving targets for improving energy efficiency and adoption of renewable energy. Also, your Company has always been conscious of the need for energy conservation and preserving natural resources. Energy conservation measures have been implemented at all the plants and offices of the Company. Below mentioned are certain initiatives take by the Company for energy management:

#### i. Steps taken by the Company towards Conservation of Energy

- Reduced compressed air consumption by regular monitoring and controlling compressed air usage. Eliminated wastage of compressed air by arresting air leakages immediately, minimizing number of air receivers.
- Reduction in power consumption of Thermal areas by regulating speed of FGD ID FAN as per requirement of draught)
- Installed 100% LED lights for power savings
- ON/OFF switches of all dust collector installed at ground floor to prevent idle running.
- Procured 8 no of inverter type energy savings split AC for power savings (Replaced & New installed)
- Procurement of energy savings motor for power savings.
- Timer switch fitted 9 no for company lighting (time-based illumination) for power savings.
- Lights are switched off during tea-time.
- Awareness given to all employees & energy savings tips displayed for energy savings.
- Installed low wattage LED lights at different locations of the plant in place of SV/MH lights.
- Provided float switch in the overhead water storage tank to check wastage of water and idle running of water pump.
- Implemented idle run check circuit in all HSP 400T and hydraulic press.
- In operational efficiency, were reduced coal from 102 KG to 92 KG for per Metric ton of production.
- Partial replacement of fluorescent lights to LED lights.

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

Day light harvesting was done to reduce electrical energy consumption by using natural daylight. Transparent (poly carbonate sheets were fixed on the roof and the plant sheds to utilize sunlight in daytime. Roof sheet of 6500 M2 replaced with PPGL sheet with 350 M2 of transparent sheet.

#### iii. Capital Investment on Energy Conservation Equipment

- Nil for FY25,.
- Installed 90 kw VFD in the ID fan of Basic tunnel kiln-5.
- Installed 110 kw VFD in the ball mill of HAB plant, in the dust filter motor of HA and Basic plant.
- Changing a CCIM (Counter Current Intensive Mixture) to ICCIM (Inclined Counter Current Intensive Mixture) for power saving, Time saving and mixture quality increased, mixing scrap rate reduced (Under Dalmiapuram Plant).

### B. TECHNOLOGY ABSORPTION, ADAPTATION, AND INNOVATION

- Scrap percentage in NGG reduced from 6.5 to 5.9, Scrap percentage reduced during manufacturing of silica bricks from 32 % in Cy 24 to 22 % in Cy25 by selecting suitable quartzite.
- The recycling percentage increased from 14.81 to 22.30 under Khambalia Plant, Recycle % increased from 11.5 to 14.29 under Rajgangpur Plant
- Implementation of Auto-Feeding System for Acid and Molasses.
- Installation of Jib Crane for safe Unloading of FIBC Bags.
- Installation of 2 no ESP -1000T for more productivity & quality consistent bricks.



## RHI Magnesita India Refractories Limited

- Installation of New Eirich Mixture (CCIM) for homogeneous mixing, less mixing time, less maintenance, better safety ensured & more use of RCM.
- A new recipe for snorkel (BCF55) has been developed which will reduce the cost of manufacturing as well as performance.
- Adopted technology of Horizontal casting of DS lance which improved performance.
- Payload increased (Doubled) in a drying cycle for CASOB, also clubbing along with drying cycle of Lance.
- 360 Degree Machine Guards for Machine Safety.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	(Amount in Rs. Lacs)	
	2024-25	2023-24
Earnings	4,796.99	3,698.01
Outgo	13,403.24	17,292.92

On behalf of the Board of Directors



Parmod Sagar  
Chairman, Managing Director & CEO  
(DIN:06500871)

Gurugram, 27 May 2025





# **RHI MAGNESITA INDIA REFRATORIES LIMITED**

Ind AS Financial Statements  
Year ended March 31, 2025

# Price Waterhouse Chartered Accountants LLP

## Independent Auditor's Report

### To the Members of RHI Magnesita India Refractories Limited

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying Financial Statements of RHI Magnesita India Refractories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and total comprehensive income (comprising loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

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

#### Key audit matter

4. Key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the Financial Statements of the current period. This matter was addressed in the context of our audit of the Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.



Price Waterhouse Chartered Accountants LLP, Building No. 8, 8th Floor, Tower - B, DLF Cyber City, Gurugram - 122 002  
T: +91 (124) 6169910

Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, New Delhi - 110002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of carrying value of goodwill</b></p> <p>(Refer Note 24 to the Financial Statements)</p> <p>The Company has goodwill carried at cost less accumulated impairment loss of Rs. 48,950.30 lakhs.</p> <p>The Company reviews the carrying value of goodwill at every balance sheet date irrespective of whether there is any indication of impairment or not, the carrying value is assessed for impairment in accordance with Ind AS 36 'Impairment of Assets', and an impairment provision is recognised, where applicable. The management has determined the Company as a whole as the cash generating unit ("CGU") for the purpose of impairment assessment, and with the involvement of independent valuation experts ("management's experts"), the recoverable value of the CGU has been determined.</p> <p>The assessment of carrying value of goodwill has been considered as a key audit matter as the determination of recoverable value involves significant management judgement and estimates such as future expected level of operations and related forecast of cash flows, market conditions, discount rate, growth rate, terminal growth rate etc.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding and evaluated the design and tested the operating effectiveness of controls over the impairment assessment.</li> <li>• Assessed whether the Company's determination of CGUs was consistent with our knowledge of the Company's operations.</li> <li>• Assessed the competence, capabilities and objectivity of management's experts and perused the report issued by them.</li> <li>• Involved our auditor's experts to assist in <ul style="list-style-type: none"> <li>○ assessing the appropriateness of the valuation model including the independent assessment of the underlying assumptions relating to discount rate, terminal growth rate etc.</li> <li>○ evaluation of the cash flow forecasts (with underlying economic growth rate) by comparing them to the approved budgets and our understanding of the internal and external factors.</li> </ul> </li> <li>• Verified the mathematical accuracy of the computations involved in the valuation model.</li> <li>• Assessed the sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment or material change in fair valuation.</li> <li>• Discussed the key assumptions and sensitivities with those charged with governance.</li> <li>• Evaluated the adequacy of the disclosures made in the Financial Statements.</li> </ul>

## Other Information

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

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

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

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





### **Responsibilities of Management and Those Charged With Governance for the Financial Statements**

6. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the Financial Statements, Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. 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**

9. 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 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.
10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the back-up of books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India and the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
  - (g) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.



- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 31 to the Financial Statements;
  - ii. The Company was not required to recognise a provision as at March 31, 2025, under the applicable law or Indian Accounting Standards, as it does not have any material foreseeable losses on long-term contract. The Company has made provision as at March 31, 2025, as required under applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on derivate contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 36(v)(a) to the Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 36(v)(a) to the Financial Statements);  
(b) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 36(v)(b) to the Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 36(v)(b) to the Financial Statements); and  
(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year.
  - 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 and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case of modification by certain users with specific access and the audit trail is not maintained for direct database changes. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail was not maintained in the prior year and hence the question of our commenting on whether the audit trail was preserved by the Company as per the statutory requirements for record retention does not arise.





Independent Auditor's Report

To the Members of RHI Magnesita India Refractories Limited  
Report on the Audit of the Financial Statements  
Page 6 of 6

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

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012574N/N500016



Anurag Khandelwal  
Partner  
Membership Number: 078571

UDIN: 25078571BMOCES2289  
Place: Gurugram  
Date: May 27, 2025

## **Annexure A to Independent Auditor's Report**

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of RHI Magnesita India Refractories Limited on the Financial Statements as of and for the year ended March 31, 2025.  
Page 1 of 2

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

1. We have audited the internal financial controls with reference to financial statements of RHI Magnesita India Refractories Limited ("the Company") as of March 31, 2025 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**

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

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

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



## **Annexure A to Independent Auditor's Report**

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of RHI Magnesita India Refractories Limited on the Financial Statements as of and for the year ended March 31, 2025.  
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reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012574N/N500016



Anurag Khandelwal

Partner

Membership Number: 078571

UDIN: 25078571BMOCES2289

Place: Gurugram

Date: May 27, 2025



## Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of RHI Magnesita India Refractories Limited on the Financial Statements as of and for the year ended March 31, 2025  
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In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment (including Right of Use Assets).
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 37 to the Financial Statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (Rs. in lakhs)	Title deeds held in the name of	Whether promoter, director or their relative or employee	Period held -indicate range, where appropriate	Reason for not being held in the name of the Company
Land with respect to Khambhalia manufacturing unit	191.99	Shree Natraj Ceramic and Chemical Industries Limited	No	Since January 2023	Title deed registered in the name of Shree Natraj Ceramic and Chemical Industries Limited whose name was changed to Dalmia Refractories Limited. This entity got merged into Dalmia Bharat Refractories Limited. By virtue of Business transfer agreement dated November 19, 2022, the Company has acquired Indian refractories business from Dalmia Bharat Refractories Limited. The name of the Company has changed from Dalmia OCL Limited to RHI Magnesita India Refractories Limited and



**Annexure B to Independent Auditor's Report**

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of RHI Magnesita India Refractories Limited on the Financial Statements as of and for the year ended March 31, 2025

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Description of property	Gross carrying value (Rs. in lakhs)	Title deeds held in the name of	Whether promoter, director or their relative or employee	Period held -indicate range, where appropriate	Reason for not being held in the name of the Company
					consequent to this Company is in the process for change of name.
Land with respect to Bhilai manufacturing unit	42.20	Dalmia OCL Limited	No	Since January 2023	Title deed registered in the name of Dalmia OCL Limited. The Company is in the process of getting the name changed in the title deed consequent to change of name of the Company to RHI Magnesita India Refractories Limited.
Building of Bhilai manufacturing unit	283.60		No	Since January 2023	
Leasehold land with respect to Dalmiapuram manufacturing unit	2,487.30	Dalmia Bharat Refractories Limited	No	Since January 2023	Management is in the process of registering long-term lease in the name of RHI Magnesita India Refractories Limited.
Building of Dalmiapuram manufacturing unit	2,909.93		No	Since January 2023	
Leasehold land with respect to Rajgangpur manufacturing unit	8,033.93	Dalmia Bharat Refractories Limited	No	Since January 2023	Management is in the process of registering long-term lease in the name of RHI Magnesita India



**Annexure B to Independent Auditor's Report**

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of RHI Magnesita India Refractories Limited on the Financial Statements as of and for the year ended March 31, 2025

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Description of property	Gross carrying value (Rs. in lakhs)	Title deeds held in the name of	Whether promoter, director or their relative or employee	Period held -indicate range, where appropriate	Reason for not being held in the name of the Company
Building of Rajgangpur manufacturing unit	2,698.60		No	Since January 2023	Refractories Limited.
Building of Katni manufacturing unit	663.06	Dalmia Seven Refractories Limited	No	Since January 2023	Leasehold deed of land on which building is constructed is registered in the name of Dalmia Seven Refractories Limited (name changed to RHI Magnesita Seven Refractories Limited).
<b>Total</b>	<b>17,310.61</b>				

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use Assets) and Intangible Assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use Assets) or Intangible Assets does not arise.

(e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the Financial Statements does not arise.

- ii. (a) The physical verification of inventory, excluding stocks with third parties, has been conducted at reasonable intervals by the management during the year and, in our opinion, the coverage and procedure of such verification by management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.





**Annexure B to Independent Auditor's Report**

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of RHI Magnesita India Refractories Limited on the Financial Statements as of and for the year ended March 31, 2025

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- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are not in agreement with the unaudited books of account as set out below:

Name of the Bank	Aggregate working capital limits sanctioned (Rs. in lakhs)	Nature of Current Asset offered as Security (Rs. in lakhs)	Nature of current asset underlying quarterly return/statement	Quarter ended	Amount disclosed as per quarterly return/statement (Rs. in lakhs)	Amount as per books of account (Rs. in lakhs)	Difference (Rs. in lakhs)	Reasons for difference
Axis Bank Limited, HSBC Bank and Kotak Bank	48,000.00	Current assets	Trade receivables	June 30, 2024	5,563.00	15,824.24	10,261.24	Trade receivables more than 90 days and receivable from related parties have not been considered in return.
			Trade payables	June 30, 2024	16,079.00	19,737.98	3,658.98	Provision of expenses and payable for services have not been considered in return.
			Trade receivables	September 30, 2024	10,364.53	18,856.72	84,92.19	Trade receivables more than 90 days and receivable from related parties have not been considered in return.
			Trade payables	September 30, 2024	18,271.00	19,496.61	1,063.89	Provision for expenses and payable for services have not been considered in return.



**Annexure B to Independent Auditor's Report**

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of RHI Magnesita India Refractories Limited on the Financial Statements as of and for the year ended March 31, 2025

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Name of the Bank	Aggregate working capital limits sanctioned (Rs. in lakhs)	Nature of Current Asset offered as Security (Rs. in lakhs)	Nature of current asset underlying quarterly return/statement	Quarter ended	Amount disclosed as per quarterly return/statement (Rs. in lakhs)	Amount as per books of account (Rs. in lakhs)	Difference (Rs. in lakhs)	Reasons for difference
Axis Bank Limited, HSBC Bank and Kotak Bank	48,000.00	Current assets	Trade receivables	December 31, 2024	12,941.00	19,019.27	6,078.27	Trade receivables more than 90 days and receivable from related parties have not been considered in return.
			Trade payables	December 31, 2024	17,630.82	18,590.91	9,60.09	Provision of expenses and payable for services have not been considered in return.
			Trade receivables	March 31, 2025	9190.49	15,499.69	6,309.20	Return is filed considering numbers as per the provisional Financial Statements.
			Trade Payables	March 31, 2025	13,031.54	13,995.49	964.95	Return is filed considering numbers as per the provisional Financial Statements.

(Also, Refer Note 36 to the Financial Statements).



**Annexure B to Independent Auditor's Report**

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of RHI Magnesita India Refractories Limited on the Financial Statements as of and for the year ended March 31, 2025  
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- iii.(a) The Company has not made any investment but has granted unsecured loans to few employees. The aggregate amount during the year and balance outstanding at the balance sheet date with respect to such loans are as per the table given below:

	<b>Loans Amount (Rs. in lakhs)</b>
Aggregate amount granted during the year - Loans to employees	71.81
Balance outstanding as at balance sheet date in respect of the above case - Loans to employees	71.81

(Also, Refer Note 4(f) to the Financial Statements)

The Company does not have any joint ventures or associate companies. The Company has not granted any secured / unsecured loans or advances in the nature of loans to companies, firm, LLPs or any other parties or stood guarantee or provided any security to companies, firm, LLPs or any other parties.

- (b) In respect of the aforesaid loans, the terms and conditions under which such loans were granted, are not prejudicial to the Company's interest.
- (c) In respect of the aforesaid loans, the schedule of repayment of principal has been stipulated, and the parties are repaying the principal amounts, as stipulated. The loans provided are interest free and hence the question of payment of interest does not arise.
- (d) In respect of loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.
- (f) There were no loans/ advances in nature of loans which were granted during the year, including to promoters/ related parties other than loan granted to employees. In respect of the loans granted during the year to employees, the schedule of repayment of principal has been stipulated and the same were not repayable on demand.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 and Section 186 of the Companies Act, 2013 ("Act"). In our opinion, the Company has complied with the provision of Section 186 of the Act, in respect of the investment made.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its certain products and services. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) In our opinion, except for the dues in respect of Stamp Duty, the Company is regular in depositing the undisputed statutory dues, including professional tax, goods and services tax, provident fund, employees' state insurance, income tax, sales tax, duty of customs, labour welfare fund and other statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory





**Annexure B to Independent Auditor's Report**

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of RHI Magnesita India Refractories Limited on the Financial Statements as of and for the year ended March 31, 2025  
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dues outstanding as at March 31, 2025, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Period to which the amount relates	Due date	Date of Payment	Remarks, if any
Registration Act, 1908	Stamp Duty	2,467.02	2022-23	January 04, 2023	Not applicable	-

On November 19, 2022, Dalmia Bharat Refractories Limited ('DBRL') entered into a business transfer agreement (BTA) with the Company to transfer the entire Indian Refractory business of DBRL to the Company. The stamp duty is payable on acquisition of immovable property and the mining rights by the Company as per BTA.

- (b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, the term loans have been applied for the purposes for which they were obtained. (Also, Refer Note 36(x) to the Financial Statements).
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
- (e) On an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries during the year. The Company did not have any joint ventures or associate companies during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company did not have any joint ventures or associate companies during the year.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.



**Annexure B to Independent Auditor's Report**

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of RHI Magnesita India Refractories Limited on the Financial Statements as of and for the year ended March 31, 2025  
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- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.



**Annexure B to Independent Auditor's Report**

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of RHI Magnesita India Refractories Limited on the Financial Statements as of and for the year ended March 31, 2025  
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- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditor during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios (Refer Note 35 to the Financial Statements), ageing and expected dates of realisation 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 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 the 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. The Company was not required to spend any amount during the year for Corporate Social Responsibility under Section 135(5) and 135(6) of the Act. Accordingly, there is no amount unspent as at March 31, 2025 and the reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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



Anurag Khandelwal  
Partner  
Membership Number: 078571

UDIN: 25078571BMOCES2289  
Place: Gurugram  
Date: May 27, 2025



(All amount in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	21,030.92	22,469.65
Right-of-use assets	3(b)	10,182.46	10,471.97
Capital work-in-progress	3(a)	1,362.42	1,334.23
Goodwill	3(c)	48,950.30	48,950.30
Other intangible assets	3(c)	74,915.37	79,574.38
<b>Financial assets</b>			
(i) Investments	4(a)	15,440.75	15,440.75
(ii) Other financial assets	4(b)	328.84	375.74
Deferred tax assets (net)	5	4,230.01	2,159.25
Other non-current assets	6	575.78	595.85
<b>Total non-current assets</b>		<b>177,016.85</b>	<b>181,372.12</b>
<b>Current assets</b>			
Inventories	7	27,823.50	27,184.43
<b>Financial assets</b>			
(i) Trade receivables	4(c)	17,101.03	17,567.41
(ii) Cash and cash equivalents	4(d)	1,039.32	660.80
(iii) Bank balances other than (ii) above	4(e)	-	75.91
(iv) Other financial assets	4(f)	120.58	80.35
Contract assets	4(g)	2,754.79	4,224.30
Other current assets	6	4,584.07	7,734.59
<b>Total current assets</b>		<b>53,423.29</b>	<b>57,527.79</b>
<b>Total assets</b>		<b>230,440.14</b>	<b>238,899.91</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	8(a)	10,453.11	10,453.11
Other equity	8(b)	165,016.31	167,206.12
<b>Total equity</b>		<b>175,469.42</b>	<b>177,659.23</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	9	21,548.24	23,365.60
(ii) Lease liabilities	3(b)	8,215.19	7,713.11
Provisions	14	288.64	1,331.75
<b>Total non-current liabilities</b>		<b>30,052.07</b>	<b>32,410.46</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	9	2,687.50	4,848.15
(ii) Lease liabilities	3(b)	636.54	653.46
(iii) Trade payables	10		
(a) Total outstanding dues of micro enterprises and small enterprises		1,558.71	2,338.43
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		12,194.27	13,918.73
(iv) Other financial liabilities	11	1,789.64	2,193.07
Contract liabilities	12	750.79	455.73
Other current liabilities	13	3,784.54	4,097.06
Provisions	14	1,516.66	325.59
<b>Total current liabilities</b>		<b>24,918.65</b>	<b>28,830.22</b>
<b>Total liabilities</b>		<b>54,970.72</b>	<b>61,240.68</b>
<b>Total equity and liabilities</b>		<b>230,440.14</b>	<b>238,899.91</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

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



Anurag Khandelwal  
Partner  
Membership No: 078571

For and on behalf of the Board of Directors of  
RHI Magnesita India Refractories Limited



Parmod Sagar  
Managing Director & CEO  
(DIN - 06500871)



Azim Syed  
Director  
(DIN - 10641934)



Abhishek Bajaj  
Chief Financial Officer



Bobby Mehndiratta  
Company Secretary  
(ACS - A54443)

Place : Gurugram  
Date: May 27, 2025

Place : Gurugram  
Date: May 27, 2025



**RHI Magnesita India Refractories Limited**  
**CIN : U26100TN2018PLC125133**  
**Statement of Profit and Loss for the year ended March 31, 2025**

(All amount in Rs. lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
<b>Income</b>			
Revenue from operations	15	87,370.73	102,443.18
Other income	16	2,226.83	565.46
<b>Total income</b>		<b>89,597.56</b>	<b>103,008.64</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	17	37,750.33	42,651.35
Purchases of stock-in-trade	18	12,477.28	14,445.72
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(134.87)	2,057.59
Employee benefits expense	20	12,807.04	13,805.82
Finance costs	21	3,102.07	4,689.62
Depreciation and amortisation expense	22	11,344.79	10,479.21
Other expenses	23	16,453.76	18,461.21
<b>Total expenses</b>		<b>93,800.40</b>	<b>106,590.52</b>
<b>Loss before exceptional items and tax</b>		<b>(4,202.84)</b>	<b>(3,581.88)</b>
<b>Exceptional item</b>			
Impairment loss on goodwill	24	-	31,725.63
<b>Loss before tax</b>		<b>(4,202.84)</b>	<b>(35,307.51)</b>
<b>Income tax credit:</b>			
- Deferred tax credit	5	(2,056.23)	(801.40)
<b>Total tax credit</b>		<b>(2,056.23)</b>	<b>(801.40)</b>
<b>Loss for the year</b>		<b>(2,146.61)</b>	<b>(34,506.11)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- Remeasurement of the defined benefit plans	5	(57.73)	(160.70)
- Income tax relating to the above		14.53	40.44
<b>Other comprehensive (loss)/income for the year, net of tax</b>		<b>(43.20)</b>	<b>(120.26)</b>
<b>Total comprehensive loss for the year</b>		<b>(2,189.81)</b>	<b>(34,626.36)</b>
Basic loss per equity share (Face value of Rs. 10 each share) (Rs.)	26	(2.05)	(34.17)
Diluted loss per equity share (Face value of Rs. 10 each share) (Rs.)	26	(2.05)	(34.17)

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

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




Anurag Khandelwal  
Partner  
Membership No: 078571

For and on behalf of the Board of Directors of  
RHI Magnesita India Refractories Limited

  
Parmod Sagar  
Managing Director & CEO  
(DIN- 06500871)

  
Azim Syed  
Director  
(DIN - 10641934)

  
Abhishek Bajaj  
Chief Financial Officer

  
Bobby Mehndiratta  
Company Secretary  
(ACS - A54443)

Place : Gurugram  
Date: May 27, 2025

Place : Gurugram  
Date: May 27, 2025



(All amount in Rs. lakhs, unless otherwise stated)		
Particulars	Notes	Amount
Balance as at April 01, 2023		8,248.36
Shares issued during the year	39	3,204.75
Balance as at March 31, 2024		10,453.11
Shares issued during the year	8(a)	-
Balance as at March 31, 2025		10,453.11

Other Equity

Particulars	Notes	Attributable to the owners of RHI Magnesita India Refractories Limited		
		Securities Premium	Reserves and Surplus	Other Reserves
Balance as at April 01, 2023	8(b)	162,569.50	(70,240.49)	66,069.87
Loss for the year		-	(34,506.11)	(34,506.11)
Other comprehensive income		-	(120.26)	(120.26)
Total comprehensive income for the year		-	(34,626.37)	(34,626.37)
Transactions with the owners as their capacity as owners:				
Issue of equity shares	39	43,433.61	-	43,433.61
Balance as at March 31, 2024		206,003.11	(104,866.86)	66,069.87
Balance as at April 01, 2024	8(b)	206,003.11	(104,866.86)	66,069.87
Loss for the year		-	(2,116.61)	(2,116.61)
Other comprehensive income		-	(43.20)	(43.20)
Balance as at March 31, 2025		206,003.11	(107,026.67)	66,069.87

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754/N/500016

*Anurag Khandelwal*  
Anurag Khandelwal  
Partner  
Membership No: 078571

*Parminder Sagar*  
Parminder Sagar  
Managing Director & CEO  
(DIN- 06500871)

*Ashim Shah*  
Ashim Shah  
Director  
(DIN - 10641934)

*Abhinav Bajaj*  
Abhinav Bajaj  
Chief Financial Officer

*Bobby Mehndiatta*  
Bobby Mehndiatta  
Company Secretary  
(ACS - A54443)

Place : Gurgaon  
Date: May 27, 2025

Place : Gurgaon  
Date: May 27, 2025





**RHI Magnesita India Refractories Limited**  
**CIN : U26100TN2018PLC125133**  
**Statement of Cash Flows for the year ended March 31, 2025**

Particulars	Notes	(All amount in Rs. lakhs, unless otherwise stated)	
		Year ended March 31, 2025	Year ended March 31, 2024
<b>A. Cash flow from operating activities</b>			
Loss before tax		(4,202.84)	(35,307.51)
Adjustments for:			
Depreciation and amortisation expense	22	11,344.79	10,479.21
Interest income	16	(46.59)	(79.93)
Allowance/(writeback) for doubtful export incentives receivable (Net)	23	166.09	-
Allowance for doubtful debts - trade receivables (Net)	23	72.16	124.99
Bad debts written off	23	113.43	381.86
Amortisation of mines	23	658.63	1,118.92
Impairment loss on goodwill	24	-	31,725.63
Liabilities/ provisions no longer required written back	16	(1,880.51)	(134.17)
Finance costs	21	3,102.07	4,689.62
Profit on property, plant and equipment sold / scrapped (Net)	16	(0.67)	(6.33)
Net unrealised foreign exchange (loss)/Gain		575.41	112.19
<b>Operating profit before working capital changes</b>		<b>9,901.97</b>	<b>13,104.48</b>
<b>Changes in operating assets and liabilities</b>			
(Increase) / Decrease in inventories		(639.07)	3,722.26
Decrease in trade receivables		1,100.92	4,666.20
(Increase) / Decrease in other financial assets-current		(23.53)	557.42
Decrease in other current assets		135.68	1,930.57
Decrease / (Increase) in contract assets		1,469.51	(2,141.86)
Decrease / (Increase) in other financial assets-non current		46.90	(375.74)
(Increase) / Decrease in other non-current assets		(3.41)	28.72
(Decrease) in trade payables		(2,057.81)	(1,441.35)
(Decrease) in other financial liabilities		(7.16)	(1,027.49)
Increase / (Decrease) in contract liabilities		295.06	(1,714.63)
(Decrease) / Increase in other current liabilities		(128.35)	98.34
Increase in provisions		88.05	180.66
<b>Cash generated from operations</b>		<b>10,198.76</b>	<b>17,587.58</b>
Income tax paid (Net)		13.88	(108.69)
<b>Net cash inflow / (outflow) from operating activities (A)</b>		<b>10,212.64</b>	<b>17,478.89</b>
<b>B. Cash flows from investing activities</b>			
Investment in Subsidiary (Refer note 38)		-	(6,184.75)
Payment for acquisition of business (Refer note 27)		-	(9,080.25)
Decrease / (Increase) in other bank balances		75.91	(64.24)
Capital expenditure on property, plant and equipment and intangible assets		(2,925.27)	(2,685.24)
Proceeds from sale of property, plant and equipment and intangible assets		26.21	154.80
Interest received		29.89	111.80
<b>Net cash outflow from investing activities (B)</b>		<b>(2,793.26)</b>	<b>(17,747.88)</b>
<b>C. Cash flows from financing activities</b>			
Proceeds from issue of shares		-	45,638.35
Proceeds from current borrowings		17,977.05	-
Repayment of current borrowings		(21,712.04)	(60,299.65)
Principal repayment of lease liabilities		(26.69)	(52.97)
Interest repayment of lease liabilities		(11.17)	(637.76)
Interest paid		(3,268.01)	(2,941.42)
<b>Net cash (outflow) / inflow from financing activities (C)</b>		<b>(7,040.86)</b>	<b>(18,293.45)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>		<b>378.52</b>	<b>(18,562.44)</b>
Cash and cash equivalents at the beginning of the year		660.80	19,223.24
<b>Cash and cash equivalents at the end of the year</b>		<b>1,039.32</b>	<b>660.80</b>
<b>Non Cash investing activities</b>			
- Acquisition of right-of-use-assets (Refer note 3(b))		-	3.72
- Capitalisation of mining rights (Refer note 3(c))		2,170.12	-
<b>Cash and cash equivalent included in the cash flow statement comprise of the following:</b>			
Balances with banks			
- in current accounts		1,039.32	660.80
		<b>1,039.32</b>	<b>660.80</b>

The above Statement of Cash Flows has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash Flows'.  
The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754/N/500016

Anurag Khandelwal  
Partner  
Membership No: 078571

Place : Gurugram  
Date: May 27, 2025

For and on behalf of the Board of Directors of  
RHI Magnesita India Refractories Limited

Parnod Sagar  
Managing Director & CEO  
(DIN- 06500871)

Abhishek Bajaj  
Chief Financial Officer

Azim Syed  
Director  
(DIN - 10641934)

Bobby Mehndiratta  
Company Secretary  
(ACS - A54443)

Place : Gurugram  
Date: May 27, 2025



## RHI Magnesita India Refractories Limited

CIN: U26100TN2018PLC125133

### Notes to Financial Statements

#### 1. Corporate Information

RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited) was incorporated on October 05, 2018. The registered office of the company is located at Dalmiapuram, Lalgudi District Tiruchirapalli, Chennai, Tamil Nadu, India, 621651. The Company is in the business of manufacturing and selling of refractories, monolithic, high alumina bricks, castable and pre-cast shapes. The Company has manufacturing operations over four locations i.e. Rajgangpur (Odisha), Dalmiapuram (Tamil Nadu), Khambalia (Gujarat) and Bhillai (Chhattisgarh) in India.

The Financial Statements were approved by the Board of Directors and authorised for issue on May 27, 2025.

#### 2.1 Basis of Preparation

##### (i) Compliance with Ind AS

The 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 Financial Statements have been prepared on a historical cost basis, except for the following which have been measured at fair value:

- Defined benefit plans – plan assets measured at fair value.

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

The Ministry of Corporate Affairs has amended the Companies (Indian Accounting Standard) Rules, 2015 via notifications dated August 12, 2024, and September 09, 2024, to introduce the new Ind AS 117 i.e. "Insurance Contracts" and amended the Ind AS 116 i.e. Leases, respectively. Both are effective from April 01, 2024.

This new standard and the aforesaid amendment did not have any impact on the amounts recognised and are not expected to affect the current or future periods.

##### (iv) 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.

##### (v) 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) Impairment of assets*

The Company estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value. Cash flows beyond the five-year period are extrapolated using the estimated growth rate. These growth rates are consistent with forecasts included in industry reports specific to the industry in which CGU operates.

*(ii) Customer relationship (Intangible assets)*

Customer relationships recognised in the course of purchase price allocations of acquired business. The management believes that the value assigned are reasonable.

*(iii) 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.

*(iv) 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.

*(v) Employee benefit obligations*

The Company's retirement benefit obligations are subject to a number of assumptions including discount rates, attrition, salary growth and mortality rate. Significant assumptions are required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Financial Statements. The Company sets these assumptions based on previous experience and third party actuarial advice. The assumptions are reviewed annually and adjusted following actuarial and experience changes.

## **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 or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably. All other repair and maintenance are charged to profit or loss during the reporting period in which they are incurred.

### **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 similar to useful lives as prescribed under Schedule II to the Companies Act, 2013 except for few cases. 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.





<b>Class of Assets</b>	<b>Estimated useful life</b>
Building	5-26 years
Plant and equipment	5-24 years
Office equipment*	2-10 years
Furniture and fixtures	2-9 years
Vehicles	2-8 years
Computers Peripherals	3-10 years

\*includes computers peripherals.

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 residual life is adjusted 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**

Software are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license. Intangible Assets are amortised at straight line basis as follows:

Software 3-4 years

### **b) Goodwill**

Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.



**RHI Magnesita India Refractories Limited**

CIN: U26100TN2018PLC125133

**Notes to Financial Statements**

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Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

**c) Customer relationships**

Customer relationships were acquired as part of business combination (refer note 28 for details). They are recognised at the fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of the projected cash flows of the contract over their estimated useful lives.

Customer relationships - 10 – 20 years

**(iii) Impairment of assets**

Goodwill that has an indefinite useful life is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that this might be impaired. 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 impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(iv) 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 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.

**(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 15 days to 120 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point



**RHI Magnesita India Refractories Limited**  
**CIN: U26100TN2018PLC125133**  
**Notes to Financial Statements**

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in time that the consideration is unconditional because only the passage of time is required before the payment is due.

**(b) Total Refractories Management Services**

Revenue from contracts for total refractory management services is recognised over time using the output-oriented method (e.g. quantity of steel produced by the customer). The management has determined that both supply of goods and services are not distinct as the customer expects total refractory management services from the Company, which includes supply of refractory material and its related services to produce steel, thus, the arrangement is only one single performance obligation.

**(c) 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 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.





\*Refer note 37

**Note 3(a):**  
**Capital work-in progress**

**(A) Aging of capital work-in progress:**

**As at March 31, 2025**

(All amount in Rs. lakhs, unless otherwise stated)

Particulars	Amounts in capital work-in progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	1,362.42	-	-	-	1,362.42
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,362.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,362.42</b>

**As at March 31, 2024**

Particulars	Amounts in capital work-in progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	1,286.00	48.23	-	-	1,334.23
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,286.00</b>	<b>48.23</b>	<b>-</b>	<b>-</b>	<b>1,334.23</b>

**(B) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:**

**As at March 31, 2025**

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress					
Project A - Basic Tunnel Kiln	653.04	-	-	-	653.04
Project B - Electrical skew press	450.95	-	-	-	450.95
Project C - Ball Mill in grinding section	117.53	-	-	-	117.53
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,221.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,221.52</b>

**As at March 31, 2024**

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress					
Project A - Roof fitting	158.16	-	-	-	158.16
Project B - Server and network management	70.93	-	-	-	70.93
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>229.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>229.09</b>



**Note 3(b):**

**Leases**

(All amount in Rs. lakhs, unless otherwise stated)

**A. Company as a lessee**

This note provides information for leases where the Company is a lessee. The Company has taken land and motor vehicles on lease basis.

Particulars	Note	As at March 31, 2025	As at March 31, 2024
(i) <b>Amount recognised in balance sheet</b>			
<b>The balance sheet shows the following amounts relating to leases:</b>			
Right-of-use assets			
Land		10,129.69	10,305.04
Motor vehicles		52.77	166.93
<b>Total</b>		<b>10,182.46</b>	<b>10,471.97</b>
<b>Lease Liabilities</b>			
Current		636.54	653.46
Non-Current		8,215.19	7,713.11
<b>Total</b>		<b>8,851.73</b>	<b>8,366.57</b>

Addition to the right-of-use assets during the year were Rs.Nil lakhs (March 31, 2024: 3.72 lakhs).

(ii) **Amounts recognised in the statement of profit and loss**

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense (included in finance costs)	21	616.99	637.76
Depreciation charge of right-of-use assets	22	205.35	233.20
Expense relating to short-term leases (included in other expenses)	23	455.34	73.47

The total cash outflow for leases for the period was Rs. 37.86 lakhs ( March 31, 2024: Rs. 690.73 lakhs)

(iii) **In applying Ind AS 116, the Company has used the following practical expedient:**

Accounting for operating leases with a lease term of less than 12 months are treated as short-term leases.

(iv) **Extension and Termination option:**

Extension and termination options held are exercisable at mutual consent of lessor and lessee.

**B. Company as a lessor**

Lease income from operating leases where the Company is acting as a lessor is recognised in the Statement of Profit and Loss.





**Note 3(c):  
Intangible assets**

Particulars	(All amount in Rs. lakhs, unless otherwise stated)			
	Software	Customer relationships	Mining Rights*	Goodwill
<b>Balance as at April 01, 2023</b>				
Additions	873.49 10.61	85,200.01	269.76	86,343.26 10.61
Adjustment on account of measurement period adjustment relating to business combination (Refer note 27)	-	900.00	-	900.00 (3,423.25)
Disposal	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>884.10</b>	<b>86,100.01</b>	<b>269.76</b>	<b>87,253.87</b>
Additions	-	-	2,170.12	2,170.12
Disposal	(5.56)	-	-	(5.56)
<b>Balance as at March 31, 2025</b>	<b>878.54</b>	<b>86,100.01</b>	<b>2,439.88</b>	<b>89,418.43</b>
<b>Accumulated amortisation and impairment</b>				
<b>As at April 01, 2023</b>				
Charge for the year	55.00	1,387.61	11.23	1,453.84
Impairment loss on goodwill (Refer note 24)	222.12	5,970.32	33.21	6,225.65
<b>Accumulated amortisation and impairment as at March 31, 2024</b>	<b>277.12</b>	<b>7,357.93</b>	<b>44.44</b>	<b>7,679.49</b>
Charge for the year	598.57	5,949.72	280.67	6,828.96
Amortisation on assets disposed off during the year	(5.39)	-	-	(5.39)
<b>Accumulated amortisation and impairment as at March 31, 2025</b>	<b>870.30</b>	<b>13,307.65</b>	<b>325.11</b>	<b>14,503.06</b>
<b>Net Carrying amount</b>				
<b>Balance as at March 31, 2024</b>	<b>606.98</b>	<b>78,742.08</b>	<b>225.32</b>	<b>79,574.38</b>
<b>Balance as at March 31, 2025</b>	<b>8.24</b>	<b>72,792.36</b>	<b>2,114.77</b>	<b>74,915.37</b>

The Company tests whether the goodwill has suffered any impairment on annual basis. For the year ended March 31, 2025, the recoverable amount of the cash generating unit is being considered more than the carrying value of the goodwill (Refer note 24).

\*Note: According to the Business Transfer Agreement (the "BTA") dated November 19, 2022 and amendments thereto, the Company acquired three mines and it's related rights which will be transferred to the Company, no later than 30 months from the closing date as defined in the said BTA, subject to necessary government approvals (Refer note - 27). During the year, the Company has capitalised one mining license. Upon transfer of mining license of the other two mines to the Company, the prepayments against those two mines shall also be reclassified as Intangible assets.



(All amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 4(a):</b>		
<b>Non-current investments</b>		
<b>Investments in equity instruments (unquoted)</b>		
- Subsidiary (At cost)		
20,000,000 (March 31, 2024: 20,000,000) Equity shares of Rs. 10 each fully paid up of RHI Magnesita Seven Refractories Limited (Refer note 38)	15,440.75	15,440.75
<b>Total</b>	<b>15,440.75</b>	<b>15,440.75</b>
<b>Aggregate amount of unquoted investments</b>	<b>15,440.75</b>	<b>15,440.75</b>
<b>Aggregate amount of impairment in the value of investments</b>	-	-
<b>Note 4(b):</b>		
<b>Other financial assets- non-current - unsecured, considered good</b>		
Deposits with more than 12 months maturity*	328.84	375.74
*Margin money against bank guarantee		
<b>Total</b>	<b>328.84</b>	<b>375.74</b>



(All amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 4(c):</b>		
<b>Trade receivables*</b>		
Trade receivables from contract with customer - billed	12,451.80	14,193.77
Trade receivables from contract with customer-related parties (Refer note 33)	5,456.89	4,109.14
Less: Loss allowance	(807.66)	(735.50)
<b>Total receivables</b>	<b>17,101.03</b>	<b>17,567.41</b>
<b>Break-up of security details</b>		
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	17,101.03	17,567.41
Trade receivables which have significant increase in credit risk-unsecured	807.66	735.50
Trade receivables credit impaired	-	-
<b>Total Gross receivables</b>	<b>17,908.69</b>	<b>18,302.91</b>
Less: Loss allowance	(807.66)	(735.50)
<b>Total</b>	<b>17,101.03</b>	<b>17,567.41</b>

\*Includes foreign currency receivables amounting to Rs. 612.64 lakhs (March 31, 2024: Rs.1,129.84 lakhs) as at March 31, 2025 which are overdue for more than nine months. The Company has approached the authorised dealer, under the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015, to condone the delay and seeking permission of extension of time period for settlement of these balances. Pending resolution of this matter, no adjustments are considered necessary in these Financial Statements.

#### Aging of trade receivables

As at March 31, 2025

Particulars	Not Due	Outstanding for following periods from the due date:					Total
		Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	10,752.58	5,323.05	597.57	275.87	115.38	36.58	17,101.03
Trade receivables which have significant increase in credit risk	18.74	27.92	22.63	54.16	410.07	5.28	538.80
Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Trade receivables which have significant increase in credit risk	-	-	164.39	25.40	-	79.07	268.86
Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>10,771.32</b>	<b>5,350.97</b>	<b>784.59</b>	<b>355.43</b>	<b>525.45</b>	<b>120.93</b>	<b>17,908.69</b>
Expected loss rate							
Less: Loss allowance	(18.74)	(27.92)	(187.02)	(79.56)	(410.07)	(84.35)	(807.66)
<b>Total</b>	<b>10,752.58</b>	<b>5,323.05</b>	<b>597.57</b>	<b>275.87</b>	<b>115.38</b>	<b>36.58</b>	<b>17,101.03</b>

#### Aging of trade receivables

As at March 31, 2024

Particulars	Not Due	Outstanding for following periods from the due date:					Total
		Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	8,225.86	7,437.10	1,577.78	245.90	8.37	72.40	17,567.41
Trade receivables which have significant increase in credit risk	-	-	-	521.53	75.74	43.54	640.81
Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Trade receivables which have significant increase in credit risk	-	-	-	-	-	94.69	94.69
Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>8,225.86</b>	<b>7,437.10</b>	<b>1,577.78</b>	<b>767.43</b>	<b>84.11</b>	<b>210.63</b>	<b>18,302.91</b>
Expected loss rate							
Less: Loss allowance				(521.53)	(75.74)	(118.23)	(735.50)
<b>Total</b>	<b>8,225.86</b>	<b>7,437.10</b>	<b>1,577.78</b>	<b>245.90</b>	<b>8.37</b>	<b>72.40</b>	<b>17,567.41</b>





**RHI Magnesita India Refractories Limited**

CIN : U26100TN2018PLC125133

**Notes to Financial Statements**

(All amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 4(d):</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	1,039.32	660.80
<b>Total</b>	<b>1,039.32</b>	<b>660.80</b>
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.		
<b>Note 4(e):</b>		
<b>Bank balances other than cash and cash equivalents</b>		
Deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months*	-	75.91
*Margin money with bank		
<b>Total</b>	<b>-</b>	<b>75.91</b>
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.		
<b>Note 4(f):</b>		
<b>Other financial assets - current</b>		
Interest accrued on deposits	31.41	14.71
Loans and advances to employees [including loans to employees of Rs. 71.81 lakhs (March 31, 2024: Nil lakhs)]	89.17	65.64
<b>Total</b>	<b>120.58</b>	<b>80.35</b>
<b>Note 4(g):</b>		
<b>Contract assets</b>		
Contract assets (Refer note 15)	3,198.10	5,326.56
Less: Loss allowance (Refer note 29)	(443.31)	(1,102.26)
<b>Total</b>	<b>2,754.79</b>	<b>4,224.30</b>



**Note 5:- Deferred tax assets / (liabilities) (net)**

(All amount in Rs. lakhs, unless otherwise stated)

Particulars	Brought forward losses and unabsorbed depreciation	Depreciation / Amortisation	Defined benefit obligations	Allowances for doubtful debts	Provision for bonus	Right-of-use assets	Lease liabilities	Stamp duty provision	Others	Total
<b>As at April 01, 2023</b> (Charged)/ Credited	2,512.51	(5,534.65)	519.99	33.35	258.23	(2,717.40)	2,142.11	563.76	(183.73)	(2,405.84)
- to statement of profit and loss	1,745.98	(1,506.13)	43.68	151.72	171.52	81.82	(36.41)	140.94	8.28	801.40
- to other comprehensive income	-	-	40.44	-	-	-	-	-	-	40.44
- Measurement period adjustment relating to business combination (Refer note 27)	-	3,723.25	-	-	-	-	-	-	-	3,723.25
<b>As at April 01, 2024</b> (Charged)/ Credited	4,258.49	(3,317.53)	604.11	185.07	429.75	(2,635.59)	2,105.70	704.70	(175.45)	2,159.25
- to statement of profit and loss	3,949.64	(2,287.11)	22.16	129.74	(117.92)	72.86	122.11	(83.44)	248.19	2,056.23
- to other comprehensive income	-	-	14.53	-	-	-	-	-	-	14.53
<b>As at March 31, 2025</b>	8,208.13	(5,604.64)	640.80	314.81	311.82	(2,562.72)	2,227.80	621.26	72.75	4,230.01

In assessing the reliability of deferred income tax assets, the management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.



(All amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 6:</b>		
<b>Other Assets</b>		
<b>Unsecured, considered good unless otherwise stated</b>		
<b>Non-current</b>		
Capital advances	270.26	279.86
Advances other than capital advances		
Security deposits	109.65	132.91
Advance income tax	163.94	177.82
Prepaid expenses	31.93	5.26
<b>Total</b>	<b>575.78</b>	<b>595.85</b>
<b>Current</b>		
Prepaid expenses*	3,076.39	5,900.57
Balance with government authorities	86.14	170.43
Goods and Services tax input credit recoverable	925.96	802.62
Advances to creditors**	383.92	683.75
Export incentives receivable		
- Considered good	111.66	171.57
- Considered doubtful	278.09	112.00
	389.75	283.57
Less: Allowance for doubtful export incentives receivable	(278.09)	(112.00)
	111.66	171.57
Others	-	5.65
<b>Total</b>	<b>4,584.07</b>	<b>7,734.59</b>
<p>*Note: According to the Business Transfer Agreement (herein referred to as the "BTA") dated November 19, 2022 and amendments thereto, the Company acquired three mines and its related rights which will be transferred to the Company, no later than 30 months from the closing date as defined in the said BTA, subject to necessary government approvals (Refer note - 27). During the year, the Company has capitalised one mining license. Upon transfer of mining license of the other two mines to the Company, the prepayments against those two mines shall also be reclassified as Intangible assets.</p> <p>**includes advances to related parties amounting to Rs. 89.75 lakhs (March 31, 2024: Nil lakhs).</p>		
<b>Note 7:</b>		
<b>Inventories</b>		
Raw materials [including goods in transit of Rs. 1,484.36 lakhs (March 31, 2024: Rs. 313.00 lakhs)]	14,934.91	14,569.65
Work-in-progress	3,019.39	2,826.26
Finished goods	5,914.58	5,647.07
Stock-in-trade [including goods in transit of Rs. 1.01 lakhs (March 31, 2024: Nil lakhs)]	1,146.81	1,472.58
Stores and spares [including goods in transit of Nil lakhs (March 31, 2024: Rs. 78.64 lakhs)]	2,807.81	2,668.87
<b>Total</b>	<b>27,823.50</b>	<b>27,184.43</b>

**Amounts recognised in the Statement of Profit and Loss**

Provisions for slow moving/obsolete inventory along with write downs of inventories to net realisable value amounted to Rs. 873.92 lakhs (March 31, 2024: 1,289.67 lakhs). These were recognised as an expense and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods in the Statement of Profit and Loss.





(All amount in Rs. lakhs, unless otherwise stated)

Particulars	Number of Shares	Amount
<b>Note 8(a):</b>		
<b>Equity share capital</b>		
<b>Authorised</b>		
125,000,000 equity shares (March 31, 2024: 125,000,000) of Rs.10 each	125,000,000	12,500.00
<b>Issued, subscribed and fully paid up share capital</b>		
104,531,157 equity shares (March 31, 2024: 104,531,157) of Rs.10 each	104,531,157	10,453.11

**(i) Movement in equity share capital**  
**Authorised**

Particulars	Number of shares	Amount
<b>Balance as at April 01, 2023</b>	100,000,000	10,000.00
Increase during the year	25,000,000	2,500
<b>Balance as at March 31, 2024</b>	125,000,000	12,500
Increase during the year	-	-
<b>Balance as at March 31, 2025</b>	125,000,000	12,500.00

**Issued, subscribed and fully paid up share capital**

<b>Balance as at April 01, 2023</b>	82,483,642	8,248.36
Add: Shares issued during the year (Refer note 39)	22,047,515	2,204.75
<b>Balance as at March 31, 2024</b>	104,531,157	10,453.11
Add: Shares issued during the year	-	-
<b>Balance as at March 31, 2025</b>	104,531,157	10,453.11

**Rights, restrictions and preferences attached to each class of shares**

Equity share has a face value of Rs. 10. They entitle the holder to participate in dividend, and to share in the proceeds of winding up of the Company in proportion to number of and amounts paid on shares held.

Every holder of equity shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled one vote.

**(ii) Details of shares of the Company held by the holding company**

Particulars	Number of equity shares	
	As at March 31, 2025	As at March 31, 2024
RHI Magnesita India Limited*	104,531,157	104,531,157

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

Particulars	Number of equity shares	
	As at March 31, 2025	As at March 31, 2024
RHI Magnesita India Limited* (Holding Company)	104,531,157	104,531,157
	<b>Percentage of shares held</b>	
RHI Magnesita India Limited* (Holding Company)	100%	100%

\*Includes 6 shares held by nominees of RHI Magnesita India Limited.



**RHI Magnesita India Refractories Limited**

CIN : U26100TN2018PLC125133

**Notes to Financial Statements**

Note 8(a) contd:

**(v) Details of shareholding of promoters****As at March 31, 2025**

Name of Promoter	Number of shares at beginning of year	Change during the year	Number of shares at the end of year	Percentage of total number of shares at the end of year	Percentage change during the year
RHI Magnesita India Limited*	104,531,157	-	104,531,157	100.00%	0.00%

**As at March 31, 2024**

Name of Promoter	Number of shares at beginning of year	Change during the year	Number of shares at the end of year	Percentage of total number of shares at the end of year	Percentage change during the year
RHI Magnesita India Limited*	82,483,642	22,047,515	104,531,157	100.00%	0.00%

\*Includes 6 shares held by nominees of RHI Magnesita India Limited.



(All amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 8(b):</b>		
<b>Other equity</b>		
Securities premium	206,003.11	206,003.11
Retained earnings	(107,056.67)	(104,866.86)
Other reserves	66,069.87	66,069.87
<b>Total</b>	<b>165,016.31</b>	<b>167,206.12</b>
<b>(i) Securities Premium</b>		
Opening balance	206,003.11	162,569.50
Add: Securities premium on issue of shares (Refer note 39)	-	43,433.61
<b>Closing balance</b>	<b>206,003.11</b>	<b>206,003.11</b>
<b>(ii) Retained earnings</b>		
Opening balance	(104,866.86)	(70,240.49)
Loss for the year	(2,146.61)	(34,506.11)
Remeasurements of post employment benefit obligation, net of tax	(43.20)	(120.26)
<b>Closing balance</b>	<b>(107,056.67)</b>	<b>(104,866.86)</b>
<b>(iii) Other reserves</b>		
Opening balance	66,069.87	66,069.87
<b>Closing balance</b>	<b>66,069.87</b>	<b>66,069.87</b>

#### **Nature and purpose of Reserves**

##### **Securities premium**

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

##### **Retained earnings**

Retained earnings represents accumulated profits of the Company. It can be utilised in accordance with the provisions of the Companies Act, 2013.

##### **Other reserves**

Other reserves represents deemed contribution by holding company on account of acquisition of Dalmia Bharat Refractories Limited ('DBRL') in the year ended March 31, 2023.





(All amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 9: Borrowings</b>		
<b>Non Current</b>		
<b>Unsecured - Term Loans</b>		
External Commercial Borrowings	24,235.74	24,478.76
Less: Current maturities of external commercial borrowings (included in current borrowings)	(2,394.25)	-
Less: Interest accrued (included in current borrowings)	(293.25)	(1,113.16)
<b>Total</b>	<b>21,548.24</b>	<b>23,365.60</b>
<b>Current - unsecured</b>		
Current maturities of external commercial borrowings	2,394.25	-
Working capital loan from bank	-	3,734.99
Add: Interest accrued on non-current borrowings	293.25	1,113.16
<b>Total</b>	<b>2,687.50</b>	<b>4,848.15</b>

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

External commercial borrowing of EUR 2,60,00,000 was taken from the RHI Magnesita GmbH (fellow subsidiary) during the financial year ended 2022-23, which carries interest at applicable 6 month Euribor plus 230 basis points. It is repayable in 10 half-yearly instalments starting from June 30, 2025.

Working capital loan of Rs. 3,734.99 lakhs which was outstanding as on March 31, 2024 has been repaid during the year. The loan carried interest in the range of 8.50% p.a. to 9.30% p.a. and was repayable on demand.

#### Net Debt Reconciliation

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current borrowings	(21,548.24)	(23,365.60)
Current borrowings	(2,687.50)	(4,848.15)
Lease liabilities	(8,851.73)	(8,366.57)
Cash and cash equivalents	1,039.32	660.80
<b>Net debt</b>	<b>(32,048.15)</b>	<b>(35,919.52)</b>



(All amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 10:</b>		
<b>Trade payables*</b>		
Trade Payables: Micro enterprises and small enterprises (Refer note 34)	1,558.71	2,338.43
Trade Payables: Others	9,413.09	6,809.22
Trade Payables to related parties (Refer note 33)	2,781.18	7,109.51
<b>Total</b>	<b>13,752.98</b>	<b>16,257.16</b>

\*Includes foreign currency trade payables amounting to Rs. 59.23 lakhs as at March 31, 2025 (March 31, 2024: Rs. 218.44 lakhs) which are overdue for more than six months. The Company has approached the authorised dealer, under the Foreign Exchange Management (Import of Goods and Services) Regulations, 2015, to condone the delay and seeking permission of extension of time period for settlement of these balances. Pending resolution of this matter, no adjustments are considered necessary in these Financial Statements.

**A. Aging of trade payables**

**As at March 31, 2025**

Particulars	Unbilled	Not Due	Outstanding for following periods from the due date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	1,555.41	3.30	-	-	-	1,558.71
Others	1,497.97	2,886.74	7,633.40	85.86	47.45	42.85	12,104.27
<b>Total</b>	<b>1,497.97</b>	<b>4,442.15</b>	<b>7,636.70</b>	<b>85.86</b>	<b>47.45</b>	<b>42.85</b>	<b>13,752.98</b>

**As at March 31, 2024**

Particulars	Unbilled	Not Due	Outstanding for following periods from the due date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	2,286.51	51.92	-	-	-	2,338.43
Others	2,666.58	3,705.07	6,925.63	377.11	52.75	101.50	13,018.73
<b>Total</b>	<b>2,666.58</b>	<b>5,991.58</b>	<b>6,977.55</b>	<b>377.11</b>	<b>52.75</b>	<b>101.50</b>	<b>16,257.16</b>



(All amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 11:</b>		
<b>Other financial liabilities - current</b>		
Employee benefits payable	1,599.91	2,052.03
Payables for purchase of property, plant and equipment	97.43	106.99
Foreign exchange forward contracts	92.30	34.05
<b>Total</b>	<b>1,789.64</b>	<b>2,193.07</b>
<b>Note 12:</b>		
<b>Contract Liabilities</b>		
Advances from customers (Refer note 15)	750.79	455.73
<b>Total</b>	<b>750.79</b>	<b>455.73</b>



(All amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 13:</b>		
<b>Other current liabilities</b>		
Statutory dues (Contribution to Provident Fund and Employee State Insurance, Goods and Services Tax etc)	605.22	495.89
Security deposits	548.12	516.76
Interest payable to micro and small enterprises	164.18	151.37
Payable for stamp duty	2,467.02	2,757.88
Others	-	175.16
<b>Total</b>	<b>3,784.54</b>	<b>4,097.06</b>
<b>Note 14:</b>		
<b>Provisions</b>		
<b>Non- Current</b>		
(i) Gratuity	-	1,045.29
(ii) Provision against mining rights	288.64	286.46
<b>Total</b>	<b>288.64</b>	<b>1,331.75</b>
<b>Movement in provisions is set out below:-</b>		
<b>Provision against mining rights:</b>		
Balance as at beginning of the year	286.46	281.07
Less: Unwinding of discount (Refer note 21)	2.18	5.39
Balance as at end of the year	<b>288.64</b>	<b>286.46</b>
<b>Current</b>		
(i) Gratuity	1,100.44	-
(ii) Leave obligations	416.22	325.59
<b>Total</b>	<b>1,516.66</b>	<b>325.59</b>

**(i) Leave obligations**

The leave obligation cover the Company's liability for earned leave and sick leave. The entire amount of provision of Rs. 416.22 lakhs (March 31, 2024 - Rs. 325.59 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leaves or require payment for such leave within the next 12 months.

**Leave obligation not expected to be settled within the next 12 months**

<b>356.62</b>	<b>283.00</b>
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**(ii) Post employment benefits**

**(a) Defined contribution plans**

The Company has certain defined contribution plans including provident fund. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards contribution to provident and other fund is:

**Contribution to provident and other funds:**

Contribution to Employee state insurance  
Contribution to Provident fund

Year ended March 31, 2025	Year ended March 31, 2024
0.23	9.61
278.02	289.36
<b>278.25</b>	<b>298.97</b>

**(b) Defined benefit plan- Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to recognised funds in India. The Company does not fully fund the liability and maintains the target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. Gratuity liability is funded through Gratuity Fund Trust with an insurance policy with Life Insurance Corporation of India.

In the current year, entire amount of provision of Rs. 1,100.45 lakhs is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount within the next 12 months.





**(A) Changes in Defined Benefit Obligation**

Defined benefit obligation as at the beginning of the year
Current service cost
Interest cost
Benefit paid
Actuarial loss on obligation
<b>Defined Benefit Obligation at end of the year</b>

**Change in fair value of plan assets**

Fair value of plan assets at the beginning of the year
Expected return on plan assets
Actuarial (loss) / gain on plan assets
<b>Fair value of plan assets at end of year</b>

**Net defined benefit (asset)/liability**

Present value of obligation at the end of the year
Fair value of plan assets at the end of the year
<b>Unfunded liability/provision in Balance Sheet</b>

**Total expense recognised in the statement of profit and loss**

Current service cost
Interest cost on defined benefit obligation
Interest income on plan assets
<b>Total Expense recognised under employee benefits expense (Refer note 20)</b>

**Total expense recognised in OCI**

Actuarial loss on defined benefit obligation
Actuarial loss of plan assets
<b>Unrecognised actuarial loss/(gain) at the end of year</b>

**(B) Actuarial Assumptions:**

- i) Discounting Rate
- ii) Future Salary Increase
- iii) Retirement Age (Years)
- iv) Ages
  - Up to 30 Years
  - From 31 to 44 years
  - Above 44 years

6.40%	6.95%
10% for 1 year and 8% thereafter	10% for 2 years and 8% thereafter
60	60
<b>Withdrawal Rate %</b>	
10.00%	10.00%
10.00%	10.00%
10.00%	10.00%

Assumptions regarding future mortality rate for gratuity is based on actuarial advice in accordance with published statistics and experience.

**(C) Expected contribution for the next 12 months**

- i) Service cost
- ii) Net interest cost
- Total**

233.20	126.16
62.97	72.65
<b>296.16</b>	<b>198.81</b>

**(D)** The weighted average duration of the defined benefit obligation is 5.56 years as at March 31, 2025 (March 31, 2024: 5.90 years). The expected maturity analysis of undiscounted gratuity benefit is as follows:

**Maturity profile of Defined Benefit Obligation**

**Years :**

- i) 0 to 1 Year
- ii) 1 to 2 Year
- iii) 2 to 3 Year
- iv) 3 to 4 Year
- v) 4 to 5 Year
- vi) 6 to 10 years
- Total**

233.20	184.00
303.71	218.20
313.31	311.31
222.46	278.32
224.56	197.91
1,416.77	771.46
<b>2,714.01</b>	<b>1,961.20</b>



(E) Sensitivity analysis on defined benefit obligation

**Discount rate**

- a. Discount rate - 0.5% - the liability to increase by  
b. Discount rate + 0.5% - the liability to decrease by

**Salary increase rate**

- a. Rate - 0.5% - the liability to decrease by  
b. Rate + 0.5% - the liability to increase by

	Year ended March 31, 2025	Year ended March 31, 2024
	47.55	47.10
	(45.23)	(44.80)
	(44.70)	(44.37)
	46.53	46.20

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the Defined benefit recognised in the balance sheet. The methods and types of assumptions used in preparation, the sensitivity analysis did not change compared to the prior period.

(F) Risk Exposures:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Salary Increases:** Actual salary increases will increase the plan's liability. Increase in salary rate assumption in future will also increase the liability.

**Investment Risk:** If the plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

**Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.

**Mortality and disability:** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

(G) Defined benefit liability and employer contribution

The Company monitors the deficit in defined benefit obligation (net off plan assets) and endeavours to meet such deficit within reasonable future. The objective is to ensure adequate investments of funds, at appropriate time, to generate sufficient corpus for future payments.



**RHI Magnesita India Refractories Limited**

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**Notes to Financial Statements**

(All amount in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Note 15:</b>		
<b>Revenue from operations</b>		
<b>Revenue from contracts with customers</b>		
-Sales of products		
(i) Finished goods	74,312.10	79,012.55
(ii) Stock-in-trade	8,691.31	16,636.66
- Total refractories management services	2,499.01	4,605.35
- Sale of services	1,237.94	1,365.48
<b>Total (A)</b>	<b>86,740.36</b>	<b>101,620.04</b>
<b>Other operating revenue</b>		
Export incentives	109.27	126.15
Scrap sales	521.10	693.86
Others	-	3.13
<b>Total (B)</b>	<b>630.37</b>	<b>823.14</b>
<b>Total (A+ B)</b>	<b>87,370.73</b>	<b>102,443.18</b>

**Disaggregation of revenue**

In the following table, revenue is disaggregated by geography. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

Disaggregation of Revenue by Geography	Year ended March 31, 2025	Year ended March 31, 2024
Within India	80,531.47	95,192.84
Outside India	6,208.89	6,427.20
<b>Total revenue</b>	<b>86,740.36</b>	<b>101,620.04</b>

**Timing of Revenue Recognition**

Revenue from the sale of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual terms agreed in the customer contract.

Revenue from contracts for total refractory management services is recognised over time using the output method (e.g. quantity of steel produced by the customer).

Revenue from providing services is recognised in the accounting period in which the services are rendered.

**Performance obligations**

Revenue from the sale of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual terms agreed in the customer contract. Control is defined as the ability to direct the use and obtain substantially all the economic benefits from an asset.

For Refractory Management services where the transaction price depends on the customer's production tonnage the management has determined that both supply of goods and services are not distinct as the customer expects total refractory management services from the Company, which includes supply of refractory material and its related services to produce steel. Thus, only one single performance obligation, the performance of refractory management services, exists. With regard to these contracts, revenue is recognised over time using the output-oriented method (e.g. quantity of steel produced by the customer).

Revenue from services is recognised over time, using an input method to measure progress towards completion of service, because the customer simultaneously receives and consumes the benefits provided by the Company.

Disaggregation by timing for Revenue Recognition	Year ended March 31, 2025	Year ended March 31, 2024
Point in time	83,003.41	95,649.21
Over the time	3,736.95	5,970.83
<b>Total revenue</b>	<b>86,740.36</b>	<b>101,620.04</b>



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**Notes to Financial Statements****Transaction price allocated to the remaining performance obligations**

Transaction price is the expected consideration to be received in exchange for transferring goods or services, to the extent that it is highly probable that there will not be a significant reversal of revenue. For Total Refractory Management Contracts, transaction price depends on the customer's production performance.

The Company has applied practical expedient in Ind AS 115. Accordingly, it has not disclosed information about remaining performance obligations wherein the Company has a right to consideration from customer in an amount that directly corresponds with the value to the customer of entity's performance till date using the output method and for the other contracts which have original expected durations of one year or less.

**Reconciliation of revenue recognised with contract price**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Contract price</b>	86,028.12	100,568.74
<b>Adjustments for:</b>		
Claims and Rebates	(1,684.99)	(1,249.40)
Performance bonus	2,397.23	2,300.70
<b>Revenue from contracts with customers</b>	<b>86,740.36</b>	<b>101,620.04</b>

**Trade Receivables and Contract Balances**

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as Contract Asset.

A receivable is a right to consideration that is unconditional upon passage of time.

Contract assets consist of unbilled revenue which arises when the Company satisfies the performance obligation in the Refractory Management Services contracts but does not have an unconditional right to consideration as it is dependent on the certification of the report on the quantity of steel produced.

Contract liabilities consists of advances from customers. Contract liabilities are presented in note 12.

Trade receivables are presented net off impairment loss in note 4(c).

The following table provides information about contract assets and contract liabilities from contracts with customers.

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Revenue recognised that was included in the contract liability balance at the beginning of the year</b>		
Revenue from contract with customers	455.73	2,170.36
<b>Total</b>	<b>455.73</b>	<b>2,170.36</b>
<b>Movement in Contract Assets</b>		
Opening balance at the beginning of the year	4,224.30	2,082.44
Add: Contract assets acquired under business combination (Refer note 27)	-	-
Add: Revenue recognized during the year	86,740.36	101,620.04
Less: Invoiced during the year	(88,209.87)	(99,478.18)
<b>Closing balance at the end of the year</b>	<b>2,754.79</b>	<b>4,224.30</b>
<b>Movement in Contract Liabilities</b>		
Opening balance at the beginning of the year	455.73	2,170.36
Add: Collection during the year	696.24	16,203.51
Less: Gross Sales	(401.18)	(17,918.14)
<b>Closing balance at the end of the year</b>	<b>750.79</b>	<b>455.73</b>

**Significant judgements in the application of the Standard**

For Refractory Management Contracts where the transaction price depends on the customer's production performance, the management has determined that both supply of goods and services are not distinct as the customer expects total refractory management services from the Component, which includes supply of refractory material and its related services to produce steel. The customer expects complete refractory management for the agreed product areas in the steel plant in order to enable steel production. Thus, only one single performance obligation, performance of refractory management service, exists.

**Information about major customers**

Revenues from two customers represent approximately Rs. 21,169.19 lakhs (March 31, 2024: Rs. 17,298.89 lakhs) of the Company's total revenues.





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**Notes to Financial Statements****Note 16:****Other income**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Interest income</b>		
Interest income on financial assets on amortised cost:		
- on bank deposits	34.16	71.78
- on other deposits	12.43	8.15
- on income tax refund	9.98	-
<b>Other non-operating income (net of expenses directly attributable to such income)</b>		
Net foreign exchange differences	134.59	32.79
Liabilities / provisions no longer required written back	1,880.51	134.17
Profit on sale of property, plant and equipment (net)	0.67	6.33
Insurance claim	55.65	44.71
Rental income (Refer note 33)	72.99	-
Commission income (Refer note 33)	20.11	245.70
Miscellaneous income	5.74	21.83
<b>Total</b>	<b>2,226.83</b>	<b>565.46</b>
<b>Note 17:</b>		
<b>Cost of raw materials and components consumed</b>		
Opening stock	14,569.65	16,431.47
Add: Purchases	38,115.59	40,789.53
	52,685.24	57,221.00
Less: Closing stock	14,934.91	14,569.65
<b>Total</b>	<b>37,750.33</b>	<b>42,651.35</b>
<b>Note 18:</b>		
<b>Purchases of stock-in-trade</b>	12,477.28	14,445.72
<b>Total</b>	<b>12,477.28</b>	<b>14,445.72</b>
<b>Note 19:</b>		
<b>Change in inventories of finished goods, work in-progress and stock-in-trade</b>		
<b>Inventories at the end of the year</b>		
Work in progress	3,019.39	2,826.26
Finished goods	5,914.58	5,647.07
Stock-in-trade	1,146.81	1,472.58
	<b>10,080.78</b>	<b>9,945.91</b>
<b>Inventories at the beginning of the year</b>		
Work in progress	2,826.26	2,950.51
Finished goods	5,647.07	8,632.41
Stock-in-trade	1,472.58	420.58
	<b>9,945.91</b>	<b>12,003.50</b>
<b>Total</b>	<b>(134.87)</b>	<b>2,057.59</b>
<b>Note 20:</b>		
<b>Employee benefits expense</b>		
Salaries, wages and bonus	11,618.62	12,424.84
Contribution to provident and other funds (Refer note 14)	278.25	298.97
Gratuity (Refer note 14)	194.42	210.65
Leave obligation	121.32	229.26
Staff welfare expenses	594.43	642.10
<b>Total</b>	<b>12,807.04</b>	<b>13,805.82</b>



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**Notes to Financial Statements****Note 21:**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Finance costs</b>		
Interest expense:		
- on external commercial borrowings	1,462.13	1,533.02
- on short term loan	-	551.70
- on cash credit and working capital loan	30.28	942.93
- unwinding of discount	2.18	5.39
- Net exchange differences on foreign currency borrowings	954.82	837.83
Interest expenses on lease liabilities	616.99	637.76
Interest on micro and small enterprises	34.81	129.37
Others	0.86	51.62
<b>Total</b>	<b>3,102.07</b>	<b>4,689.62</b>

**Note 22:****Depreciation and amortisation expense**

Depreciation on property, plant and equipment	4,310.48	4,020.36
Depreciation charge of right-of-use assets	205.35	233.20
Amortisation of intangible assets	6,828.96	6,225.65
<b>Total</b>	<b>11,344.79</b>	<b>10,479.21</b>

**Note 23:****Other expenses**

Consumption of stores and spare parts	1,014.77	520.41
Consumption of packing materials	990.07	1,017.40
Power and fuel	4,684.30	5,361.57
Processing charges	1,775.08	1,598.13
Rent (Refer note 3(b))	455.34	73.47
Repairs and maintenance		
- Plant and machinery	1,227.22	1,573.03
- Buildings	86.24	306.96
- Others	143.78	3.23
Insurance	490.76	387.97
Rates and taxes	69.95	150.26
Communication costs	55.35	30.21
Travelling and conveyance	348.65	625.48
Printing and stationery	7.87	5.91
Freight and forwarding	1,984.23	2,526.85
Advertising and other expenses	15.39	27.44
Legal and professional fees (Refer note 23(a))	719.92	1,393.07
Commission on sales	220.82	111.89
Directors sitting fees	3.50	6.60
Bad debts written off	113.43	381.86
Allowance for doubtful debts - trade receivables (net)	72.16	124.99
Allowance for doubtful export incentives receivable (net)	166.09	-
Bank charges	23.82	27.76
Information and technology expenses	841.61	737.98
Amortisation of mines	658.63	1,118.92
Miscellaneous expenses	284.78	349.82
<b>Total</b>	<b>16,453.76</b>	<b>18,461.21</b>

**Note 23 (a): Legal and professional fees include payment to auditors as under :-**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Payment to auditor (excluding GST) comprise:		
To statutory auditor		
- for audit	90.00	87.50
- for certificate	1.50	-
- reimbursement of expenses	2.38	5.33
<b>Total</b>	<b>93.88</b>	<b>92.83</b>



(All amount in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Note 24:</b>		
<b>Exceptional Item</b>		
Impairment loss on goodwill	-	31,725.63
<b>Total</b>	<b>-</b>	<b>31,725.63</b>

**There are no exceptional items for the year ended March 31, 2025.**

The Company tests investment in subsidiary for impairment if there are indicators that investment in subsidiary might be impaired.

In accordance with accounting standard, management have performed an annual impairment assessment as at March 31, 2025 using the value in use ("VIU") approach to determine the recoverable value of the cash-generating unit ("CGU").

The Company tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired. The Company including its plants at all locations, has been identified as a single Cash Generating Unit (CGU) under Ind AS 36 which is also the single operating and reportable segment. Hence, for impairment testing, goodwill acquired through business combination is monitored by the management at the company level as a single CGU.

The impairment assessment determined that the CGU recoverable value exceeded the carrying amount by Rs. 9,356.43 lakhs, which indicates no requirement for recognition of impairment. The increase in headroom has largely been driven by the business strategy alignment over the course of the year. It was further determined that this increase did not require the reversal of the previously recorded impairment loss as the underlying drivers for the increased headroom do not support a reversal, after considering the unwind of the discount rate and the impact of depreciation and amortisation of impaired assets.

For the current financial year, the recoverable amount of the cash generating unit was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond five year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each company operates.

**The following table sets out the key assumptions used for the estimation:**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Discount rate (Weighted average cost of capital)	12.40%	12.30%
Growth rate (for terminal value)	5.00%	5.00%

**Management has determined the values assigned to each of the above key assumptions as follows:**

Assumption	Approach used to determine values
Discount rate (Weighted average cost of capital)	The Discount rate (Weighted average cost of capital) of a company is the weighted average of the costs of its equity and its debt. Cost of equity is calculated based on the risk-free rate for a ten-year Zero coupon yields curve adjusted for risk premium to reflect both the increased risk of investing in equities and the systematic risk specific to operations of company. Cost of debt is calculated based on the rate obtained from the market.
Growth rate for terminal value	Growth rate over the five-year forecast period; based on past performance and management's expectations of market development.
Revenue growth rate	Average annual growth rate over the five-year forecast period; based on management's expectation of market development.



## Notes to Financial Statements

Assumptions	Year ended March 31, 2025	%age change	Impact on value in use
Discount rate (Weighted average cost of capital)	12.40%	+ 50 bps	Decrease by 11,713.90 lakhs.
Growth rate for terminal value	5.00%	- 50 bps	Decrease by 7,978.60 lakhs.

The impairment is primarily due to a weaker market environment in export geographies where demand has fallen significantly. Weaker demand is further exacerbated by strategic decisions to step away from low value customers and from restricted markets. Despite the realisation of synergies post-acquisition, the expected profitability of the acquired entity has been rationalised to reflect the rebasing of benefit schemes and a higher rate of inflation in local market costs which cannot be passed to customers. The above underlying impacts are expected to persist over the near and medium term, which has led to the downward revision of cash flow expectations underlying the valuation of the acquired entity.





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**Notes to Financial Statements**

**Note 25:**

**Income tax expense**

(All amount in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Deferred tax</b>		
Deferred tax credit	(2,056.23)	(801.40)
<b>Total deferred tax credit</b>	<b>(2,056.23)</b>	<b>(801.40)</b>
<b>Total income tax credit</b>	<b>(2,056.23)</b>	<b>(801.40)</b>
<b>Reconciliation of tax expense and accounting profit multiplied by tax rate</b>		
<b>Loss before income tax credit</b>	(4,202.84)	(35,307.51)
Tax at the rate of 25.168% (Previous year : 25.168%)	(1,057.77)	(8,886.20)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustments for tax of prior periods	(748.55)	-
Adjustment of deferred tax on loss allowance not claimed in earlier year	(111.57)	-
Impairment loss on goodwill	-	7,984.71
Interest on micro and small enterprises	8.76	38.10
Adjustment for contract assets written off during the year	(165.84)	-
Others	18.74	61.99
<b>Income Tax Expense</b>	<b>(2,056.23)</b>	<b>(801.40)</b>



**Note 26:**  
**Earnings per share**

(All amount in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(a) Basic loss per share (Rs.)	(2.05)	(34.17)
(b) Diluted loss per share (Rs.)*	(2.05)	(34.17)
<b>Loss used for calculating earnings per share</b>		
Loss attributable to the equity holders of the Company used in calculating Basic Loss per share	(2,146.61)	(34,506.11)
Loss attributable to the equity holders of the Company used in calculating Diluted Loss per share	(2,146.61)	(34,506.11)
<b>Weighted average number of shares used as denominator</b>		
Weighted average number of equity shares used as the denominator in calculating Basic Loss per share	104,531,157	100,985,687
Weighted average number of equity shares used as the denominator in calculating Diluted Loss per share	104,531,157	100,985,687

\*There are no dilutive potential equity shares



**Note 27: Business Combination**

On November 19, 2022, Dalmia Bharat Refractories Limited ('DBRL') entered into a business transfer agreement (BTA) with the Company to transfer the entire Indian refractory business of DBRL to the Company. On November 19, 2022, the RHI Magnesita India Limited ('RHIMIL') entered into a Share Swap Agreement with the Company and DBRL to acquire all outstanding shares of the Company. On January 04, 2023, the business transfer between DBRL and the Company was completed as per the terms and conditions of the BTA. As part of this acquisition the Company has also acquired indirectly 51% share holding in RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) ('RHIMSRLL').

Acquired business primarily engaged in manufacturing and supply of Castables, pre-cast shapes like lances, snorkels, other refractory products and supplying to core industries namely cement, steel and others and have five manufacturing facilities.

As per the BTA the Company acquired the India refractory business by discharging the purchasing consideration as referred below:-

- (i) Cash consideration amounting to Rs. 48,409.22 lakhs (including working capital consideration),  
(ii) 82,483,642 equity shares of the Company to DBRL at an issue price of Rs. 207.04.

Post completion of acquisition by the Company, as per the share swap agreement, on January 05, 2023, RHIMIL completed the purchase of 100% shareholding in the Company. RHIMIL has discharged the consideration by issuance and allotment of 27,000,000 fresh equity shares of the RHIMIL to DBRL amounting to Rs. 236,844 lakhs. The shares have been issued by RHIMIL at the market rate of January 05, 2023 of Rs. 877.20 per share.

This transaction has been accounted for as per the acquisition method specified in Ind AS 103 and accordingly, the total purchase consideration of Rs. 285,253.22 lakhs has been determined as the sum of the cash consideration of Rs. 48,409.22 lakhs and the value of shares issued by RHIMIL to DBRL of Rs. 236,844 lakhs. The difference of Rs. 146,745.80 lakhs between the purchase consideration of Rs. 285,253.22 lakhs and fair value of net assets of Rs. 138,507.42 lakhs has been recognised as goodwill. Acquisition-related costs are expensed as incurred. The goodwill is attributable to the workforce and capability of the business to economies of scale expected from combining the operations resulting in increase in profitability of the acquired business. It will not be deductible for tax purpose.

During the year ended March 31, 2024, the Company had completed the determination of the fair value of assets and liabilities acquired as part of the above acquisition. The fair value of the assets and liabilities recognised at the date of acquisition are as follows: -

(All amount in Rs. lakhs, unless otherwise stated)				
Particulars	Notes	Provisional amount as at acquisition date	Measurement period adjustments	Fair value post completion of measurement period
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		25,167.55	-	25,167.55
Right-of-use assets		10,863.84	-	10,863.84
Capital work-in-progress		1,148.75	-	1,148.75
Other Intangible assets	(i)	86,343.26	900.00	87,243.26
<b>Financial assets</b>				
(i) Investments		9,256.00	-	9,256.00
Other non-current assets		45.90	-	45.90
<b>Total non-current assets</b>		<b>132,825.30</b>	<b>900.00</b>	<b>133,725.30</b>
<b>Current assets</b>				
Inventories		35,662.72	-	35,662.72
<b>Financial assets</b>				
(i) Trade receivables		25,383.26	-	25,383.26
(ii) Bank balances other than (ii) above		11.52	38.00	49.52
(iii) Loans		28.13	-	28.13
(iv) Other financial assets		378.83	-	378.83
Other current assets	(ii)	11,284.49	(1,200.00)	10,084.49
<b>Total current assets</b>		<b>72,748.95</b>	<b>(1,162.00)</b>	<b>71,586.95</b>
<b>Total Assets assumed</b>		<b>205,574.25</b>	<b>(262.00)</b>	<b>205,312.25</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings		-	-	-
(ii) Lease liabilities		8,376.54	-	8,376.54
<b>Provisions</b>				
Deferred tax liabilities (net)	(iii)	1,231.90	-	1,231.90
Other non-current liabilities		3,818.38	(3,723.25)	95.13
<b>Total non-current liabilities</b>		<b>13,426.82</b>	<b>(3,723.25)</b>	<b>9,703.57</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings		16,178.94	-	16,178.94
(ii) Trade payables				
(a) Total outstanding dues of micro enterprises and small enterprises		1,475.33	-	1,475.33
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		34,547.99	-	34,547.99
(iv) Other financial liabilities		-	-	-
<b>Contract liabilities</b>				
Provisions		1,204.00	-	1,204.00
Other current liabilities		3,657.00	38.00	3,695.00
<b>Total current liabilities</b>		<b>57,063.26</b>	<b>38.00</b>	<b>57,101.26</b>
<b>Total liabilities assumed</b>		<b>70,490.08</b>	<b>(3,685.25)</b>	<b>66,804.83</b>
<b>Net identifiable net assets acquired at fair value (A)</b>		<b>135,084.17</b>	<b>3,423.25</b>	<b>138,507.42</b>
<b>Purchase Consideration (B)</b>		<b>285,253.22</b>	<b>-</b>	<b>285,253.22</b>
<b>Goodwill acquired on acquisition (B-A)</b>		<b>150,169.05</b>	<b>(3,423.25)</b>	<b>146,745.80</b>

Measurements period adjustments are on account of changes in the assumptions used in the determination of fair valuation of customer relationships and mining rights and reassessment of deferred tax liability on the fair value of property, plant and equipment.



**Note 28:**  
**Fair value measurement**  
Financial Instruments by category

(All amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2025		As at March 31, 2024	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
<u>Non-Current</u>				
Other financial assets	-	328.84	-	375.74
<u>Current</u>				
Trade receivables	-	17,101.03	-	17,567.41
Cash and cash equivalents	-	1,039.32	-	660.80
Bank balances other than above	-	-	-	75.91
Other financial assets	-	120.58	-	80.35
<b>Total financial assets</b>	-	<b>18,589.77</b>	-	<b>18,760.21</b>
<b>Financial liabilities</b>				
<u>Non-Current</u>				
Borrowings	-	21,548.24	-	23,365.60
Lease liabilities	-	8,215.19	-	7,713.11
<u>Current</u>				
Borrowings	-	2,687.50	-	4,848.15
Lease liabilities	-	636.54	-	653.46
Trade payables	-	13,752.98	-	16,257.16
Other financial liabilities	-	1,789.64	-	2,193.07
<b>Total financial liabilities</b>	-	<b>48,630.09</b>	-	<b>55,030.55</b>

The carrying amounts of trade receivables, trade payables, current borrowings, other current financial assets & liabilities, bank balances and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair value of non-current financial assets and financial liabilities carried at amortised cost is substantially same as their carrying amount.





**Note 29:**

**Financial Risk Management**

The Company's activities expose it to credit risk, liquidity risk and market risk.

The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policies accordingly. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit risk	Cash and bank balances, Trade Receivables, Contract assets, Other financial assets measured at amortised cost	Ageing analysis, Credit ratings	Diversification of bank deposits and periodic monitoring of realisable value of assets. Business with customers with reliable credit rating in the market.
Liquidity risk	Borrowings, Trade payables, lease liabilities and Other financial liabilities	Cash flow forecasts	Availability of adequate cash, liquid assets, committed credit lines and borrowing facilities.
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting's Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level, with an option of taking forward foreign exchange contracts if deemed necessary. Natural hedging by maintaining balances between receivables and payables within same currency.
Market risk – Interest rate	Borrowings with floating rate of interest	Cash flow forecasting's Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level.

**A. Credit Risk**

Credit risk on cash and cash equivalent and bank balances is not significant as it majorly includes deposits with bank and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Other financial assets primary includes loans and advances given to employees. These advances are given in the normal course of the business operations.

Credit risk arise from possibility that customer may default on its obligation to make timely payments, resulting into financial loss. The maximum exposure to the credit risk is primarily from trade receivable and contract assets.

The credit risk is managed by the Company through credit term approvals, establishing the financial reliability of the customers taking into account the financial condition, analysis of historical bad debts and ageing of account receivables. Outstanding customer receivables are regularly monitored. Individual credit terms are set accordingly by the Company's credit control department.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled revenue and retention money pending due on completion of performance obligation and have substantially the same risk characteristics as the trade receivables for the same types of contracts. To address the risk of any potential non recovery from trade receivables, the Company has the practise of reviewing debtors having balances outstanding for more than 180 days as at period end and consider them for provision for bad and doubtful debts. Besides this, wherever there is specific evidence about the deteriorating financial position, downfall in business, intention to not pay or other similar factors of the customer, the management reviews the underlying facts and merits of such cases to evaluate the need to adjust provision, as computed based on ageing analysis. This provision, based on collective analysis, is sufficient to cover the entire lifetime loss of revenues recognised including those that are currently less than 180 days outstanding and not provided for.



**Ageing of trade receivables:**

Category	(All amount in Rs. lakhs, unless otherwise stated)	
	As at March 31, 2025	As at March 31, 2024
Not due	10,771.32	8,225.86
Less than 6 months	5,350.97	7,437.10
6 Months - 1 year	784.59	1,577.78
1-2 years	355.43	707.43
2-3 years	525.45	84.11
More than 3 years	120.93	210.63
<b>Total</b>	<b>17,908.69</b>	<b>18,302.91</b>

**Loss allowance as at March 31, 2025**

Particulars	Not due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivable	10,771.32	5,350.97	784.59	355.43	525.45	120.93	17,908.69
Gross carrying amount - Contract assets	3,198.10	-	-	-	-	-	3,198.10
Expected loss rate	-3%	-1%	-24%	(22.38%)	(78.04%)	(69.75%)	(5.93%)
Expected credit losses - Trade receivable	(18.74)	(27.92)	(187.02)	(79.56)	(410.07)	(84.35)	(807.66)
Expected credit losses - Contract assets	(443.31)	-	-	-	-	-	(443.31)
<b>Carrying amount of trade receivable (net of impairment)</b>	<b>10,752.58</b>	<b>5,323.05</b>	<b>597.57</b>	<b>275.87</b>	<b>115.38</b>	<b>36.58</b>	<b>17,101.03</b>
Carrying amount of contract assets (net of impairment)	2,754.79	-	-	-	-	-	2,754.79

**Loss allowance as at March 31, 2024**

Particulars	Not due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivable	8,225.86	7,437.10	1,577.78	767.43	84.11	210.63	18,302.91
Gross carrying amount - Contract assets	5,326.56	0%	0%	(67.96%)	(90.05%)	(65.63%)	5,326.56
Expected loss rate	-8%	-	-	(521.53)	(75.74)	(138.23)	(735.50)
Expected credit losses - Trade receivable	(1,102.26)	-	-	-	-	-	(1,102.26)
Expected credit losses - Contract assets	-	-	-	-	-	-	-
<b>Carrying amount of trade receivable (net of impairment)</b>	<b>8,225.86</b>	<b>7,437.10</b>	<b>1,577.78</b>	<b>245.90</b>	<b>8.37</b>	<b>72.40</b>	<b>17,567.41</b>
Carrying amount of contract assets (net of impairment)	4,224.30	-	-	-	-	-	4,224.30

**Allowance for doubtful debts-trade receivables**

Particulars	(All amount in Rs. lakhs, unless otherwise stated)	
	As at March 31, 2025	As at March 31, 2024
Allowance as on April 01, 2023	610.51	610.51
Changes in loss allowance (Refer note 23)	124.99	124.99
<b>Allowance as on March 31, 2024</b>	<b>735.50</b>	<b>735.50</b>
Changes in loss allowance (Refer note 23)	72.16	72.16
<b>Allowance as on March 31, 2025</b>	<b>807.66</b>	<b>807.66</b>

**Allowance for contract assets**

Particulars	(All amount in Rs. lakhs, unless otherwise stated)	
	As at March 31, 2025	As at March 31, 2024
Allowance as on April 01, 2023	3,563.37	3,563.37
Contract asset written-off	(2,461.11)	(2,461.11)
<b>Allowance as on March 31, 2024</b>	<b>1,102.26</b>	<b>1,102.26</b>
Contract asset written-off	(658.95)	(658.95)
<b>Allowance as on March 31, 2025</b>	<b>443.31</b>	<b>443.31</b>



**B. Liquidity Risk:**

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time. The Company's primary sources of liquidity are cash generated from operations. The cash flows from operating activities are driven primarily by operating results and changes in the working capital requirements.  
The Company believes that its liquidity position is adequate to fund the operating and investing needs and to provide with flexibility to respond to further changes in the business environment.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(All amount in Rs. lakhs, unless otherwise stated)	
	As at March 31, 2025	As at March 31, 2024
<b>Floating rate</b>		
Expiring within one year (bank overdraft and other facilities)	64,683.34	60,265.01
<b>Total</b>	<b>64,683.34</b>	<b>60,265.01</b>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Rs. and have an average maturity of less than 1 year.

**(ii) Contractual maturities of financial liabilities**

The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	(All amount in Rs. lakhs, unless otherwise stated)			
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years
<b>As at March 31, 2025</b>				<b>Total</b>
Borrowings	2,687.50	3,591.37	4,788.50	13,168.37
Trade payables	13,752.98	-	-	-
Lease liabilities	636.54	636.54	630.84	33,089.88
Other Financial Liabilities - current	1,786.64	-	-	-
<b>As at March 31, 2024</b>				
Borrowings	4,848.15	4,673.42	4,673.42	14,018.76
Trade payables	16,257.16	-	-	-
Lease liabilities	660.25	669.25	669.25	33,745.25
Other Financial Liabilities - current	2,193.07	-	-	-
				28,213.75
				16,257.16
				35,753.00
				2,193.07

**C. Market Risk :**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price comprises 2 types of risk: Foreign currency risk and interest rate risk. Financial instruments effected by market risks include borrowings, foreign currency receivables and payables.

**i. Interest Rate Risk :**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term and long term borrowings obligations in the form of cash credit and buyer's credit, term loans and external commercial borrowing carrying floating interest rates.

(All amount in Rs. lakhs, unless otherwise stated)

Particulars	As at 31 March 2025			As at 31 March 2024		
	Weighted average interest rate (%)	% of total loans	Balance	Weighted average interest rate (%)	% of total loans	Balance
Borrowings	EURIBOR plus spread of 2.3% p.a.	99%	23,942.49	EURIBOR plus spread of 2.3% p.a.	83%	23,365.60

**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 & Loss (net of tax)	
Year ended March 31, 2025	Year ended March 31, 2024
(179.17)	(174.85)
179.17	174.85



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 of raw materials and other consumables. This foreign currency risk is covered by using foreign exchange forward contracts.

The details of foreign currency exposure is as follows:

Particulars	Foreign Currency	As at March 31, 2025 (in lakhs)		As at March 31, 2024 (in lakhs)	
		In FC	In Rs.	In FC	In Rs.
<b>Unhedged Foreign Currency</b>					
Trade Payables	USD EUR GBP	15.36 2.74 -	1,306.39 251.92 -	17.03 3.34 0.02	1,423.09 283.90 1.70
Borrowings	EUR	3.20	294.73	-	-
Other Financial liabilities	USD	0.29	24.83	-	-
<b>Total Payable</b>			<b>1,877.87</b>		<b>1,708.69</b>
Trade Receivable	USD EUR GBP	13.32 9.30 -	1,133.13 856.29 -	9.23 20.19 -	755.50 1,804.65 -
Other Financial Assets	EUR	0.03	2.91	-	-
<b>Total Receivable</b>			<b>1,992.33</b>		<b>2,560.15</b>
<b>Net Unhedged exposure</b>					
	USD EUR GBP	(2.33) 3.39 -	(198.09) 312.54 -	(7.80) 16.85 (0.02)	(667.59) 1,530.75 (1.70)
<b>Hedged Foreign Currency</b>			<b>114.45</b>		<b>851.46</b>
ECB Loan	EUR	260.00	23,942.49	260.00	23,365.60

**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 Profit & Loss Account (net of tax)	
		Year ended March 31, 2025	Year ended March 31, 2024
USD Sensitivity	+1% -1%	(1.48) 1.48	(5.00) 5.00
EUR Sensitivity	+1% -1%	2.34 (2.34)	11.38 (11.38)
GBP Sensitivity	+1% -1%	- -	(0.01) 0.01





**Note 30:**  
**Capital Management**

**Risk Management**

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that it can continue to provide adequate returns to the shareholders.

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards business needs, optimisation of working capital requirements and deployment of surplus funds into fixed deposits.

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the Board of directors considers the status of debts, cost of capital and movement in the working capital.

**(All amount in Rs. lakhs, unless otherwise stated)**

<b>Particulars</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Net Debt (refer note 9)	<b>32,048.15</b>	<b>35,919.52</b>
Share capital	10,453.11	10,453.11
Other equity	165,016.31	167,206.12
<b>Total Equity</b>	<b>175,469.42</b>	<b>177,659.22</b>
<b>Gearing ratio</b>	<b>18.26%</b>	<b>20.22%</b>



**Note 31:**  
**Contingent Liabilities**

**Claims against the Company not acknowledged as debts**

(All amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Demand from Industrial and Labour Laws disputes	462.48	462.48
<b>Total</b>	<b>462.48</b>	<b>462.48</b>

**Notes:**

(i) No provision is considered necessary since the Company expects favourable decisions.

These represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

**Note 32 (a):**  
**Capital and other Commitments**

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

(All amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Property, plant and equipment	514.76	99.58

(ii) The Company has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services and employee benefits, in normal course of business

(iii) The Company has long-term contracts for which there were no material foreseeable losses. The Company has made provision as at March 31, 2025, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts.

**Note 32 (b):**  
**Operating leases**

The Company's cancellable operating lease arrangements mainly consists of offices for period of less than 11 months. Terms of lease include terms for renewal, increase in rent in future periods and terms of cancellation (refer note 23).



**Note 33:**  
**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, 2025	As at March 31, 2024
RHI Magnesita India Limited (w.e.f. January 05, 2023)	Holding Company	India	100%	100%
RHI Magnesita N.V., Austria (w.e.f. January 05, 2023)	Ultimate Holding Company	Austria	-	-

**ii. Key managerial personnel (KMP)**

Mr. Parmod Sagar, Chairman, Managing Director & CEO  
Mr. Abhishek Bajaj, Chief Financial Officer (w.e.f. June 01, 2024)  
Mr. Sanjeev Bhardwaj, Chief Financial Officer (till May 24, 2024)  
Mr. Vijay Sharma, Independent director (till November 11, 2024)  
Ms. Vijaya Gupta, Director (till April 03, 2024)  
Ms. Bobby Mehndiratta, Company Secretary  
Ms. Ticiana Kobel, Non-Executive & Non-Independent Director (w.e.f. November 06, 2024)  
Mr. Azim Syed, Director (w.e.f. May 24, 2024)  
Mr. Gustavo Lucio Goncalves Franco, Non-Executive & Non-Independent Director  
Mr. Nazim Sheikh, Non-Executive & Independent Director

**iii. Fellow subsidiaries with whom the Company had transactions**

RHI Magnesita D.o.o (formerly known as Sever Refractories D.o.o) (w.e.f. July 17, 2023)  
Dalmia GSB Refractories GmbH (w.e.f. April 28, 2023)  
RHI Magnesita GmbH  
RHI Magnesita Kremen D.o.o.  
RHI Magnesita Deutschland  
Sapref Refractory Products Ltd

**iv. Subsidiary**

RHI Magnesita Seven Refractories Limited

**v. Significant Influence in Holding Company**

Dalmia Bharat Refractories Limited



**Note 33 Contd:**

**(b) Related Party Transactions**

(All amount in Rs. lakhs, unless otherwise stated)

Particulars	Relationship	Year ended March 31, 2025	Year ended March 31, 2024
<b>Sale of products and services</b>			
RHI Magnesita India Limited	Holding Company	11,421.33	5,420.63
RHI Magnesita Seven Refractories Limited	Subsidiary	77.03	80.31
RHI Magnesita D.o.o (formerly known as Seven Refractories D.o.o)	Fellow Subsidiary	-	550.38
Dalmia GSB Refractories GmbH	Fellow Subsidiary	321.04	530.48
Dalmia Bharat Refractories Limited	Significant influence in Holding Company	-	973.54
RHI Magnesita Deutschland	Fellow Subsidiary	34.42	-
RHI Magnesita KREMEN d.o.o.	Fellow Subsidiary	414.65	-
RHI Magnesita GmbH	Fellow Subsidiary	1,862.08	-
<b>Total</b>		<b>14,130.55</b>	<b>7,555.34</b>
<b>Purchase of material and stock-in-trade</b>			
RHI Magnesita India Limited	Holding Company	7,431.77	9,704.07
RHI Magnesita Seven Refractories Limited	Subsidiary	888.60	1,620.15
RHI Magnesita GmbH	Fellow Subsidiary	324.01	48.64
Dalmia Bharat Refractories Limited	Significant influence in Holding Company	85.68	3,503.10
RHI Magnesita KREMEN d.o.o.	Fellow Subsidiary	54.67	-
<b>Total</b>		<b>8,784.74</b>	<b>14,875.96</b>
<b>Investment made</b>			
RHI Magnesita Seven Refractories Limited	Subsidiary	-	6,184.74
<b>Total</b>		<b>-</b>	<b>6,184.74</b>
<b>Recovery of collections by related party</b>			
RHI Magnesita India Limited	Holding Company	611.75	-
RHI Magnesita Seven Refractories Limited	Subsidiary	193.61	-
<b>Total</b>		<b>805.36</b>	<b>-</b>
<b>Refund of collections to related Party</b>			
RHI Magnesita India Limited	Holding Company	89.60	-
RHI Magnesita Seven Refractories Limited	Subsidiary	111.44	-
<b>Total</b>		<b>201.05</b>	<b>-</b>
<b>Sale of propertly, plant and equipment</b>			
RHI Magnesita India Limited	Holding Company	17.14	157.23
<b>Total</b>		<b>17.14</b>	<b>157.23</b>
<b>Other income*</b>			
RHI Magnesita Seven Refractories Limited	Subsidiary	93.10	245.70
<b>Total</b>		<b>93.10</b>	<b>245.70</b>
<b>Managerial remuneration</b>			
Abhishek Bajaj	Chief Financial Officer	74.79	-
<b>Total</b>		<b>74.79</b>	<b>-</b>
<b>Commission on sale</b>			
Sapref Refractory Products Ltd	Fellow subsidiary	182.59	-
<b>Total</b>		<b>182.59</b>	<b>-</b>
<b>Expenses reimbursement received</b>			
RHI Magnesita India Limited*	Holding Company	137.43	-
<b>Total</b>		<b>137.43</b>	<b>-</b>
<b>Expenses reimbursement paid</b>			
RHI Magnesita India Limited*	Holding Company	1,211.34	1,325.15
RHI Magnesita GmbH	Fellow Subsidiary	-	37.03
Dalmia Bharat Refractories Limited	Significant influence in Holding Company	60.96	14.06
* this includes allocation of common cost from Holding Company and managerial remuneration to KMP of Rs. 168.91 Lakhs (March 31, 2024: Rs. 207.77 Lakhs)			
<b>Total</b>		<b>1,272.30</b>	<b>1,376.24</b>
<b>Information and Technology expenses</b>			
RHI Magnesita GmbH	Fellow Subsidiary	103.88	-
<b>Total</b>		<b>103.88</b>	<b>-</b>
<b>Interest expense on external commercial borrowings</b>			
RHI Magnesita GmbH	Fellow Subsidiary	1,462.13	1,533.02
<b>Total</b>		<b>1,462.13</b>	<b>1,533.02</b>





**(c) Outstanding balances**

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

(All amount in Rs. lakhs, unless otherwise stated)

Particulars	Relationship	Year ended March 31, 2025	Year ended March 31, 2024
<b>Trade Payables:</b>			
RHI Magnesita India Limited	Holding company	2,189.88	6,621.77
RHI Magnesita Seven Refractories Limited	Subsidiary	162.23	269.48
RHI Magnesita GmbH	Fellow Subsidiary	210.07	79.28
Dalmia GSB Refractories GmbH	Fellow Subsidiary	-	138.98
Sapref Refractory products Ltd	Fellow Subsidiary	164.33	-
RHI Magnesita KREMEN d.o.o.	Fellow Subsidiary	54.67	-
<b>Total</b>		<b>2,781.18</b>	<b>7,109.51</b>
<b>Trade Receivables:</b>			
RHI Magnesita India Limited	Holding company	3,859.42	1,604.43
RHI Magnesita Seven Refractories Limited	Subsidiary	11.64	201.32
RHI Magnesita D.o.o (formerly known as Seven Refractories D.o.o)	Fellow Subsidiary	289.63	1,144.93
Dalmia Bharat Refractories Limited	Significant influence in Holding Company	339.47	696.99
Dalmia GSB Refractories GmbH	Fellow Subsidiary	42.79	461.47
RHI Magnesita KREMEN d.o.o.	Fellow Subsidiary	419.09	-
RHI Magnesita GmbH	Fellow Subsidiary	494.85	-
<b>Total</b>		<b>5,456.89</b>	<b>4,109.14</b>
<b>Other current assets</b>			
Dalmia Bharat Refractories Limited	Significant influence in Holding Company	89.75	-
<b>Total</b>		<b>89.75</b>	<b>-</b>
<b>External Commercial Borrowings:</b>			
RHI Magnesita GmbH	Fellow Subsidiary	23,942.49	23,365.60
RHI Magnesita GmbH - Interest accrued	Fellow Subsidiary	293.25	1,113.16
<b>Total</b>		<b>24,235.74</b>	<b>24,478.76</b>
<b>Investment</b>			
RHI Magnesita Seven Refractories Limited	Subsidiary	15,440.75	15,440.75
<b>Total</b>		<b>15,440.75</b>	<b>15,440.75</b>
<b>Other transactions</b>			
Guarantee given to Bank by RHI Magnesita N.V., Austria	Ultimate Holding Company	69,000.00	54,000.00
<b>Total</b>		<b>69,000.00</b>	<b>54,000.00</b>

Terms and conditions of transactions with related parties - All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis. All outstanding receivable balances are unsecured and repayable in cash. Further, no loss allowances were made against such balances.



**Note 34: Due to Micro and small enterprises\***

(All amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end**	1,571.86	2,338.43
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	164.18	129.37
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	3,746.51	13,953.00
(iv) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(vii) Interest accrued and remaining unpaid at the end of the accounting year	164.18	151.37
(viii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

\* Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are based on information made available to the Company.

\*\*Includes MSME dues payable for purchase of property plant and equipments amounting to Rs. 13.15 Lakhs as at March 31, 2025 (March 31, 2024: Nil Lakhs).



**Note 35:**  
**Financial ratios**

"Cost of goods sold = Cost of raw materials and components consumed + Purchases of stock-in-trade (traded goods) + Changes in inventories of finished goods, work-in-progress and stock-in-trade (traded goods)



**Note 36:**

**Additional regulatory information required by Schedule III**

**(i) Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**(ii) Relationship with struck off companies**

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956., except for the parties mentioned

Name of struck off Company	Nature of transactions	Balance outstanding as at March 31, 2025	Relationship with the Struck off company	Balance outstanding as at March 31, 2024	Relationship with the Struck off company
Nimitaya Hotel & Resorts Limited	Hotel service	0.35	Not related	-	Not related
Precision Engineers & Fabricators Private Limited	RM purchases	(3.47)	Not related	(3.85)	Not related
Zain Thermal Solutions Private Limited	Service	(9.72)	Not related	(9.72)	Not related

**(iii) Compliance with approved scheme(s) of arrangements**

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

**(iv) Details of crypto currency or virtual currency**

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

**(v) Utilisation of borrowed funds and share premium**

(a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall,:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

During the previous year, the Company has received funds (including share premium) from its holding company through issue of share capital (Refer Note 39). Out of these funds Rs. 6,184.74 lakhs was utilised for investment in its subsidiary (Refer note 38).

**(vi) Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(vii) Wilful defaulter**

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

**(viii) Compliance with number of layers of companies**

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

**(ix) Valuation of property, plant and equipment and intangible assets**

The Company has chosen cost model for valuation of its property, plant and equipment (including Right-of-use-assets) and intangible assets both during the current or previous year.

**(x) Utilisation of borrowings availed from banks.**

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

**(xi) Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.





Note 36:

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

**(xii) Borrowing secured against current assets**

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks which are not in agreement with the books of account as set out below:-

Name of the Bank	Aggregate capital limits sanctioned	working limits sanctioned	Nature of Current asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement	Amount as per books of account	Variance	Whether return/ statement subsequently rectified	(All amount in Rs. lakhs, unless otherwise stated)	
									Reasons for difference	
Axis Bank Limited, HSBC Bank and Kotak Bank	48,000.00		Trade Receivables	30-Jun-24	5,563.00	15,824.24	10,261.24	No	Trade receivables more than 90 days and receivables from related parties are not considered in return.	
			Trade Payables	30-Jun-24	16,079.00	19,737.98	3,658.98	No	Provision for expenses and payable for services not considered in return.	
			Trade Receivables	30-Sep-24	10,364.53	18,856.72	8,492.19	No	Trade receivables more than 90 days and receivables from related parties are not considered in return.	
			Trade Payables	30-Sep-24	18,432.72	19,496.61	1,063.89	No	Provision for expenses and payable for services not considered in return.	
			Trade Receivables	31-Dec-24	12,941.00	19,019.27	6,078.27	No	Trade receivables more than 90 days and receivables from related parties are not considered in return.	
			Trade Payables	31-Dec-24	17,630.82	18,590.91	960.09	No	Provision for expenses and payable for services not considered in return.	
			Trade Receivables (Provisional)	31-Mar-25	9,190.49	15,499.69	6,309.20	No	Trade receivables more than 90 days and receivables from related parties are not considered in return.	
			Trade Payables (Provisional)	31-Mar-25	13,030.54	13,995.49	964.95	No	Provision of expenses and payable for services not considered in return.	



**Note 37:**

**Title deeds of immovable properties not held in name of the company**

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company except the following:

As at March 31, 2025

(All amount in Rs. lakhs, unless otherwise stated)						
Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land with respect to Khambhali manufacturing unit	191.99	Shree Natraj Ceramic and Chemical Industries Limited	No	Since January 2023	Title deed registered in the name of Shree Natraj Ceramic and Chemical Industries Limited whose name was changed to Dalmia Refractories Limited. This entity got merged into Dalmia Bharat Refractories Limited. By virtue of Business transfer agreement dated November 19, 2022, the Company has acquired Indian refractories business from Dalmia Bharat Refractories Limited. The name of the Company has changed from Dalmia OCL Limited to RHI Magnesita India Refractories Limited and consequent to this Company is in the process for change of name.
Property, plant and equipment	Land with respect to Bhilai manufacturing unit	42.20	Dalmia OCL limited	No	Since January 2023	Title deed registered in name of Dalmia OCL Limited are in the process for change consequent to change of name of the Company to RHI Magnesita India Refractories Limited.
Property, plant and equipment	Building of Bhilai manufacturing unit	283.60		No	Since January 2023	
Right-of-use assets	Leasehold land with respect to Dalmiapuram manufacturing unit	2,487.30		No	Since January 2023	
Property, plant and equipment	Building of Dalmiapuram manufacturing unit	2,909.93	Dalmia Bharat Refractories Limited	No	Since January 2023	Management is in the process of registering Long-term lease in the name of the Company to RHI Magnesita India Refractories Limited.
Right-of-use assets	Leasehold land with respect to Rajgangpur manufacturing unit	8,033.93	Dalmia Bharat Refractories Limited	No	Since January 2023	Management is in the process of registering Long-term lease in the name of the Company to RHI Magnesita India Refractories Limited.
Property, plant and equipment	Building of Rajgangpur manufacturing unit	2,698.60		No	Since January 2023	
Property, plant and equipment	Building of Katni manufacturing unit	663.06	Dalmia Seven Refractories Limited	No	Since January 2023	Leasehold deed of land on which building is constructed is registered in the name of Dalmia Seven Refractories Limited (name changed to RHI Magnesita Seven Refractories Limited).



As at March 31, 2024

(All amount in Rs. lakhs, unless otherwise stated)						
Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land with respect to Khambhali manufacturing unit	1,494.50	Shree Natraj Ceramic and Chemical Industries Limited	No	Since January 2023	Title deed registered in the name of Shree Natraj Ceramic and Chemical Industries Limited whose name was changed to Dalmia Refractories Limited. This entity got merged into Dalmia Bharat Refractories Limited. By virtue of Business transfer agreement dated November 19, 2022, the Company has acquired Indian refractories business from Dalmia Bharat Refractories Limited. The name of the Company has changed from Dalmia OCL Limited to RHI Magnesita India Refractories Limited and consequent to this Company is in the process for change of name.
Property, plant and equipment	Building of Khambhali manufacturing unit	1,044.51		No	Since January 2023	
Property, plant and equipment	Land with respect to Bhilai manufacturing unit	42.10	Dalmia OCL limited	No	Since January 2023	Title deed registered in name of Dalmia OCL Limited are in the process for change consequent to change of name of the Company to RHI Magnesita India Refractories Limited.
Property, plant and equipment	Building of Bhilai manufacturing unit	283.60		No	Since January 2023	
Right-of-use assets	Leasehold land with respect to Dalmiapuram manufacturing unit	2,487.01	Dalmia Bharat Refractories Limited	No	Since January 2023	Leasehold deed registered in name of Dalmia OCL Limited are in the process for change consequent to change of name of the Company to RHI Magnesita India Refractories Limited.
Property, plant and equipment	Building of Dalmiapuram manufacturing unit	2,867.93		No	Since January 2023	
Right-of-use assets	Leasehold land with respect to Rajgangpur manufacturing unit	8,034.00	Dalmia Bharat Refractories Limited	No	Since January 2023	Leasehold deed registered in name of Dalmia OCL Limited are in the process for change consequent to change of name of the Company to RHI Magnesita India Refractories Limited.
Property, plant and equipment	Building of Rajgangpur manufacturing unit	2,510.94		No	Since January 2023	
Property, plant and equipment	Building of Katni manufacturing unit	662.10	Dalmia Seven Refractories Limited	No	Since January 2023	Leasehold deed registered in name of Dalmia Seven Refractories Limited are in the process for change consequent to change of name of the Company to RHI Magnesita Seven Refractories Limited.



**Note 38: Investment in Subsidiary**

On April 21, 2023, the Company executed a Share Purchase Agreement (SPA) with Seven Refractories GMBH, Vienna for purchase of remaining 49% paid up equity shares of its existing subsidiary RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) ('RHIMSRL'). On July 23, 2023 the Company has completed the purchase of 49% i.e. 9,800,000 equity shares having face value of Rs. 10 each of RHIMSRL for a consideration amounting to Rs. 6,184.75 lakhs. Consequently, RHIMSRL has become the 100% wholly owned subsidiary of the Company.

**Note 39: Issue of share capital**

On May 08, 2023 and August 11, 2023, the Company has issued 16,975,051 and 5,072,464 shares respectively to RHI Magnesita India Limited by way of right issue, having face value of Rs. 10 each at a premium of Rs. 197 each for an amount aggregating to Rs. 45,638.36 lakhs. The purpose of issuance of share capital was repayment or pre-payment in full or in part of certain borrowings availed by the Company.





#### **40. 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 (Rs.), which is the Company's functional and presentation currency.

###### **(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 as appropriate.

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.

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 include 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



## **RHI Magnesita India Refractories Limited**

CIN: U26100TN2018PLC125133

### **Notes to Financial Statements**

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 and Loss.

#### **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. 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.

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.

**(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 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 profit or loss as other income or finance cost.

**(viii) 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.

**(ix) 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.

**(x) Derivative financial instruments**

The Company acquires forward contracts to mitigate the risk arising from foreign currency exposures. 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.

**(xi) 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.

**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.

**(xii) 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.

**(xiii) 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 an actuary using the projected unit credit method.

The present value is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

The Company's contribution to provident fund 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. The Company has no further obligations under these plans beyond its monthly contributions.

**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 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.

**Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.



**(xiv) Business Combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary and business comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Company
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

**(xv) Investments in subsidiary**

Investments in subsidiary is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investment, difference between the net disposal proceeds and carrying amount is recognised in the Statement of Profit and Loss.

**(xvi) 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.

**(xvii) 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.

**(xviii) Government Grant**

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.

**(xix) 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)

**(xx) 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.

**(xxi) 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-





**RHI Magnesita India Refractories Limited**  
**CIN: U26100TN2018PLC125133**  
**Notes to Financial Statements**

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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 leases low value assets, the Company recognises the lease payments as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**(xxii) Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company'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 receivables and contract assets, the Company applies the simplified approach required by the Ind AS 109, which requires expected lifetime losses to be recognised from the initial recognition of receivables.

**(xxiii) 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 is determined using weighted average method. Cost of raw materials and stock-in-trade 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.



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**Note 41: Transfer pricing**

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international and domestic transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by November 30, 2025, as required by law. The Management confirms that its international and domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the Financial Statements, particularly on the amount of tax expenses and that of provision for taxation.

**Note 42: Corporate Social Responsibility**

The Company was not required to spend any amount during the year for Corporate Social Responsibility under Section 135(5) and 135(6) of the Act. Accordingly, there is no amount unspent as at March 31, 2025.

**Note 43: Merger**

The Board of Directors of the Company in their board meeting held on February 08, 2024, approved the draft scheme of merger of RHIMSRL (Transferor Company) with and into the Company. The appointed date of the merger is April 01, 2023.

Further, the draft scheme of merger was filed with Registrar of Companies, Chennai on February 09, 2024, which has been approved. The Company is in the process of taking approvals from shareholders, creditors and other relevant authorities.

The Financial Statements of the Company have been prepared without taking the impact of merger.

**Note 44: Other information**

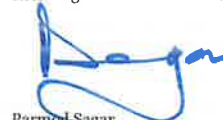
The Company has a subsidiary i.e. RHI Magnesita Seven Refractories Limited. The Company has claimed exception given in the Rule 6 of the Companies (Accounts) Rules, 2014 and therefore has not prepared the consolidated financial statements.

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



Anurag Khandelwal  
Partner  
Membership No: 078571

For and on behalf of the Board of Directors of  
RHI Magnesita India Refractories Limited



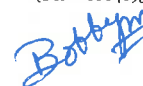
Parmod Sagar  
Managing Director &  
CEO  
(DIN- 06500871)



Abhishek Bajaj  
Chief Financial Officer



Azim Syed  
Director  
(DIN - 10641934)



Bobby Mehndiratta  
Company Secretary  
(ACS - A54443)

Place : Gurugram  
Date: May 27, 2025



Place : Gurugram  
Date: May 27, 2025