



RHI MAGNESITA

# 11th ANNUAL REPORT 2020-21



**RHI Magnesita India Limited**

(formerly known as Orient Refractories Limited)



 **Fire Up**  
WE ARE ONE



RHI MAGNESITA

# The driving force of the refractory industry



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## BOARD OF DIRECTORS

### Independent Directors

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

### Non-Executive Directors

Mr. Erwin Jankovits  
Mr. Gustavo Lucio Goncalves Franco

### Executive Directors

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

## CHIEF FINANCIAL OFFICER

Mr. Sanjeev Bhardwaj

## COMPANY SECRETARY

Mr. Sanjay Kumar

## STATUTORY AUDITORS

M/s. Price Waterhouse Chartered Accountants LLP

## SECRETARIAL AUDITORS

M/s. Naresh Verma & Associates

## COST AUDITORS

M/s. K. G. Goyal & Associates

## INTERNAL AUDITORS

M/s. Chaturvedi & Partners

## REGISTERED OFFICE

C-604, Neelkanth Business Park,  
Opp. Railway Station, Vidhyavihar (West), Mumbai,  
Maharashtra - 400086  
Tel. No.: +91 - 22 - 66090600  
Fax No.: +91 - 22 - 66090601  
E-mail: [corporate.india@RHIMagnesita.com](mailto:corporate.india@RHIMagnesita.com)  
Web-site: [www.orientrefractories.com](http://www.orientrefractories.com)

## CORPORATE IDENTITY NUMBER (CIN)

L28113MH2010PLC312871

## INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

INE743M01012

## BSE Limited

Stock Code: 53476

## National Stock Exchange of India Limited

Stock Code: RHIM

## CORPORATE OFFICE

301, Tower B, EMAAR Digital Greens  
Golf Course Road Extension  
Sec- 61, Gurugram  
Haryana – 122011  
Phone: +91-124-4062930

## WORK

### Bhiwadi Plant

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

### Cuttack Plant

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

### Visakhapatnam Plant

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

## SHARE REGISTRAR AND TRANSFER AGENT

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

## CONTENTS

Particulars	Page No.
Notice	1
Board's Report	15
Statement under section 129 of the Companies Act, 2013 relating to Subsidiary Company	27
Report on Corporate Social Responsibility Activities	28
Secretarial Audit Report	31
Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014	34
Extract of Annual Return	35
Statement of Disclosure pursuant to Section 197 of the Companies Act, 2013	45
Corporate Governance Report	47
Independent Auditor's Certificate on Corporate Governance	65
Certificate of Non-Disqualification of Directors	66
Business Responsibility Report	67
<b>Standalone Financial Statements</b>	
Independent Auditors' Report	76
Balance Sheet	84
Statement of Profit & Loss	86
Statement of Cash Flows	87
Statement of Change in Equity	89
Notes forming part of the Financial Statements	90
<b>Consolidated Financial Statements</b>	
Independent Auditors' Report	129
Balance Sheet	136
Statement of Profit & Loss	138
Statement of Cash Flows	139
Statement of Change in Equity	141
Notes forming part of the Financial Statements	142

## NOTICE

**Notice** is hereby given that the Eleventh Annual General Meeting (AGM) of RHI Magnesita India Limited (formerly known as Orient Refractories Limited) will be held on Wednesday, 29 September 2021 at 1:30 p.m. (IST) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended 31 March 2021, together with the Reports of the Board of Directors and the Auditors’ thereon and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2021, together with the Report of the Auditors’ thereon
2. To declare Final Dividend on Equity Shares for the financial year 2020-21.
3. To appoint a Director in place of Mr. Erwin Jankovits (DIN-07089589) who retires by rotation and being eligible, offers himself for re-appointment

### SPECIAL BUSINESS

#### 4. Appointment of Mr. Nazim Sheikh as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT**, pursuant to Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Nazim Sheikh (DIN: 00129923), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors with effect from 3 November 2020 and who holds office till the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Nazim Sheikh as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of 5 years from the date of his appointment to 2 November 2025, not liable to retire by rotation.”

#### 5. To appoint Mr. Rudraraju Venkata Suryanarayana Raju (Mr. RVS Rudraraju) as Director of the Company

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** Mr. RVS Rudraraju (DIN-00425640) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 25 June 2021 and who holds office up to the date of this AGM of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

#### 6. To appoint Mr. Rudraraju Venkata Suryanarayana Raju (Mr. RVS Rudraraju) as whole-time director of the company for a period of 5 years

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 Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, (“Act”), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company hereby approves the appointment and terms of remuneration of Mr. RVS Rudraraju (DIN: 00425640), as whole time director of the Company for a period of five years with effect from 25 June 2021 to 24 June 2026 upon the terms and conditions as given below, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. RVS Rudraraju

## TERM & CONDITION OF APPOINTMENT

a) Designation and period of appointment:

Mr. RVS Rudraraju has been appointed as a whole-time director under the provisions of Section 196 and all other applicable provisions, if any, of the Act. The aforesaid appointment of Mr. Rudraraju is for the period of 5 (five) years commencing from 25 June 2021 and ending on 24 June 2026, on continuation basis, without any interruption/ break in service. His period of office shall be liable to determination for retirement of directors by rotation.

b) Remuneration:

The terms and conditions of the appointment of Mr. RVS Rudraraju, including remuneration, have been approved by the unanimous resolution passed by the Nomination & Remuneration Committee and the Board of Directors. Mr. Rudraraju shall be entitled to the remuneration, perquisites, allowances, reimbursement, etc. as listed below:

i) Basic Salary:

INR. 5,80,393/- per month. The Nomination and Remuneration Committee may decide the increments of salary, from time to time, subject to a maximum of Rs. 12,00,000/- per month. First increment shall be due from 1 January 2022. Other allowances/perquisites/incentive linked with basic salary shall also proportionately increase.

ii) Allowances/Perquisites/Incentive:

In addition to salary, Mr. Rudraraju will be entitled to:

- House Rent Allowance:

Rent free furnished accommodation or House Rent Allowance in lieu thereof, either of which shall be subject to a maximum value of 40% of the basic salary.

- Special Allowance:

A Special Allowance up to 60% of the basic salary.

- Global Bonus:

Over and above the remuneration mentioned aforesaid, he is entitled for 30% performance bonus as per the Company's rule which may exceed up to maximum of 50% of the gross annual salary (gross annual salary includes Basic Salary, House Rent Allowance, Special Allowance). This will be on the recommendation of Nomination and Remuneration Committee.

- Benefit of Long-Term Incentive Plan:

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

- Other perquisites:

Such as provision of car(s) and any other perquisites, benefits, amenities and incentive.

iii) Retirement benefits:

- Contribution to Provident Fund, Superannuation Fund, National Pension Scheme and Gratuity as per the rules of the Fund/Scheme in force from time to time.
- Encashment of leave as per the rules of the Company in force from time to time.

iv) General:

- In the event of absence or inadequacy of profits in any financial year, Mr. Rudraraju, shall be entitled to such remuneration as may be determined by the Board, which shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 2013 and Rules made there under or any statutory modification or re-enactment thereof.
- Perquisites shall be valued in terms of income tax rules or actual expenditure incurred by the Company in providing the benefit or generally accepted practice as is relevant.

- Provision of telephone (including at residence) shall not be reckoned as a perquisite.
- The aggregate remuneration (including salary, allowances, perquisites, incentive, global bonus and retirement benefits) for any financial year shall be subject to an overall ceiling of 5% of the net profits of the Company for that financial year computed in the manner prescribed under the Companies Act, 2013.
- Mr. Rudraraju will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.
- Mr. Rudraraju will be subject to all other service conditions as applicable to any other employee of the Company.

**RESOLVED FURTHER THAT** Mr. RVS Rudraraju will be key managerial personnel of the Company under the provisions of Section 203 of the Act.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper, expedient or desirable to give effect to this resolution, to make modifications as may be deemed to be in the interest of the Company, with liberty to the Board to alter and vary the terms and conditions of the aforesaid appointment, including but not limited to determine the remuneration payable to Mr. Rudraraju and also the types and amount of perquisites, other benefits and allowances, from time to time, in accordance with the provisions of the Act and to do all such acts, deeds, matters and things for giving effect to this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of its powers to any of its committee(s) or any director or officer or person, to give effect to the aforesaid resolution

## 7. To waiver and termination of voluntary lock-in obligations of certain shareholders of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013, if any, read with rules made thereunder (including modification and re-enactment thereof) and provisions of the Securities and Exchange Board of India Act, 1992, Securities Contracts (Regulation) Act, 1956, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and any other rules and regulations made thereunder (including any statutory modification and re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the scheme of amalgamation amongst the Company, RHI India Private Limited (“Transferor Company 1”) and RHI Clasil Private Limited (“Transferor Company 2”) as approved and sanctioned by the Hon’ble National Company Law Tribunal, Mumbai Bench, Mumbai (“Scheme”) and the voluntary lock-in undertakings dated 27 July 2018 and 27 August 2018 (“Lock-In Undertakings”) provided by the individual shareholders of the Transferor Company 2 which has now been amalgamated into the Company as a result of the sanctioned Scheme brought into effect on 7 June 2021 and subject to the approval of the Securities and Exchange Board of India or the stock exchanges or any other regulatory authority, if any, the consent, permission and sanction of the members be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this resolution) to waive and terminate the voluntary lock-in obligations of the shareholders of the Company as provided under the Lock-In Undertakings and the shareholding of all such shareholders shall rank pari-pasu to the existing or other shareholders of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized, to do all such acts, matters, deeds and things and to take all such steps and give all such directions, as the Board may consider necessary, expedient or desirable.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any Director(s) or to any Committee of the Board or any other officer(s) of the Company to give effect to the aforesaid resolution.”

## 8. To approve the remuneration of the Cost Auditors for the financial year 2021-22

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 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the remuneration payable to M/s. K G Goyal & Associates, Cost Accountants

(Firm Registration No. 000024), appointed by the Board of Directors as Cost Auditors to conduct the Audit of the cost records of the Company for the financial year 2021-22, amounting to Rs. 75,000 (Rupees Seventy-Five Thousand only) as also the payment of service tax as applicable and re-imbursalment of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By Order of the Board of Directors**

**Sanjay Kumar**

Company Secretary

Membership No. ACS 17021

**Gurugram, 11 August 2021**

**Registered Office:**

C-604, Neelkanth Business Park,  
Opps. Railway Station, Vidhyavihar (West),  
Mumbai, Maharashtra-400086  
CIN: L28113MH2010PLC312871  
Tel: 91 22 66090600  
E-mail: [corporate.india@RHIMagnesita.com](mailto:corporate.india@RHIMagnesita.com)  
Website: [www.orientrefractories.com](http://www.orientrefractories.com)

**Notes:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated 8 April 2020 and 13 April 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated 5 May 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated 13 January 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.
3. Pursuant to the provisions of the Companies Act, 2013 ("Act") a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.
4. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of their respective Board or governing body Resolution / Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution / Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to [RHIM.scrutinizer@gmail.com](mailto:RHIM.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

5. **The Company has fixed Tuesday, 21 September 2021 to Tuesday, 28 September 2021 as the 'Book Closure Date' for determining entitlement of members to final dividend for the financial year ended 31 March 2021, if approved at the AGM.**
6. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made by on Wednesday 6 October 2021 as under:
  - I. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on Monday, 20 September 2021;
  - II. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Monday, 20 September 2021.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1 April 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated 2 December 2020 had fixed 31 March 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Skyline Financial Services Private Limited ("SFSPL") for assistance in this regard.
8. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with SFSPL in case the shares are held by them in physical form.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to SFSPL if the shares are held by them in physical form.

**To register e-mail address for all future correspondence and update the bank account details, please follow the below process:**

**A) Physical Holding**

Send a request to SFSPL at [investors@skylinerta.com](mailto:investors@skylinerta.com):

- I. To register e-mail address, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN and AADHAR (self-attested scanned copy of both PAN card and Aadhar card)
- II. To update bank account details, please send the following additional documents / information followed by the hard copies:
  - a) Name of the bank and branch address,
  - b) Type of bank account i.e., savings or current,
  - c) Bank account no. allotted after implementation of core banking solutions,
  - d) 9-digit MICR code no., and
  - e) 11-digit IFSC code
  - f) Original cancelled cheque bearing the name of the first shareholder, failing which a copy of the bank passbook / statement attested by a bank

**B) Demat Holding**

Please contact your DP and follow the process advised by your DP

10. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories.

Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.orientrefractories.com](http://www.orientrefractories.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.

11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.orientrefractories.com](http://www.orientrefractories.com).

Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to SFSP in case the shares are held in physical form.

12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or SFSP, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
14. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before 25 September 2021 through e-mail on [investors.india@rhimaginesita.com](mailto:investors.india@rhimaginesita.com).

The same will be replied by the Company suitably.

15. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to corporate governance report which is a part of this Annual Report.
16. Members attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. 1 April 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company / SFSP (if shares held in physical form).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to [investors.india@rhimaginesita.com](mailto:investors.india@rhimaginesita.com) by 11:59 p.m. IST on 25 September 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF / JPG Format) by e-mail to [investors.india@rhimaginesita.com](mailto:investors.india@rhimaginesita.com). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 25 September 2021.

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

#### A. VOTING THROUGH ELECTRONIC MEANS

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

- ii. The remote e-Voting period commences on Sunday, 26 September 2021 (9:00 a.m. IST) and ends on Tuesday, 28 September 2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, 22 September 2021 i.e. cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commences 26 September 2021 to 28 September 2021 or e-Voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.
- iii. The Members who have cast their vote by remote e-Voting prior to the AGM may attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution again.
- iv. The Board of Directors have appointed Mr. Naresh Verma (Membership No. FCS 5403) of Naresh Verma & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he / she is already registered with NSDL for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “**Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**”

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

**Step 1:** Access to NSDL e-Voting system

**Step 2:** Cast your vote electronically and join virtual meeting on NSDL e-Voting system.

Details on Step 1 are mentioned below:

**l) Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

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

**- For Individual Shareholders holding securities in demat mode with NSDL**

**A. NSDL IDeAS facility**

If you are already registered, follow the below steps:

1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section.
3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.
4. Click on “Access to e-Voting” appearing on the left-hand side under e-Voting services and you will be able to see e-Voting page.

5. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.

If you are not registered, follow the below steps:

1. Option to register is available at <https://eservices.nsd.com>.
2. Select "Register Online for IDeAS" Portal or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
3. Please follow steps given in points 1-5.

## **B. e-Voting website of NSDL**

1. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a personal computer or on a mobile phone.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.
4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.

### **- For Individual Shareholders holding securities in demat mode with CDSL**

1. Existing users who have opted for Easi/ Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest is <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
2. After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of ESP i.e. NSDL portal. Click on NSDL to cast your vote.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

## **C. Individual Shareholders (holding securities in demat mode) logging through their depository participants**

1. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility.
2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
3. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.

### **Important note:**

Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

**- Securities held with NSDL**

Please contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**- Securities held with CDSL**

Please contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 or 022-23058542-43

**II) Login method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under “Shareholders / Member” section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
5. Your User ID details are given below:

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

6. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you by NSDL. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - i) If your e-mail ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the e-mail and open the attachment

i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- ii) In case you have not registered your e-mail address with the Company / Depository, please follow instructions mentioned below in this notice.
7. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
  - a) Click on "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address.
  - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, Home page of e-Voting will open.

#### **Details on Step 2 are mentioned below:**

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "**EVEN 117264**" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from depository.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the password.
2. In case of any queries relating to e-Voting you may refer to the FAQs for Shareholders and e-Voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
3. Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing demat account number / Folio number, client master or copy of Consolidated Account statement,

PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained above.

4. The instructions for members for e-Voting on the day of the AGM are mentioned in point number 18 (A)

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

- i. Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM provided by NSDL at <https://www.evoting.nsdl.com> following the steps mentioned above for access to NSDL e-Voting system. After successful login, you can see link of VC / OAVM placed under Join General meeting menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM.
3. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800 1020 990 and 1800 22 44 30 or contact Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in)/ or Sagar Ghosalkar, Assistant Manager- NSDL at [sagar.ghosalkar@nsdl.co.in](mailto:sagar.ghosalkar@nsdl.co.in).
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at [investors.india@rhimaginesita.com](mailto:investors.india@rhimaginesita.com) from 22 September 2021 (9:00 a.m. IST) to 25 September 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of the time for the AGM.
5. As the AGM is being conducted through VC or OAVM, the Members are encouraged to express their views or send their queries well in advance for smooth conduct of the AGM but not later than 5.00 P.M. (IST) Saturday, 25 September 2021, mentioning their names, folio numbers /demat account numbers, e-mail addresses and mobile numbers at HYPERLINK “mailto:investors.india@RHIMagnesita.com” [investors.india@RHIMagnesita.com](mailto:investors.india@RHIMagnesita.com) and only such questions / queries received by the Company till the said date and time shall be considered and responded during the AGM.

### **Other Instructions**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.orientrefractories.com](http://www.orientrefractories.com) and on the website of NSDL <https://www.evoting.nsdl.com> / immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

**By Order of the Board of Directors**

**Sanjay Kumar**

Company Secretary  
Membership No. ACS 17021

**Gurugram, 11 August 2021**

### **Registered Office:**

C-604, Neelkanth Business Park,  
Opps. Railway Station, Vidhyavihar (West),  
Mumbai, Maharashtra-400086  
CIN: L28113MH2010PLC312871  
Tel: 91 22 66090600  
E-mail: [corporate.india@RHIMagnesita.com](mailto:corporate.india@RHIMagnesita.com)  
Website: [www.orientrefractories.com](http://www.orientrefractories.com)

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

Particulars	Mr. Erwin Jankovits	Mr. Nazim Sheikh	Mr. R V S Rudraraju
DIN	07089589	00129923	00425640
Date of Birth	13 August 1971	11 April 1954	29 April 1970
Date of Appointment	11 February 2015	3 November 2020	25 June 2021
Qualifications	Graduation in material sciences	B.E. (Metallurgy)	B.E. (Mechanical)
Expertise in specific functional areas	Wide experience in various aspects of steel industry	Rich experience in various areas of business, technology, operations, societal and governance matter	Rich experience in various areas of business, technology, operations, societal and governance matter
Relationships between directors inter-se	None		
Directorships held in other companies			
Memberships / Chairmanships of committees of other companies			
Number of shares held in the Company	Nil	Nil	558,420

## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 RELATING TO SPECIAL BUSINESS MENTIONED IN THE NOTICE CONVENING THE 11TH AGM

### Item no. 4.

The Board of Directors, at its meeting held on 3 November 2020, appointed Mr. Nazim Sheikh as an Additional Independent Director of the Company with effect from 3 November 2020, pursuant to Section 161 and 149 of the Companies Act, 2013, read with Article 89 of the Articles of Association of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Sheikh hold office as an Additional Director up to the date of this AGM. However the term of an Independent Director, as per provisions of Section 149, is for 5 years and Mr. Nazim Sheikh can hold the office of Independent Director up to 2 November 2025, if appointed by members in this AGM.

The Company has received from Mr. Sheikh (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in subsection (6) of Section 149 of the Companies Act, 2013. Further he is not debarred from holding the Office of Director by virtue of any order passed by SEBI or any other such authority.

Mr. Nazim Sheikh (66 years) BE (Metallurgy) 1976, from National Institute of Technology, (KREC), Surathkal. He has 44 years (1976 to 2020) of experiences with Sandur Manganese & Iron Ores Ltd., (SMIORE) Sandur-583119, Karnataka – Ferroalloys, Manganese and Iron Ore Mining, Power Plant, Coke Plant.

He was Executive Director from Jan 2001 to March 2011 and Jt. Managing Director/Managing Director from April'2011 to June' 2020. He retired on 15 June 2020.

He got the experience in various departments i.e. Training/Orientation. Metallurgical Engineering – production of Ferroalloys. Purchase/Materials Management. Raw Material procurement – domestic/imports. Executive assistance to Managing Director- MIS, coordination. Corporate Affairs, administration, HR and financial management. Following is the summary of experience in recent past-

- from 2001 to 2006 in BIFR & Rehabilitation, Management
- from 2007 to 2011 in Management, Rebuilding Company – Mining, New Power Plant, restart of Ferroalloy Operations
- from 2011 to 2012-Suspension of Mining, Scrutiny of Mining Operations, Compliances.

- from 2013 to 2020-Strategy of Operations, Projects for Consolidation and Sustainability of Business

He was involved in CSR activities of Sandur and administered the social work in local area to promote environment activities, skill development, health and safety, promoting art etc.,

The approval of members by means of proposed ordinary resolution is sought for the appointment of Mr. Sheikh as an Independent Director of the Company for a period up to 2 November 2025 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the Nomination & Remuneration Committee of the Company and the Board of Directors, Mr. Sheikh, fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder, and he is independent of the management and the Nomination & Remuneration Committee and the Board of Directors recommend his appointment. A copy of the draft letter for the appointment of Mr. Sheikh as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No Director, Key Managerial Personnel or their relatives, except Mr. Sheikh, to whom the resolution relates, are interested or concerned in the resolution.

The Board commends the ordinary resolution set out at item no. 4 for the approval of members

## **Item no. 5 & 6**

The Board of Directors of the Company in their meeting held on 25 June 2021 appointed Mr. RVS Rudraraju as Whole Time Director of the Company for a period of five (5) years with effect from 25 June 2021 on terms and conditioned as approved and recommended by the Remuneration & Nomination Committee of the Board.

Mr. RVS Rudraraju (51 years) is a B.E., Mechanical Engineering from Bangalore University, after completion of his graduation he moved to USA and after working for some time started a Company which developed Networking Management Systems for Telecom Switches. He later sold the Company and moved back to India

In India he joined family-owned Refractory Manufacturing Unit in Visakhapatnam called Clasil Refractories in 2006. In this pursuit for producing World Class Refractory Products, they entered into a Joint Venture with RHI AG. RHI AG is the world leader in manufacturing of refractory with a turnover of Euro 2 billion. RHI Clasil before merging to RHI Magnesita India Limited (formerly Orient Refractories Limited) was exporting world class refractory products to more than 70 countries.

Under his leadership RHI Clasil bagged following awards:

- one is for Sustained Improvement in Export Over 2009-2010, 2010-2011 & 2011-2012 in large scale sector
- other is for Overall Excellence in Export 2011-12 in Large Sale Sector in India and
- in 2012-13 an award for "Overall Excellence in Export Performance in Large Scale Sector in India".

He was elected and worked as Chairman of CII, Visakhapatnam Chapter for the year 2011-12. He was also Convener of CII Employability Program for the year 2015-16.

He is member of the following organisations:

- Worldwide Fund (WWF) Andhra Pradesh State Advisory Board from 2012 and
- Regional Advisory Committee of Central Excise and Customs, Visakhapatnam from 2014.

The attributes possessed by him like good business acumen, far-sightedness and leadership have largely propelled the activities of the Company and inspired the workforce. The Board of Directors deemed it to be in the interest of the Company to avail the services of Mr. RVS Rudraraju as Whole time Director for five (5) years.

In terms of provisions of Companies Act, 1956 read with Schedule XIII, consent of members of the Company by way of Ordinary Resolution is required for his appointment. He is not related with any other Director of the Company and holds 558,420 fully paid up equity shares of Re. 1 each of the Company in lieu/exchange of his 615,000 equity shares held by him in RHI Clasil Private Limited, one of the transferor company amalgamated with the Company pursuant to scheme of amalgamation as approved by Hon'ble National Company Law Board, Mumbai bench vide its order dated 5 May 2021.

An abstract of the terms of the contract between the Company and Mr Rudraraju and of the memorandum of interest under Section 190 of the Companies Act, 2013 dated 25 June 2021 is open for inspection on all working days during business hours at the registered office of the Company.

No Director, Key Managerial Personnel or their relatives, except Mr. RVS Rudraraju, to whom the resolution relates, are interested or concerned in the resolution.

## Item no. 7.

The information regarding the voluntary lock-in undertakings provided by the individual shareholders of RHI Clasil Private Limited (herein after referred as “Locked-In Shareholders”) on 27 July 2018 and 27 August 2018 (“Lock-In Undertakings”) were disclosed to the shareholders of the Company in the explanatory statement forming part of the notice to the equity shareholders of the Company for the meeting convened on 17 May 2019 pursuant to the order of the Hon’ble National Company Law Tribunal, Mumbai Bench dated 29 March 2019. The extract of the relevant paragraph from the said explanatory statement is provided below:

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

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

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

Your Board of Directors, at its meeting held on 11 August 2021, after considering the various facts and circumstances in relation to the Lock-In Undertakings, deemed it appropriate to waive off the lock-in period requirement and to terminate the obligations of the Locked-In Shareholders as set out under the Lock-In Undertakings.

Neither the Directors /KMPs of the Company or their relatives except Mr. RVS Rudraraju, Director and his relatives are in any way concerned or interested, financially or otherwise in the proposed resolution.

The Board recommends the resolution set forth in the above item for the approval of the members as a Special Resolution.

## Item no. 8

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. K G Goyal & Associates, Cost Accountants (Firm Registration No. 000024), to conduct the audit of the cost records of the Company for the financial year 2021-22.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, consent of the members is sought to ratify the remuneration payable to the Cost Auditors.

Neither the Directors of the Company, nor the Key Managerial Personnel of the Company or any of their respective relatives are in any way concerned or interested, financially or otherwise in this resolution.

The Board commends the ordinary resolution set out at item no. 8 for the approval of members

**By Order of the Board of Directors**

**Sanjay Kumar**

Company Secretary

Membership No. ACS 17021

**Gurugram, 11 August 2021**

### Registered Office:

C-604, Neelkanth Business Park,  
Opps. Railway Station, Vidhyavihar (West),  
Mumbai, Maharashtra-400086  
CIN: L28113MH2010PLC312871  
Tel: 91 22 66090600  
E-mail: [corporate.india@RHIMagnesita.com](mailto:corporate.india@RHIMagnesita.com)  
Website: [www.orientrefractories.com](http://www.orientrefractories.com)

## DIRECTOR'S REPORT

### To the Members,

The Directors present the Annual Report of RHI Magnesita India Limited (formerly known as Orient Refractories Limited) (the Company or RHIM) along with the audited financial statements for the financial year ended 31 March 2021. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### 1. FINANCIAL RESULTS

Particulars	(Amount in Rs. Lacs)			
	Standalone		Consolidated	
	2020-21	2019-20*	2020-21	2019-20
Gross revenue from operations	136,641.31	138,399.13	137,037.86	138,758.56
<b>Total expenditure before finance cost and depreciation</b>	<b>115,864.22</b>	<b>117,065.04</b>	<b>116,184.5</b>	<b>117,365.83</b>
<b>Operating Profit</b>	<b>20,777.09</b>	<b>21,334.09</b>	<b>20,853.36</b>	<b>21,392.73</b>
<b>Add:</b> Other income	1,203.56	1,017.59	1,232.39	1,035.84
<b>Profit before finance cost, depreciation, exceptional items and taxes</b>	<b>21,980.65</b>	<b>22,351.68</b>	<b>22,085.75</b>	<b>22,428.57</b>
<b>Less:</b> Finance costs	648.31	1,230.13	648.31	1,230.13
Profit before depreciation, exceptional items and taxes	21,332.34	21,121.55	21,437.44	21,198.44
<b>Less:</b> Depreciation	2,961.33	2,604.00	2,979.48	2,617.67
Profit/(Loss) before exceptional items & tax	18,371.01	18,517.55	18,457.96	18,580.77
<b>Add/(Less):</b> Exceptional Items	-	-	-	-
<b>Profit before taxes</b>	<b>18,371.01</b>	<b>18,517.55</b>	<b>18,457.96</b>	<b>18,580.77</b>
<b>Less:</b> Tax Expense	4,775.55	4,890.5	4,795.63	4,992.24
(A) Profit/(Loss) after taxes	13,595.46	13,627.05	13,662.33	13,588.53
(B) Total other comprehensive income	7.26	-107.76	7.26	-107.76
(C) Total comprehensive income for the period [A + B]	13,602.72	13,519.29	13,669.59	13,480.77
<b>Retained Earnings: Balance brought forward from the previous year</b>	<b>52,116.49</b>	<b>42,218.05</b>	<b>52,077.97</b>	<b>42,218.05</b>
<b>Add:</b> Profit for the period	13,595.46	13,627.05	13,662.33	13,588.53
<b>Add:</b> Other Comprehensive Income recognised in Retained Earnings	7.26	-107.76	7.26	-107.76
<b>Balance Which the Directors have apportioned as under to:</b>				
(i) Dividend on Ordinary Shares	<b>3,421.16</b>	<b>3,003.48</b>	<b>3,421.16</b>	<b>3,003.48</b>
(ii) Tax on dividends		617.37		617.37
Total Appropriations	3,421.16	3,620.85	3,421.16	3,620.85
<b>Retained Earnings: Balance to be carried forward</b>	<b>62,298.05</b>	<b>52,116.49</b>	<b>62,326.40</b>	<b>52,077.97</b>

\*Pls. refer notes 4.

### 2. COMPANY PERFORMANCE AND OPERATIONS

Revenue from operation has decreased by 1.27 % to Rs 136,641.31 lacs in current year in comparison to Rs 138,399.13 lacs in previous year. Profit after tax (PAT) on revenue decreased by 0.23 %. PAT in current year Rs. 13,595.46 lacs in comparison to Rs 13,627.05 lacs in previous year. In current year the PAT was 9.95% which is higher as compared to 9.85% previous year.

### 3. RESERVES

The Board of Directors has decided to retain the entire amount of profits in the profit and loss account.

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

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

The Scheme was filed before the National Company Law Tribunal, Mumbai ('NCLT') and was rejected by them vide order dated 2 March 2021.

An appeal was filed before the Hon'ble National Company Law Appellate Tribunal ('NCLAT') and NCLAT vide its judgement dated 19 January 2021 allowed the said appeal and directed the NCLT to approve the said Scheme with an appointed date of 31 July 2018.

The NCLT vide its Order dated 5 May 2021 has approved the Scheme with an appointed date of 31 July 2018 in view of the order passed by the NCLAT.

On 11 June 2021 the Board of Directors of the Company took on record the sanction of the Scheme by the NCLT, change in the authorised share capital and have fixed the record date as 24 June 2021 for the purpose of determining the shareholders of its erstwhile fellow subsidiaries who shall be entitled to receive the shares of the Company.

The Company has prepared these Standalone Financial Statements after considering effect in accordance with clause 3.7 of the Scheme which requires the accounting treatment to be carried out as prescribed under applicable accounting standards that is, from the beginning of the preceding year and in accordance with Ind AS 103, Business Combination. The corresponding figures in these Standalone Financial Statements have been prepared based on the audited financial statements of the Company and its erstwhile fellow subsidiaries as adjusted for giving effect to the Scheme as approved by the NCLT.

Pursuant to the Scheme becoming effective, the authorised share capital of the Company has been increased from Rs. 1,205 lacs to Rs. 3,080 lacs.

As a consideration of the merger of the Company with the erstwhile fellow subsidiaries, the Company on 25 June 2021 issued and allotted 40,857,131 equity shares of Re. 1/- each fully paid up, to the shareholders of the erstwhile fellow subsidiaries.

After the issuance and allotment of the equity shares to the shareholders of its erstwhile fellow subsidiaries, paid up share capital of the Company has been increased from Rs. 1,201.39 lacs to Rs.1,609.96 lacs. After above said allotment of shares, the new shareholding pattern of the Company is.

Particulars	No. of Shares	%'age of Paid-up Capital
<b>Promoters</b>	<b>113,002,465</b>	<b>70.19</b>
- Dutch US Holding B.V.	79,877,771	49.61
- Dutch Brasil Holding B.V.	20,620,887	12.81
- VRD Americas B.V.	12,503,807	7.77
<b>Public</b>	<b>47,993,866</b>	<b>29.81</b>
<b>Total Paid up Capital</b>	<b>160,996,331</b>	<b>100.00</b>

The Company on 7 July 2021 applied with BSE Limited and National Stock Exchange of India Limited for in-principle approval for listing of above said 40,857,131 equity shares.

#### 5. CHANGE OF NAME OF THE COMPANY

The name of the Company w.e.f. 2 July 2021 changed from Orient Refractories Limited to RHI Magnesita India Limited. The change of name was approved by the Board of Directors of the Company at their meeting held on 11 June 2021 pursuant to and as per the terms of the Scheme of Amalgamation amongst RHI India Private Limited, RHI Clasil Private Limited and Orient Refractories Limited as approved and sanctioned by Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai in accordance with provisions specified under the Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015, as amended from time to time. The Registrar of Companies, Mumbai, Maharashtra approved the name and issued a new certificate of incorporation on 2 July 2021.

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

## 6. IMPACT OF COVID-19 PANDEMIC

**Covid- 19 first wave** started showing its impact from March'2020, which took away the growth of first two months of 2020. The first two months raised the hope both in services and manufacturing sector, but COVID-19 pandemic impacted Indian economy negatively. A nationwide lockdown was declared on 24 March 2020 & extended till June 2020. All socio-economic activities came to a standstill.

The Q1/2020 has very badly impacted the production, demand supply and consumption in all the major economies. All the sectors were badly hit and faced supply and logistics problem. Indian steel production and imports were declined in the month of April and May' 2020. Government announced the financial stimulus of Rs. 20 trillion which has mitigated the economic fall out to some extent due to pandemic.

RHIM has responded well to the challenges presented by COVID-19 in Q1 2020. The Company maintained production capabilities and supply chains to support customers, whilst above all protecting health of employees, customers and business partners. The Company reacted quickly to reduced customer demand by successfully managing costs and cash in the short term. Whilst revenues and profits are down materially in Q1/2020, despite RHIM has maintained good operating margins and positive operating cash flow. The Company took number of key initiatives to further improve, for the longer term, business processes and overall cost effectiveness. This has helped us to regain the profitability in Q2/2020 and beyond.

**COVID second wave** has affected most part of the India and cases went upto 400 k plus in May'2021 end. In June'2021 there is some respite and cases came down to 70 K per day. Q1/2021 steel production was affected due to manpower issues as well as restriction imposed by the Government on mobility of vehicles. Now the cases are on down trend, we are expecting less or no restrictions in Q2/2021. The long-term economic impact of COVID-19 remains uncertain. However, the business is taking appropriate actions to withstand an extended period of uncertainty. With significant financial strength RHIM is well positioned to take advantage of growth opportunities when markets improve and will exit this period of disruption with positive strategic momentum.

## 7. MEASURES TAKEN BY COMPANY DURING COVID-19 LOCKDOWN

The Company has taken appropriate measures to ensure safety and health of all its employees and ensured due compliance with various directives issued by Central, State and Municipal authorities. The Company has adopted Work from home for its office-based employees effective mid of March'2020 to minimize the risk. Consequent to the lock-down orders issued by Central and State Governments, the operations have been disrupted from 24 March 2020 at both the Plants situated at Bhiwadi, Rajasthan, Cuttack, Orrisa, Vizag and across different sites, facilities and distribution centres, as per the directives applicable to them. To meet the customers requirement and uninterrupted supplies, the Company started dispatches of the finished goods from 20 April 2020 and after obtaining requisite permission from concerned district administration, the Company has resumed their limited operation from 8 May 2020 at all Plants in compliance with all the safety guidelines/directives issued by the Central/ State Governments and local administration to safeguard the employees, labourers and all other stakeholders to prevent the spread of COVID-19. The Company has promoted vaccination drive for its employees across the India and distributed the Covid-19 preventive kits to the local communities. The Company has tied up with the local hospitals to help the community in this pandemic. Company has taken lot of actions to protect the health of employees and for the public through their CSR initiatives.

## 8. MANAGEMENT DISCUSSION AND ANALYSIS

RHIM is in the business of manufacturing and marketing special, basic and non- basic refractory products, systems and services to the steel industry in India and Globally. The Company is market leader for refractories in India and has many global customers for its international quality products. The Company's produces nearly 1,30,000 tons of refractory per annum including customized products and system solutions. Other than this RHIM imports significant value of refractory products which are used for full line contracts in steel industries.

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

Products of RHIM are manufactured at its state-of-the-art manufacturing facility at Bhiwadi, in Rajasthan & Tangi in Orissa and in Vishakhapatnam. The Company has ongoing programs for improving efficiency and effectiveness of its manufacturing processes, raw material cost, energy conservation, control over working capital and to produce special refractories at low cost so as to add maximum value to the customers. Energy efficient installations have been made at the factories. Best in class safety measures and processes have been put in place and improved upon at the factories and all working sites.

The products of the Company are of Global standards in quality and highly cost competitive, which makes it attractive for the customers worldwide.

## Industry overview

### Review of Global Steel Industry and outlook

As per World Steel Association (WSA), Global crude steel production reached 1,864.0 Million Tonnes (MT) for the year 2020, down by 0.9% compared to 2019 with maximum share of China almost half of total world's production. Forecasts for the global steel demand to grow by 5.8% in the year 2021 primarily supported by a robust consumption growth of 9.1% in China and by substantial fiscal stimulus measures in most of the advanced economies. Asia produced 1,374.9 MT of crude steel in the year 2020, an increase of 1.5% compared to 2019. China's crude steel production in the year 2020 reached 1,053 MT, up by 5.2% in the year 2019. China's share of global crude steel production increased from 53.3% in the year 2019 to 56.5% in the year 2020. Except China and few countries, the growth of steel production in all major economies remain negative for the year 2020. Economic recovery was uneven across countries depending on the success to contain the spread of virus and financial stimulus announced.

### India's Steel Industry – Review and Outlook

Our Country is hit badly with COVID 19 effect and thus GDP is negatively affected by 24%. Government has taken initiative to promote "Make in India" concept wherein indigenous production will be given preference (especially in procurement of Govt. controlled SAIL group of plants)

The economy has been recovering strongly since August 2020, much sharper than expected, with the resumption of government projects and pent consumption demand. However, the devastating second wave and renewed rounds of localized lockdown have slowed down the industrial activities and raised the level of business uncertainty.

### India industry overview FY 2021

India's crude steel production dropped 6% to 102.4 MT in FY 2021 due to pandemic led countrywide shutdown and muted economic activity in the first quarter. Finished steel production also slumped 8% to 94.6 MT in FY2021. Several large integrated plants diverted their production to exports in first quarter of FY2021 due to muted domestic demand. Finished steel exports grew by 29% to 10.7 MT in FY2021 as 28% of the exports were diverted to China. Finished steel imports dropped 30% to 4.7 MT in FY2021. Finished steel exports reached the peak in June'2020 after which the production was diverted back to domestic markets on steep recovery in demand. Average capacity utilization levels across the country reached 75% of their last year levels by end of July'2020. Thereafter domestic demand remained strong for rest of year due to government's financial stimulus, pent-up demand for automobiles, festive season, and easing liquidity in the country. Effectively, finished steel consumption declined 7% to 93.4 MT in FY2021. India's HRC & Rebar prices reached their decade high in the end of fiscal year due to strong domestic demand, iron ore cost push and elevated global prices.

With large capacity cuts in China to reduce pollution and lower domestic steel production (by means of removal of import duties and export VAT rebates), global market ex-china is expected to remain in deficit. India is expected to benefit from this phenomenon in the short term. Domestic production is expected to be diverted to exports in case of any slowdown in domestic demand due to outbreak of second wave of pandemic. The April'2021 Short range outlook published by World Steel Association expects Indian steel demand to grow by 19.8% in Current Year 2021; unless the 2nd wave of pandemic plays a major spoil sport. The Indian auto industry is expected to record strong growth in 2021-22, post recovering from effects of COVID-19 pandemic. Electric vehicles, especially two-wheelers, are likely to witness positive sales in 2021-22. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

The COVID-19 crisis is linked with consumers demand, supply, logistics, financials and human resources. The logistic work has been impacted globally which has disrupted the movement of raw material and finished goods, which contributes to the growth challenges across sectors and hence will impact the steel sector negatively.

## Indian Refractory industry

With a production capacity of 1.5 MT the India Refractory Industry is an integral part of the Country's steel eco system as well as other thermally intensive industries such as Cement and Glass. Refractories are used as vital input materials in steel production process, without which the commodity cannot be made.

The nationwide lockdown has disrupted the production of all refractory manufacturers in year 2020. Despite the disruption and curtailments in steel production, there is demand of refractory material, with growth in Q2/2020. Indian refractory manufacturers are dependent on China for key raw materials like Bauxite and Magnesite. Clogged logistical network and lack of transportation facilities are taking toll on timely delivery of raw material. Increased freight and raw material cost are starting to be felt in result of refractory industries in the year 2021. Due to non-availability of containers the global supply is erratic. The growth of refractory industry is totally dependent on growth of steel industries in India and globally, which is likely to grow in India in the year 2021 due to good monsoon and Government initiatives, political stability and growth in foreign reserves. Though, it is very difficult to comment on forecast for 2020-2021, even to comment on short term outlook is difficult because of Government's action which are changing the situation on day-to-day basis. With Covid-19 second wave and expected third wave very soon there is lot of uncertainties on overall industry growth.

## Benefits of the new structure

Year 2018 has seen the Indian steel market becoming the second largest in the world, further reinforcing the necessity, RHI Magnesita continued emphasis on this geography. The Indian Steel Ministry has set a 300 million tonne per annum steel capacity target by the end of 2030 which bodes well for the future of this industry. The Indian steel industry is undergoing consolidation, which is expected to build up its strength but also to provide a higher market share for industry leaders. As a result of substantial restructuring and consolidation in the India steel industry, demand for higher performance and better-quality solutions has increased – a development which corresponds well to our strengths as a Group and enables us to take advantage of this position, whilst also working to further strengthen our position in the market in terms of cost competitive refractory solutions.

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

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

## Challenges & Opportunities Challenges

The financial year 2020-21 was badly impacted in first half as all the major steel buying industries like energy, auto, machinery, construction showed negative growth during the first half 2020. The demand started growing in second half due to good monsoon, Government fiscal policy and exports. Below are the factors that resulted in challenging times for the industries in terms of growth and margins-

- Volatility in currency is a big concern to keep the margins intact. Rupee depreciation against Dollar and Euro has impacted profitability.
- Non availability of containers and increase in freight and RM cost is biggest concern for refractories in current and in future.
- While steel output prices turned soft, inputs continued to be costlier for domestic production. There are likely to be pressure on the margins in future.
- Raw materials availability from China is in short supply which will have an impact on profitability margin.
- COVID-19 second wave has disrupted supplies, demand, human resource and created uncertainty to Industrial growth for first quarter and third wave is expected soon, therefore market is very uncertain.

## Opportunities

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

Also, to achieve 5 trillion USD economy by fiscal year 2025, India needs to spend 1.4 trillion USD on infrastructure.

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

## 9. DIVIDEND

The Board recommended a dividend of 2.50 per equity share on 16,09,96,331 equity shares of Re. 1.00 each for the year ended 31 March 2021. The dividend on equity share is subject to the approval of the shareholders at ensuing Annual General Meeting ('AGM').

The dividend pay-out is in accordance with the company's dividend distribution policy the policy is available on the weblink [https://www.orientrefractories.com/pdfs/Dividend%20Policy\\_13\\_May\\_2020.pdf](https://www.orientrefractories.com/pdfs/Dividend%20Policy_13_May_2020.pdf)

## 10. SUBSIDIARY COMPANY

The Company has only one subsidiary i.e. Intermetal Engineers (India) Private Limited as on 31 March 2021. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiary.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 is attached to the financial statements of the Company as Annexure-I.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiary, are available on the website of the Company <https://www.orientrefractories.com/investor-relations>.

## 11. MATERIAL CHANGES AND COMMITMENTS

In terms of Section 134 (3) (l) of the Companies Act, 2013, no material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which the financial statements relate and on the date of this report, except as disclosed elsewhere in this report.

## 12. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control systems in place, and also has reasonable assurance on authorizing, recording and reporting transactions of its operations. The Company has a well-placed, proper and adequate internal controls environment, commensurate with its size, scale and complexities of its operations. The Company had already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity level policies, processes and operating level standard operating procedures. Internal control systems are an integral part of your Company's corporate governance structure. These have been designed to provide reasonable assurance with regard to inter-alia (a) recording and providing reliable financial and operational information; (b) complying with the applicable statutes; (c) safeguarding assets from unauthorized use; (d) executing transactions with proper authorization and ensuring compliance with corporate policies; (e) Prevention and detection of frauds / errors and (f) Continuous updating of IT systems. The Company's management has assessed the effectiveness of the Company's internal control over financial reporting as of 31 March 2021.

The Audit Committee reviewed the reports submitted by the Management, Internal Auditors and Statutory Auditors. Based on their evaluation (as defined in section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations, 2015), the Company's Audit Committee has concluded that, as of 31 March 2021, the Company's internal financial controls were adequate and operating effectively.

## 13. HUMAN RESOURCES

Employees being prime force, the Company give equal emphasis on employees' development and their engagement. Our people are the most important resource we have. The Company believes in enhancing the competencies of employees to create a high performing and innovative organization. Employees are facilitated to participate in training programs in house and at outside institutes. Equal emphasis is given on technical & soft skills. We are creating numerous opportunities for our employees to develop including international development paths and special initiatives for the future management of our company. Last year our main focus of in-house trainings was on interpersonal skills, behavioral attributes, customer focused culture, lean implementation and 5's at shop floor. The Company endeavors to keep the employee's motivation high level by providing congenial & respectful work atmosphere and rewarding/remunerating effectively. 100% safety of our employees is one of the important operative targets for RHIM. Various initiatives have been launched to engage employees. Communicating and reaching out to employees at all levels is being done by using various mass media techniques. Celebrating festivals and achievements on various occasions is part of RHIM culture. There are cordial relations between the management and the employees of the Company.

## 14. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

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

The policy on materiality of related party transactions and dealing with related party transactions are approved by the Board and can be accessed on the Company's website at the link: <http://www.orientrefractories.com/policies.htm>. Members can refer the financial statements which set out related party disclosures.

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

## 15. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company as adopted by the Board and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure II of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on <http://www.orientrefractories.com/policies.htm>.

## 16. RISK MANAGEMENT

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

We regard occupational safety and health as an integral part of our operations and make it a prime consideration in every decision we make. We comply with all regulatory health and safety norms by assessing risks, providing controls for health and safety hazards and conducting audits. At workplace, we believe in TEI (Total Employees Involvement). Employees are encouraged to report unsafe conditions and unsafe practices. Safety champions are trained time to time. The Company has got ISO 45000 Certification in FY 2021. In FY 2021 we achieved zero accident.

The Board has formed a Risk Management Committee. The composition of the same has been given in Corporate Governance Report.

The Risk Management Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. There are no risks, which in the opinion of the Board threaten the existence of the Company.

## 17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Erwin Jankovits retires by rotation and being eligible, offers himself for re-appointment.

Mr. Nazim Sheikh who was appointed as an Additional Independent Director on 3 November 2020 will retire at the ensuing AGM of the Company in terms of provisions of Section 161 of the Companies Act, 2013, unless re-appointed. In due compliance with the provisions of Section 149 of the Companies Act, 2013, it is proposed to appoint Mr. Nazim Sheikh as Independent Director on the Board of the Company, to hold office for 5 years from the date of his initial appointment up to 2 November 2025 and he will not be liable to retire by rotation.

Mr. Rudraraju Venkata Suryanarayana Raju (Mr. RVS Rudraraju) who was appointed as an Additional Director on 25 June 2021 will retire at the ensuing AGM of the Company in terms of provisions of Section 161 of the Companies Act, 2013, unless re-appointed. He is also appointed as whole Time Director of the Company for a period of 5 years from the date of his initial appointment up to 24 June 2026 and he will be liable to retire by rotation.

Resolutions seeking shareholders' approval for appointment & re-appointment along with other required details forms part of the Notice.

Mr. Rama Shanker Bajoria (DIN 00033727), Independent Director upon completion of his second tenure as an independent director retired on 23 September 2020, he passed away on 12 December 2020. The Directors place on record their deep appreciation of his vision, leadership and enormous contribution towards the Company and express a deep gratitude to his indefatigable, influential spirit for shaping the Company.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

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

Pursuant to the provisions of Section 203 of the Act, Mr. Parmod Sagar, Managing Director and Chief Executive Officer, Mr. Sanjeev Bhardwaj, Chief Financial Officer and Mr. Sanjay Kumar, Company Secretary are the Key Managerial Personnel of the Company as on 31 March 2021. During the year, there has been no change in the Key Managerial Personnel.

## 18. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Company has devised the Nomination and Remuneration Policy for the selection, appointment and remuneration of the Directors and Key Managerial Personnel and also remuneration of other employees who have the capacity and ability to lead the Company towards achieving sustainable development. The Nomination and Remuneration Policy of the Company is available on the Company's website and can be accessed on the Company's website at the link: <http://www.orientrefractories.com/policies.htm>

The criteria for appointment and remuneration of directors is as under:

i. Criteria for appointment of Managing Directors / Whole Time Director / Director:

The Nomination and Remuneration Committee shall identify persons of integrity who possess relevant expertise and experience particularly in refractory industry, leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

ii. Criteria for appointment of Independent Director:

The Independent Director shall be of high integrity with relevant expertise and experience so as to have as diverse Board with directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management

## 19. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively,
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 20. BOARD EVALUATION

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

The performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5 January 2017.

In a separate meeting of independent directors held on 29 June 2020, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

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

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

## 21. AUDITORS

### i. Statutory Auditor

M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) were appointed as Statutory Auditors of the Company at the 7th AGM held on 25 September 2017 for a period of 5 years for auditing the accounts of the Company from the conclusion of 7th AGM till the conclusion of 12th AGM of the Company for the year 2021-22.

### ii. Internal Auditor

The Board has appointed M/s. Chaturvedi & Partners as Internal Auditors for the financial year 2019-20 under Section 138 of the Companies Act, 2013 and they have completed the internal audit as per the scope defined by the Board. They have been re-appointed for the financial year 2020-21 also.

### iii. Secretarial Auditor

The Company has appointed M/s. Naresh Verma & Associates, Company Secretaries in Practice, to conduct Secretarial Audit for the financial year 2019-20 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 financial year ended 31 March 2021 is annexed herewith marked as **Annexure - III.**

iv. Cost Auditor

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s. K. G. Goyal & Associates as the Cost Auditors of the Company for the year ending 31 March 2022.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company. Accordingly, appropriate resolution forms part of the notice convening the AGM. The Board seeks your support in approving the proposed remuneration of Rs. 75,000 plus out-of-pocket expenses and taxes payable to the Cost Auditors for the financial year 2021-22.

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

The Cost Audit Report for the year ended 31 March 2021 will be filled within statutory time limit.

## 22. AUDITOR'S QUALIFICATION AND MANAGEMENT REPLY THEREON

There are no qualifications in the reports of the Statutory Auditor and Secretarial Auditors' except one adverse observation by Secretarial Auditor's regarding short fall in Corporate Social Responsibility expenditure., which is explained in CSR disclosure (Annexure II) stated in this report and no further explanation is required.

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

## 23. EQUITY-SETTLED SHARE OPTION PLAN (LTIP)

RHI Magnesita N.V (Ultimate Holding Company) has implemented a share option plan for the members of senior management including of the Company. Each share option converts into one ordinary share of RHI Magnesita N.V on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry rights to dividends but no voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The number of options granted is calculated in accordance with the performance-based formula approved by the shareholders of the Ultimate Holding Company. The vesting period for each share option plan is three years. If the options remain unexercised after a period of seven years from the vesting date the options expire. Options are forfeited if the employee leaves the Company before the options vest. The allocation of share option plan has been made by the Ultimate Holding Company details have been disclosed in the financial statements.

## 24. EXPORT HOUSE STATUS

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

## 25. 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

## 26. DISCLOSURES

i. Vigil Mechanism /Whistle Blower Policy

The Vigil mechanism of the Company which also incorporate a whistle blower policy in the terms of SEBI (Listing Obligations and Disclosure Requirements), 2015 deals with instances of fraud and mismanagement, if any. The policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: [http:// www.orientrefractories.com/policies.htm](http://www.orientrefractories.com/policies.htm)

ii. Audit Committee

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

iii. Number of Board Meeting

The Board of Directors of the Company met four (4) times in the year, the details of which are provided in the corporate governance report.

- iv. Particulars of Loans given, Investment made, Guarantees given and Securities provided  
The particulars of loans, guarantees and investments as per Section 186 of the Act by the Company, have been disclosed in the financial statements.
- v. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo  
The particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are provided in **Annexure - IV**.
- vi. Extract of Annual Return  
Extract of Annual Return of the Company is annexed herewith marked as **Annexure - V**.
- vii. Particulars of employees and related disclosures  
The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure - VI**.
- viii. Corporate Governance Report  
Report on Corporate Governance is annexed herewith as **Annexure - VII** to this report.
- ix. Business Responsibility Reporting  
The Company's ethical and responsible behaviour complements its corporate culture. Being a public listed company, the Company recognises that its accountability is not limited only to its shareholders from a financial perspective but also to the larger society in which it operates. During the year, consequent to the requirements of reporting of its business responsibility initiatives becoming mandatory under the Listing Regulations, the Company formulated a consolidated policy on business responsibility which lays down the broad principles guiding the Company in delivering its various responsibilities to its stakeholders. The policy is intended to ensure that the Company adopts responsible business practices in the interest of the social set up and the environment so that it contributes beyond financial and operational performance.  
  
A copy of the policy is available at <https://www.orientrefractories.com/policies.htm> and the Business Responsibility Report for the year ended 31 March 2021 in terms of Regulation 34 of the Listing Regulations is annexed to this report as **Annexure - VIII**.
- x. Transfer of amounts to Investor Education and Protection Fund  
Details regarding transfer of amount & shares to IEPF has been given in Corporate Governance Report.
- xi. Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013  
The Company has formulated and implemented a policy of prevention of sexual harassment at the workplace with mechanism of lodging/redressal complaints. During the year under review, there were no complaints reported to the Board. The policy may be accessed on the Company's website at the link: <http://www.orientrefractories.com/policies.htm>
- xii. Compliance with the Institute of Company Secretaries of India ("ICSI") Secretarial Standards  
The relevant Secretarial Standards issued by the ICSI related to the Board Meetings and General Meeting have been complied with by the Company.
- xiii. No disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review:
- Details relating to deposit and unclaimed deposits or interest thereon.
  - Issue of equity shares with differential rights as to dividend or voting.
  - Issue of shares (including sweat equity shares) and Employee Stock Option Scheme of the Company under any scheme.
  - No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern and Company's operation in future

## 27. CAUTIONARY STATEMENTS

Certain statements in the “Management Discussion and Analysis” describing the Company’s views about the Industry, expectations/ predictions, objectives etc., may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the Statement. Company’s operations may inter-alia affect with the supply and demand stipulations, input prices and their availability, changes in Government regulations, taxes, exchange fluctuations and other factors such as Industrial relations and economic developments etc. Investors should bear the above in mind.

## 30. ACKNOWLEDGEMENTS

The Directors thank the Company’s employees, customers, vendors and investors for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The Directors mourn the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by every member of the RHIM family.

**On behalf of the Board of Directors**

**Dr. Vijay Sharma**  
Chairman  
(DIN:00880113)

**Gurugram, 11 August 2021**

## ANNEXURE I

### Form AOC-1

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

<b>Name of the subsidiary company</b>	:	Intermetal Engineers (India) Private Limited
<b>Date of becoming subsidiary</b>	:	18 May 2019
<b>Start date of accounting period of subsidiary</b>	:	1 April 2020
<b>End date of accounting period of subsidiary</b>	:	31 March 2021
<b>Reporting currency</b>	:	<b>INR</b>
<b>Exchange rate</b>	:	1.000
		<b>(in Rs. Lacs)</b>
<b>Share capital</b>	:	1.60
<b>Reserves and surplus</b>	:	1046.03
<b>Total Assets</b>	:	1,173.41
<b>Total Liabilities</b>	:	125.78
<b>Investments</b>	:	-
<b>Turnover</b>	:	401.19
<b>Profit before tax</b>	:	86.94
<b>Provision for tax</b>	:	20.07
<b>Profit after tax</b>	:	66.87
<b>Proposed dividend</b>	:	-
<b>% of shareholding</b>	:	100
<b>Country</b>	:	India

**On behalf of the Board of Directors**

**Sanjeev Bhardwaj**  
Chief Financial Officer

**Parmod Sagar**  
Managing Director & CEO  
(DIN: 06500871)

**Dr. Vijay Sharma**  
Chairman  
(DIN:00880113)

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

**Manoj Gupta**  
Vice President (F&A)

Gurugram, 11 August 2021

## ANNEXURE II

### REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1.	Brief outline on CSR Policy of the Company	The Company pursue CSR activities in accordance with Schedule VII of the Companies Act, 2013. The Company supports health, education, wellness, water, sanitation and hygiene needs of communities, especially those that are marginalized. RHIM also supports conservation and relief efforts to communities at the time of natural and man-made disasters.		
2.	Composition of CSR Committee			
	<b>Sr. No</b>	<b>Name of Director, Designation</b>	<b>Nature of Directorship</b>	<b>Number of meetings of CSR Committee held during the year</b>
	i)	Ms. Sonu Chadha, Chairperson	Non-Executive, Independent	2
	ii)	Mr. Parmod Sagar, Member	Executive	2
	iii)	Mr. Erwin Jankovits, Member	Non-Executive	1
3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company	<a href="http://www.orientrefractories.com">www.orientrefractories.com</a>		
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014	Not applicable		
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule (7) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.	NIL		
	<b>Sr. No.</b>	<b>Financial Year</b>	<b>Amount available for set-off from preceding financial years (in Rs.)</b>	<b>Amount required to be set-off for the financial year, if any (in Rs.)</b>
	i)			
	ii)			
	iii)			
	<b>Total</b>			
6.	Average Net Profit of the Company as per section 135(5)	Rs. 21,010.62 lacs		
7.	a)	Two percent of average Net Profit of the Company as per section 135(5)	Rs. 420.21 lacs	
	b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL	
	c)	Amount required to be set off for the financial year, if any.	NIL	
	d)	Total CSR obligation for the financial year (7a+7b-7c)	Rs. 420.21 lacs	

8.	a)	<b>CSR amount spent or unspent for the financial year:</b>								
		<b>Total Amount spent for the Financial Year</b>				<b>Amount Unspent - Rs. 135.40 lacs</b>				
		Rs. 284.81 lacs				<b>Total Amount transferred to Unspent CSR Account as per section 135(6)</b>			<b>Amount transferred to any Fund specified under Schedule VII as per second proviso to section 135(5)</b>	
		<b>Amount</b>		<b>Date of transfer</b>		<b>Name of the Fund</b>		<b>Amount</b>		<b>Date of transfer</b>
		NIL				NIL				

8.	b)	<b>Details of CSR amount spent against ongoing projects for the financial year: NIL</b>									
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
	Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No.)	Location of the Project	Project duration	Amount allocated for the Project (Rs. in lacs)	Amount spent in the current financial year (Rs. in lacs)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6) (Rs. in lacs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation through Implementing Agency
					State District						Name CSR Registration Number

	c)	<b>Details of CSR amount spent against other than ongoing projects for the financial year:</b>									
	1.	2.	3.	4.	5.	6.	7.	8.			
	Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No.)	Location of the Project	Amount spent for the Project (Rs. in lacs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation through Implementing Agency			
					State District			Name CSR Registration Number			
	1.	Donation to PM Care fund	PM Care fund	No	PAN India	100.00	Yes	-	-		
	2.	Contribution towards Clean Ganga Project	Clean Ganga Fund	No	PAN India	30.00	Yes	-	-		
	3.	Maharashtra State Disaster Management	CM Cares Fund	No	Maharashtra	10.00	Yes	-	-		
	4.	Donation to Mukhya Mantri Rahat Kosh		No	Uttarakhand	10.00	Yes	-	-		
	5.	Contribution to CMRF COVID-19		No	Rajasthan	11.00	Yes	-	-		
	6.	Social Expenses in COVID-19 pandemic	Eradicating hunger	Yes	Rajasthan Alwar	18.17	Yes	-	-		
	7.	Contribution towards COVID 19 Relief fund of The District Collector, Visakhapatnam	Promoting Health care including preventive health care	Yes	Andhra Pradesh Visakhapatnam	10.00	Yes	-	-		
	8.	Contribution to Centre for Human Care		Yes		6.22	Yes	-	-		
	9.	Contribution to Venkatapuram Rural Development Trust		Yes		12.00	Yes	-	-		
	10.	Contribution to Rebaka Appala Swamy		Yes		1.00	Yes	-	-		
	11.	Contribution to Yoga Vidya Kendra	No	Telangana	Hyderabad	1.00	Yes	-	-		
	12.	Contribution to Rotary Club of Banjara Hills Charitable Trust	No			5.00	Yes	-	-		
	13.	Free health checkup camp	Yes	Rajasthan	Alwar	14.82	Yes	-	-		
	14.	Maintenance of ambulance donated to a trust	Yes			13.18	Yes	-	-		
	15.	Donation various articles to schools	Promotion of Education including employment enhancing vocational skills	Yes	Andhra Pradesh Visakhapatnam	3.13	Yes	-	-		
	16.	Donation to Kalinga Institute of Social Sciences		No	Orissa	Khordha	10.00	Yes	-	-	
	17.	Rotary Club of Bhiwadi - Shakti		Yes	Rajasthan	Alwar	0.59	Yes	-	-	
	18.	Misc. Charitable works					6.96		-	-	
	19.	Donation to Agrani Foundation		No	Rajasthan		10.00	Yes	-	-	
	20.	Making available safe drinking water	Making available safe drinking water	Yes	Andhra Pradesh Visakhapatnam	1.74	Yes	-	-		
	21.	The Earth Saviours Foundation	Measures for reducing inequalities	No	Haryana	10.00	Yes	-	-		
						<b>Total</b>	<b>284.81</b>				

d)	Amount spent in Administrative Overheads	-
e)	Amount spent on Impact Assessment, if applicable	-
f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	Rs. 284.81 lacs
g)	Excess amount for set off, if any	-
<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (Rs. in lacs)</b>
i)	Two percent of average Net Profit of the Company as per section 135(5)	420.21
ii)	Total amount spent for the financial year	284.81
iii)	Excess amount spent for the financial year [(ii)-(i)]	-
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. a) Details of Unspent CSR amount for the preceding three financial years:									
Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (Rs. in lacs)	Amount spent in the reporting Financial Year (Rs. in lacs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial Year (in Rs.)		
				Name of the Fund	Amount (in Rs.)	Date of transfer			
1.	2019-20	-	144.22	-	-	-	-	-	-
2.	2018-19	-	58.52	-	-	-	-	-	-
3.	2017-18	-	28.17	-	-	-	-	-	-
		<b>Total</b>	<b>230.91</b>	-	-	-	-	-	-

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL									
1.	2.	3.	4.	5.	6.	7.	8.	9.	
Sr. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount Allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of Reporting Financial Year (in Rs.)	Status of the project-completed/ongoing	
1.									
2.									
3.									
		<b>Total</b>							

10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year ( <b>asset-wise details</b> )				-				
a)	Date of creation or acquisition of the Capital Asset(s)				-				
b)	Amount of CSR spent for creation or acquisition of Capital Asset				-				
c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.				-				
d)	Provide details of the Capital Asset(s) created or acquired (including complete address and location of the Capital Asset)				-				
11.	<b>Specify the reason(s) if the Company has failed to spend two percent of the average Net Profit as per Section 135(5)</b>				The Company on account of its amalgamation with RHI India Private Limited and RHI Clasil Private Limited (transferor Companies) vide NCLT Order dated 5 May 2021 was required to spend Rs.420.21 lacs post consolidation of its account with the transferor Companies. The Company was able to spend Rs. 284.81 lacs towards its identified CSR obligations and an amount of Rs. 135.40 lacs remained unspent due to pending due diligence and related matters for identifying potential CSR beneficiaries. The Company has decided to deposit the unspent amount of Rs.135.40 Lacs with various funds recognized by the Government for this purpose by 30 September 2021.				

On behalf of the Board of Directors

**Gurugram, 11 August 2021**

**Parmod Sagar**  
Managing Director & CEO  
(DIN: 06500871)

**Sonu Chadha**  
Chairperson-CSR Committee  
(DIN: 00129923)

**Dr. Vijay Sharma**  
Chairman of the Company  
(DIN:00880113)

## ANNEXURE III

### Secretarial Audit Report

for the financial year ended 31 March 2021

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

To,  
The Members,  
RHI Magnesita India Limited  
(formerly known as Orient Refractories Limited)  
CIN: L28113MH2010PLC312871

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

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2021 and made available to us, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time-  
**Not Applicable as there was no reportable event during the financial year under review;**
  - d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 –  
**Not Applicable as there was no reportable event during the financial year under review;**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 –  
**Not Applicable as there was no reportable event during the financial year under review;**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client-  
**Not Applicable as there was no reportable event during the financial year under review;**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 –  
**Not Applicable as there was no reportable event during the financial year under review;**

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

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

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

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

- (i) Secretarial Standards issued by “The Institute of Company Secretaries of India”;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments thereto and Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited.

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

#### **Observations:**

*The expenditure made by the company towards CSR activities during the year ended 31 March 2021 was less than the prescribed amount. Amount unspent during the financial year was approx. Rs. 135.40 Lacs.*

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

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

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

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

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

**We further report that** during the audit period no events have occurred which had a major bearing on the company’s affairs in pursuance of the laws, rules, regulations, guidelines, standards etc.

#### **Limitations**

It is to be that due to lockdown and social distancing guidelines issued by the Ministry of Home Affairs (MHA) on different dates for containment of spread of Covid-19, the abovementioned documents, registers, forms, etc. have not been physically verified by us, as being maintained by the Company at their offices. While we have taken all possible steps to verify the records as made available to us by the Company through electronic medium and taken confirmation from the Company, wherever required but the audit was done subject to limitation of availability of documents.

**For Naresh Verma & Associates**  
Company Secretaries

**Place: Delhi**  
**Date: 11 August 2021**

**Naresh Verma**  
CP: 4424, FCS: 5403  
UDIN: F005403C000769331  
Peer Review Certificate No. 547/2018

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

To,  
The Members,  
**RHI MAGNESTIA INDIA LIMITED**  
**CIN L28113MH2010PLC312871**

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

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

**For Naresh Verma & Associates**  
Company Secretaries

**Place: Delhi**  
**Date: 11 August 2021**

**Naresh Verma**  
CP: 4424, FCS: 5403  
UDIN: F005403C000769331  
Peer Review Certificate No. 547/2018

## ANNEXURE IV

### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

[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

##### i. By Productivity enhancement:

Lean Management is being practiced increasing productivity in slide gate area which was increased by 10% in FY 2021. This was achieved by reducing Mould Change Over Time in press area. The equipment down time has been reduced by practicing Total Productive Maintenance.

##### ii. Alternate fuel and cleaner fuel:

Shuttle Kilns in the plant are being converted from oil-firing type to gas firing type. In FY 2021 the Company have started with 3 nos. Slide Gate Shuttle kilns where oil burners and pipelines have been replaced by gas burners, gas valve train and pipelines. The kiln temperature cycle is controlled by PLC and SCADA. Natural gas used as an alternate fuel which is a cleaner and environment-friendly fuel. Recuperator has been placed in flue line to reuse the waste heat. Overall fuel cost has gone down significantly by this initiative.

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

The Company is constantly trying to provide its customers with products that incorporate latest available technology. Though indigenously available materials and technology are preferred, efforts are being made, wherever possible, to make use of best contemporary technology.

The Company in FY 2021 introduced special type of Mono Block Stoppers and Sub Entry Nozzles, which reduced material consumption as well as improve quality of steel at customer end and created new performance benchmark at our customers end.

The Company used Cleaner fuel (LNG) to replace LDO which reduced emission of SOX, NOX & CO2. The Company also taken an initiative and introduced Dust Collection Systems at the dust generation points.

By using Rainwater Harvesting System at Bhiwadi & Vizag plants, in the FY 2021 the Company recharged 227 kilo liter water and Zero Water Discharge Policy System is also implemented at Bhiwadi plant.

With Recycling Project, the Company reduced the CO2 impact of production while reducing the amount of virgin raw materials required to produce refractory. Innovative solutions also implemented to convert recycled material.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Amount in Rs. Lacs)

Particulars	2020-21	2019-20
Earnings	23,134.51	24,584.11
Outgo	33,086.80	39,244.44

On behalf of the Board of Directors

Gurugram, 11 August 2021

**Parmod Sagar**  
Managing Director & CEO  
(DIN: 06500871)

**Dr. Vijay Sharma**  
Chairman  
(DIN:00880113)

## ANNEXURE-V

### Form No. MGT 9

### Extract of Annual Return as on 31 March 2021

Pursuant to Section 92(3) of the Companies Act, 2013.

[Read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

CIN	L28113MH2010PLC312871
Registration date	26 November 2010
Name of the company	RHI Magnesita India Limited
Category/Sub-category of the company	Public Company/Limited by Shares
Address of the registered office and contact details	C-604, Neelkanth Business Park, Opp. Railway Station, Vidhyavihar (West), Mumbai, MAHARASHTRA-400086 Tel. No.: +91 22 660 90600 Fax No.: +91 22 660 90601 E-mail: Bhi_ho@RHIMagnesita.com Web-site: www.orientrefractories.com
Whether listed company Yes/No	Yes
Name, address and contact details of the Registrar and Transfer Agent, if any.	Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110 020 Tel. No.: +91-11-40450193-97 Fax No.: +91-11-26812682 E-mail: <a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a> Website: <a href="http://www.skylinerta.com">www.skylinerta.com</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. no.	Name and description of main products/services	NIC code of the product /service	% to total turnover of the Company
1.	Manufacturing & Services of Refractories and Monolithics items	23993	81.32
2.	Trading of Refractory items	-	18.03

#### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. no.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Dutch US Holding B.V.	NA	Holding	66.49	Section 2(46)
2.	Intermetal Engineers (India) Private Limited	U28920MH1988PTC047421	Subsidiary	100.00	Section 2(87)

## IV. SHAREHOLDING PATTERN (Equity share capital breakup as % of total equity)

### (i) Category-wise share holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual HUF	-	-	-	0.00	-	-	-	0.00	0.00
b) Central Govt	-	-	-	0.00	-	-	-	0.00	0.00
c) State Government	-	-	-	0.00	-	-	-	0.00	0.00
d) Bodies Corporate	-	-	-	0.00	-	-	-	0.00	0.00
e) Banks/FI	-	-	-	0.00	-	-	-	0.00	0.00
f) Any Other	-	-	-	0.00	-	-	-	0.00	0.00
<b>Sub Total (A) (1)</b>	-	-	-	<b>0.00</b>	-	-	-	<b>0.00</b>	<b>0.00</b>
<b>2. Foreign</b>									
a) NRI Individuals	-	-	-	0.00	-	-	-	0.00	0.00
b) Other Individuals	-	-	-	0.00	-	-	-	0.00	0.00
c) Bodies Corporate	79,877,771	-	79,877,771	66.49	79,877,771	-	79,877,771	66.49	0.00
d) Banks /FI	-	-	-	0.00	-	-	-	0.00	0.00
e) Any Other	-	-	-	0.00	-	-	-	0.00	0.00
<b>Sub Total (A) (2)</b>	<b>79,877,771</b>	-	<b>79,877,771</b>	<b>66.49</b>	<b>79,877,771</b>	-	<b>79,877,771</b>	<b>66.49</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A)</b>	<b>79,877,771</b>	-	<b>79,877,771</b>	<b>66.49</b>	<b>79,877,771</b>	-	<b>79,877,771</b>	<b>66.49</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a) Mutual Funds	13,999,940	-	13,999,940	11.65	12,322,296	-	12,322,296	10.26	(1.39)
b) Banks/FI	67,372	5,000	72,372	0.06	2,000	5,000	7,000	0.01	(0.05)
c) Central Government	-	-	-	0.00	-	-	-	0.00	0.00
d) State Government	-	-	-	0.00	-	-	-	0.00	0.00
e) Venture Capital Fund	-	-	-	0.00	-	-	-	0.00	0.00
f) Insurance Companies	845,600	-	845,600	0.70	1,929,936	-	1,929,936	1.61	0.91
g) FIs	-	-	-	0.00	-	-	-	0.00	0.00
h) Foreign Venture Capital Fund	-	-	-	0.00	-	-	-	0.00	0.00
i) Foreign Portfolio Investor	4,133,620	-	4,133,620	3.44	1,767,036	-	1,767,036	1.47	(1.97)
j) Alternate Investment Fund(s)	90,458	-	90,458	0.08	10,050	-	10,050	0.01	(0.07)
k) Any Other	-	-	-	0.00	-	-	-	0.00	0.00
<b>Sub-Total (B)(1)</b>	<b>19,136,990</b>	<b>5,000</b>	<b>19,141,990</b>	<b>15.93</b>	<b>16,031,318</b>	<b>5,000</b>	<b>16,036,318</b>	<b>13.35</b>	<b>(2.58)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate - Indian									
Indian	1,947,111	16,240	1,963,351	1.63	2,734,684	240	2,734,924	2.28	0.65
Overseas	-	-	-	0.00	-	-	-	0.00	0.00
b) Individuals									
1) Individual shares holders having nominal share capital up to Rs. 1 Lac	12,439,088	1,277,635	13,716,723	11.42	14,425,110	1,044,179	15,469,289	12.88	1.46
2) Individual shares holders having nominal share capital Excess of Rs. 1 Lac	1,482,097	-	1,482,097	1.23	1,475,498	-	1,475,498	1.23	0.00
c) HUF	484,414	-	484,414	0.40	686,705	-	686,705	0.57	0.17
d) Non-Resident Indian	555,250	574	555,824	0.46	676,927	524	677,451	0.56	0.10
e) Overseas Body Corporate OCB	-	-	-	0.00	-	-	-	0.00	0.00
f) Foreign National	-	-	-	0.00	-	-	-	0.00	0.00
g) Clearing Members	24,315	-	24,315	0.02	41,598	-	41,598	0.03	0.01
h) Trust	-	-	-	0.00	-	-	-	0.00	0.00
i) Foreign Corporate Bodies	-	-	-	0.00	-	-	-	0.00	0.00
j) Investor Education and Protection Fund	2,892,715	-	2,892,715	2.41	3,139,646	-	3,139,646	2.61	0.20
<b>Sub-Total (B)(2)</b>	<b>19,824,990</b>	<b>1,294,449</b>	<b>21,119,439</b>	<b>17.58</b>	<b>23,180,168</b>	<b>1,044,943</b>	<b>24,225,111</b>	<b>20.16</b>	<b>2.58</b>
<b>Total Public Shareholding (B)</b>	<b>38,961,980</b>	<b>1,299,449</b>	<b>40,261,429</b>	<b>33.51</b>	<b>39,211,486</b>	<b>1,049,943</b>	<b>40,261,429</b>	<b>33.51</b>	<b>0.00</b>
<b>C) Non-Promoter Non-Public Shareholding</b>									
1) Shares Held by Custodian for GDRs & ADRs	-	-	-	0.00	-	-	-	0.00	0.00
2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations 2014)	-	-	-	0.00	-	-	-	0.00	0.00
<b>Total Non-Promoter Non-Public Shareholding (C)</b>	-	-	-	<b>0.00</b>	-	-	-	<b>0.00</b>	<b>0.00</b>
<b>Grand Total</b>	<b>118,839,751</b>	<b>1,299,449</b>	<b>120,139,200</b>	<b>100.00</b>	<b>119,089,257</b>	<b>1,049,943</b>	<b>120,139,200</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of promoters

Sr. no.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares pledged encumbered to total shares	
1.	Dutch U.S. Holding B.V.	79,877,771	66.49	-	79,877,771	66.49	-	-
	<b>Total</b>	<b>79,877,771</b>	<b>66.49</b>	<b>-</b>	<b>79,877,771</b>	<b>66.49</b>	<b>-</b>	<b>-</b>

## (iii) Change In Promoters' Shareholding (please specify if there is no change)

Sr. no.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	79,877,771	66.49	79,877,771	66.49
2.	Date wise increase/decrease in promoters' shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	-	-	79,877,771	66.49
3.	At the end of the year	79,877,771	66.49	79,877,771	66.49

## (iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs & ADRs)

Sr. no.	Name of Shareholder	Remarks	Transaction Date	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	L and T Mutual Fund Trustee Ltd-L and T Infrastructure Fund	At the beginning of the year	1-Apr-2020	5,965,819	4.97	5,965,819	4.97
		Sale	28-Aug-2020	(16,545)	(0.01)	5,949,274	4.95
		Sale	11-Sep-2020	(60,785)	(0.05)	5,888,489	4.90
		Sale	18-Sep-2020	(106,581)	(0.09)	5,781,908	4.81
		Sale	25-Sep-2020	(21,868)	(0.02)	5,760,040	4.79
		Sale	09-Oct-2020	(18,450)	(0.02)	5,741,590	4.78
		Sale	16-Oct-2020	(33,839)	(0.03)	5,707,751	4.75
		Sale	30-Oct-2020	(4,334)	(0.00)	5,703,417	4.75
		Sale	06-Nov-2020	(19,664)	(0.02)	5,683,753	4.73
		Sale	20-Nov-2020	(233,133)	(0.19)	5,450,620	4.54
		Sale	27-Nov-2020	(304,520)	(0.25)	5,146,100	4.28
		Sale	04-Dec-2020	(447)	(0.00)	5,145,653	4.28
		Sale	11-Dec-2020	(81,184)	(0.07)	5,064,469	4.22
		Sale	18-Dec-2020	(100,094)	(0.08)	4,964,375	4.13
		Sale	25-Dec-2020	(226,069)	(0.19)	4,738,306	3.94
		Sale	08-Jan-2021	(80,431)	(0.07)	4,657,875	3.88
		Sale	15-Jan-2021	(102,656)	(0.09)	4,555,219	3.79
		Sale	22-Jan-2021	(53,100)	(0.04)	4,502,119	3.75
		Sale	29-Jan-2021	(75,500)	(0.06)	4,426,619	3.68
		Sale	12-Feb-2021	(133,000)	(0.11)	4,293,619	3.57
Sale	26-Feb-2021	(53,100)	(0.04)	4,240,519	3.53		
	<b>At the end of the year</b>		<b>31-Mar-2021</b>			<b>4,240,519</b>	<b>3.53</b>

Sr. no.	Name of Shareholder	Remarks	Transaction Date	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	AXIS Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C AX	<b>At the beginning of the year</b>	<b>1-Apr-2020</b>	<b>2,741,620</b>	<b>2.28</b>	<b>2,741,620</b>	<b>2.28</b>
		Purchase	30-Oct-2020	33,998	0.03	2,775,618	2.31
		Purchase	13-Nov-2020	30,000	0.02	2,805,618	2.34
		Purchase	27-Nov-2020	100,000	0.08	2,905,618	2.42
		Purchase	11-Dec-2020	419,730	0.35	3,325,348	2.77
		Purchase	18-Dec-2020	61,504	0.05	3,386,852	2.82
		Purchase	25-Dec-2020	210,500	0.18	3,597,352	2.99
		Purchase	31-Dec-2020	84,184	0.07	3,681,536	3.06
		Purchase	15-Jan-2021	299,980	0.25	3,981,516	3.31
			<b>At the end of the year</b>		<b>31-Mar-2021</b>		
3.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla	<b>At the beginning of the year</b>	<b>1-Apr-2020</b>	<b>2,059,946</b>	<b>1.71</b>	<b>2,059,946</b>	<b>1.71</b>
		Purchase	03-Jul-2020	20,545	0.02	2,080,491	1.73
		Sale	04-Sep-2020	(2,688)	(0.00)	2,077,803	1.73
		Sale	09-Oct-2020	(5,626)	(0.00)	2,072,177	1.72
		Sale	16-Oct-2020	(2,548)	(0.00)	2,069,629	1.72
		Sale	13-Nov-2020	(3,285)	(0.00)	2,066,344	1.72
		Sale	20-Nov-2020	(105,034)	(0.09)	1,961,310	1.63
		Sale	27-Nov-2020	(5,348)	(0.00)	1,955,962	1.63
		Sale	04-Dec-2020	(1,313)	(0.00)	1,954,649	1.63
		Sale	31-Dec-2020	(356,264)	(0.30)	1,598,385	1.33
		Sale	22-Jan-2021	(38,477)	(0.03)	1,559,908	1.30
		Sale	12-Feb-2021	(2,755)	(0.00)	1,557,153	1.30
		Sale	19-Feb-2021	(12,000)	(0.01)	1,545,153	1.29
		Sale	26-Feb-2021	(15,627)	(0.01)	1,529,526	1.27
		Sale	19-Mar-2021	(52,384)	(0.04)	1,477,142	1.23
		Sale	26-Mar-2021	(5,147)	(0.00)	1,471,995	1.23
			<b>At the end of the year</b>		<b>31-Mar-2021</b>		
4.	ICICI Lombard General Insurance Company Ltd	<b>At the beginning of the year</b>	<b>1-Apr-2020</b>	-	0.00	-	0.00
		Purchase	20-Nov-2020	105,682	0.09	105,682	0.09
		Purchase	27-Nov-2020	1,261,696	1.05	1,367,378	1.14
		<b>At the end of the year</b>			<b>31-Mar-2021</b>		<b>1,367,378</b>
5.	Pinebridge Global Funds - Pinebridge India Equity Fund	<b>At the beginning of the year</b>	<b>1-Apr-2020</b>	<b>3,134,766</b>	<b>2.61</b>	<b>3,134,766</b>	<b>2.61</b>
		Sale	24-Jul-2020	(250,453)	(0.21)	2,884,313	2.40
		Sale	31-Jul-2020	(25,422)	(0.02)	2,858,891	2.38
		Sale	07-Aug-2020	(79,921)	(0.07)	2,778,970	2.31
		Sale	14-Aug-2020	(21,161)	(0.02)	2,757,809	2.30
		Sale	02-Oct-2020	(172,102)	(0.14)	2,585,707	2.15
		Sale	09-Oct-2020	(70,662)	(0.06)	2,515,045	2.09
		Sale	30-Oct-2020	(95,128)	(0.08)	2,419,917	2.01
		Sale	01-Jan-2021	(8,008)	(0.01)	2,411,909	2.01

Sr. no.	Name of Shareholder	Remarks	Transaction Date	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		Sale	08-Jan-2021	(107,125)	(0.09)	2,304,784	1.92
		Sale	15-Jan-2021	(159,628)	(0.13)	2,145,156	1.79
		Sale	22-Jan-2021	(254,980)	(0.21)	1,890,176	1.57
		Sale	29-Jan-2021	(45,020)	(0.04)	1,845,156	1.54
		Sale	12-Feb-2021	(23,879)	(0.02)	1,821,277	1.52
		Sale	19-Feb-2021	(20,034)	(0.02)	1,801,243	1.50
		Sale	26-Feb-2021	(95,875)	(0.08)	1,705,368	1.42
		Sale	05-Mar-2021	(481,040)	(0.40)	1,224,328	1.02
		Sale	12-Mar-2021	(55,626)	(0.05)	1,168,702	0.97
		Sale	19-Mar-2021	(97,174)	(0.08)	1,071,528	0.89
		Sale	26-Mar-2021	(173,208)	(0.14)	898,320	0.75
		Sale	31-Mar-2021	(30,300)	(0.03)	868,020	0.72
		<b>At the end of the year</b>	<b>31-Mar-2021</b>			<b>868,020</b>	<b>0.72</b>
6.	Canara Robeco Mutual Fund A/C Canara Robeco Conservative Hyb	<b>At the beginning of the year</b>	<b>1-Apr-2020</b>	-	<b>0.00</b>	-	<b>0.00</b>
		Purchase	31-Dec-2020	185,505	0.15	185,505	0.15
		Purchase	01-Jan-2021	70,000	0.06	255,505	0.21
		Purchase	08-Jan-2021	70,000	0.06	325,505	0.27
		Purchase	15-Jan-2021	105,000	0.09	430,505	0.36
		Purchase	22-Jan-2021	175,000	0.15	605,505	0.50
		Purchase	12-Feb-2021	153,000	0.13	758,505	0.63
		<b>At the end of the year</b>	<b>31-Mar-2021</b>			<b>758,505</b>	<b>0.63</b>
7.	Bajaj Allianz Life Insurance Company Ltd.	<b>At the beginning of the year</b>	<b>1-Apr-2020</b>	<b>845,600</b>	<b>0.70</b>	<b>845,600</b>	<b>0.70</b>
		Purchase	19-Jun-2020	10,000	0.01	855,600	0.71
		Purchase	30-Jun-2020	5,000	0.00	860,600	0.72
		Purchase	03-Jul-2020	5,000	0.00	865,600	0.72
		Sale	10-Jul-2020	(36,000)	(0.03)	829,600	0.69
		Sale	24-Jul-2020	(10,000)	(0.01)	819,600	0.68
		Sale	31-Jul-2020	(5,400)	(0.00)	814,200	0.68
		Sale	25-Sep-2020	(628,558)	(0.52)	185,642	0.15
		Purchase	30-Sep-2020	628,558	0.52	814,200	0.68
		Sale	16-Oct-2020	(66,000)	(0.05)	748,200	0.62
		Sale	23-Oct-2020	(132,642)	(0.11)	615,558	0.51
		Sale	30-Oct-2020	(33,000)	(0.03)	582,558	0.48
		Sale	31-Dec-2020	(20,000)	(0.02)	562,558	0.47
		<b>At the end of the year</b>	<b>31-Mar-2021</b>			<b>562,558</b>	<b>0.47</b>
8.	UTI Small Cap Fund	<b>At the beginning of the year</b>	<b>1-Apr-2020</b>	-	<b>0.00</b>	-	<b>0.00</b>
		Purchase	15-Jan-2021	300,000	0.25	300,000	0.25
		Purchase	22-Jan-2021	148,230	0.12	448,230	0.37
		Purchase	29-Jan-2021	21,056	0.02	469,286	0.39
		Purchase	05-Feb-2021	15,089	0.01	484,375	0.40
		Purchase	26-Feb-2021	50,000	0.04	534,375	0.44
		<b>At the end of the year</b>	<b>31-Mar-2021</b>			<b>534,375</b>	<b>0.44</b>

Sr. no.	Name of Shareholder	Remarks	Transaction Date	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9.	DSP India T.I.G.E.R. Fund	At the beginning of the year	1-Apr-2020	-	0.00	-	0.00
		Purchase	23-Oct-2020	61,079	0.05	61,079	0.05
		Purchase	30-Oct-2020	85,541	0.07	146,620	0.12
		Purchase	06-Nov-2020	2,595	0.00	149,215	0.12
		Purchase	13-Nov-2020	114,482	0.10	263,697	0.22
		Purchase	20-Nov-2020	116,548	0.10	380,245	0.32
		Purchase	27-Nov-2020	94,597	0.08	474,842	0.40
	At the end of the year		31-Mar-2021			474,842	0.40
10.	PGIM India Trustees Private Limited A/C PGIM India Equity SA	At the beginning of the year	1-Apr-2020	64,119	0.05	64,119	0.05
		Sale	05-Jun-2020	(36,327)	(0.03)	27,792	0.02
		Purchase	12-Jun-2020	22,208	0.02	50,000	0.04
		Purchase	21-Aug-2020	25,000	0.02	75,000	0.06
		Purchase	28-Aug-2020	55,000	0.05	130,000	0.11
		Purchase	27-Nov-2020	61,353	0.05	191,353	0.16
		Purchase	05-Mar-2021	150,000	0.12	341,353	0.28
	At the end of the year		31-Mar-2021			341,353	0.28
11.	Ratnabali Securities Private Limited	At the beginning of the year	1-Apr-2020	-	0.00	-	0.00
		Purchase	13-Nov-2020	73,656	0.06	73,656	0.06
		Purchase	04-Dec-2020	25,775	0.02	99,431	0.08
		Purchase	11-Dec-2020	86,785	0.07	186,216	0.16
		Purchase	18-Dec-2020	45,784	0.04	232,000	0.19
		Purchase	25-Dec-2020	443	0.00	232,443	0.19
		Purchase	22-Jan-2021	51,557	0.04	284,000	0.24
		Purchase	29-Jan-2021	46,000	0.04	330,000	0.27
		Purchase	12-Feb-2021	10,000	0.01	340,000	0.28
	At the end of the year		31-Mar-2021			340,000	0.28
12.	Vikram Advisory Services Private Limited	At the beginning of the year	1-Apr-2020	303,250	0.25	303,250	0.25
		Purchase	10-Apr-2020	2,750	0.00	306,000	0.25
		Purchase	08-May-2020	3,750	0.00	309,750	0.26
		Purchase	15-May-2020	5,000	0.00	314,750	0.26
		Purchase	22-May-2020	5,000	0.00	319,750	0.27
		Purchase	21-Aug-2020	74	0.00	319,824	0.27
		Purchase	25-Sep-2020	426	0.00	320,250	0.27
		Purchase	22-Jan-2021	5,000	0.00	325,250	0.27
			At the end of the year		31-Mar-2021		
13.	SNK Investments Private Ltd	At the beginning of the year	1-Apr-2020	297,257	0.25	297,257	0.25
		At the end of the year		31-Mar-2021			
14.	Shalu Goel	At the beginning of the year	1-Apr-2020	242,425	0.20	242,425	0.20
		At the end of the year		31-Mar-2021			242,425

Sr. no.	Name of Shareholder	Remarks	Transaction Date	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
15.	Sundaram Mutual Fund A/C Sundaram Small Cap Fund	At the beginning of the year	1-Apr-2020	-	0.00	-	0.00
		Purchase	05-Mar-2021	225,000		225,000	0.19
		At the end of the year	31-Mar-2021			225,000	0.19
16.	Emerging Markets Core Equity Portfolio (The Portfolio) of DF	At the beginning of the year	1-Apr-2020	203,893	0.17	203,893	0.17
		At the end of the year	31-Mar-2021			203,893	0.17
17.	Edelweiss Trusteeship Co Ltd Ac- Edelweiss MF Ac-Edelweiss S	At the beginning of the year	1-Apr-2020	101,987	0.08	101,987	0.08
		Purchase	26-Feb-2021	46,213	0.04	148,200	0.12
		Purchase	05-Mar-2021	54,258	0.05	202,458	0.17
		At the end of the year	31-Mar-2021			202,458	0.17
18.	Sailesh Raj Bhan	At the beginning of the year	1-Apr-2020	200,000	0.17	200,000	0.17
		At the end of the year	31-Mar-2021			200,000	0.17
19.	Robeco Capital Growth Funds	At the beginning of the year	1-Apr-2020	-	0.00	-	0.00
		Purchase	26-Feb-2021	87,148	0.07	87,148	0.07
		Purchase	26-Mar-2021	96,238	0.08	183,386	0.15
		At the end of the year	31-Mar-2021			183,386	0.15
20.	HDFC Small Cap Fund	At the beginning of the year	1-Apr-2020	2,987,386	2.49	2,987,386	2.49
		Sale	20-Nov-2020	(187,386)	(0.16)	2,800,000	2.33
		Sale	27-Nov-2020	(775,641)	(0.65)	2,024,359	1.69
		Sale	04-Dec-2020	(91,000)	(0.08)	1,933,359	1.61
		Sale	11-Dec-2020	(289,023)	(0.24)	1,644,336	1.37
		Sale	18-Dec-2020	(84,336)	(0.07)	1,560,000	1.30
		Sale	15-Jan-2021	(516,368)	(0.43)	1,043,632	0.87
		Sale	22-Jan-2021	(278,842)	(0.23)	764,790	0.64
		Sale	29-Jan-2021	(299,151)	(0.25)	465,639	0.39
		Sale	05-Feb-2021	(300,838)	(0.25)	164,801	0.14
		Sale	12-Feb-2021	(164,801)	(0.14)	-	0.00
		At the end of the year	31-Mar-2021			-	0.00
21.	Government of Singapore - E	At the beginning of the year	1-Apr-2020	279,711	0.23	279,711	0.23
		Sale	29-Jan-2021	(116,759)	(0.10)	162,952	0.14
		Sale	05-Feb-2021	(162,952)	(0.14)	-	0.00
		At the end of the year	31-Mar-2021			-	0.00

**Note:**

- Date of transfer has been considered as the date on which the beneficiary position was provided by the Depositories to the Company.
- Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder. Change in top ten shareholders at the beginning and at the end of the year

(v) Shareholding of directors & key managerial personnel:

Sr. no.	Shareholders' name	Remarks	Date	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Parmod Sagar- Managing Director & CEO	At the beginning of the year	1-Apr-2020	13,698	0.01	13,698	0.01
		Purchase/Sale during the year	-	-	-	-	-
		At the end of the year	31-Mar-2021	13,698	0.01	13,698	0.01
2.	Mr. Sanjeev Bhardwaj-KMP	At the beginning of the year	1-Apr-2020	2,250	0.00	2,250	0.00
		Purchase/Sale during the year	-	-	-	-	-
		At the end of the year	31-Mar-2021	2,250	0.00	2,250	0.00

Following Directors/Key Managerial Personnel did not hold any shares during the year 2020-21.

Dr. Vijay Sharma, Ms. Sonu Chadha, Mr. Nazim Sheikh, Mr. Erwin Jankovits, Mr. Gustavo Lucio Goncalves Franco -Directors and Mr. Sanjay Kumar-KMP.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs. Lacs)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	271.09	6,670.66	-	6,941.75
ii) Interest due but not paid	-	24.64	-	24.64
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>271.09</b>	<b>6,695.30</b>	-	<b>6,966.39</b>
<b>Change in indebtedness during the financial year</b>				
- Additions	-	-	-	-
- Reduction	271.09	690.07	-	961.16
<b>Net Change</b>	<b>271.09</b>	<b>690.07</b>	-	<b>961.16</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal amount	-	5,980.66	-	5,980.67
ii) Interest due but not paid	-	24.56	-	24.56
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>6,005.23</b>	-	<b>6,005.23</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration To Managing Director, Whole Time Director and/or Manager

(Amount in Rs. Lacs)

Sr. no.	Particulars of Remuneration	Mr. Parmod Sagar Managing Director & CEO	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	198.61	198.61
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	0.40
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock option	-	-
3.	Sweat equity	-	-
4.	Commission - as % of profit - others (specify)	- -	- -
5.	Others, <i>please specify</i>	-	-
<b>Total (A)</b>		<b>199.01</b>	<b>199.01</b>
<b>Ceiling as per the Act</b>			<b>925.96</b>

### B. Remuneration to other directors

#### i. Independent Directors

Sr. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Dr. Vijay Sharma	Mr. R.S. Bajoria	Ms. Sonu Chadha	Mr. Nazim Sheikh	
1.	Fee for attending Board/Committee Meetings	4.00	2.00	4.00	1.75	11.75
2.	Commission	-	-	-	-	-
3.	Others, <i>please specify</i>	-	-	-	-	-
<b>Total (Bi)</b>		<b>4.00</b>	<b>2.00</b>	<b>4.00</b>	<b>1.75</b>	<b>11.75</b>

#### ii. Other Non-Executive Directors

Sr. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Erwin Jankovits	Mr. Luiz Gustavo Rossato	Mr. Gustavo Lucio Goncalves Franco	
1.	Fee for attending Board/Committee meetings	-	-	-	-
2.	Commission	-	-	-	-
3.	Others, <i>please specify</i>	-	-	-	-
<b>Total (B ii)</b>		-	-	-	-
<b>Total (B)=(B i +B ii)</b>					<b>11.75</b>
<b>Total Managerial Remuneration (A+B)</b>					<b>210.76</b>
<b>Overall ceiling as per the Act.</b>					<b>2,037.12</b>

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in Rs. Lacs)

Sr. no.	Particulars of remuneration	Key Managerial Personnel		Total Amount
		Mr. Sanjay Kumar	Mr. Sanjeev Bhardwaj	
1.	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	18.76	77.55	96.31
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0.40	0.40
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock option	-	-	-
3.	Sweat equity	-	-	-
4.	Commission - as % of profit - others (specify)	-	-	-
5.	Others, <i>please specify</i>	-	-	-
	<b>Total</b>	<b>18.76</b>	<b>77.95</b>	<b>96.71</b>

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made, if any (give details)
<b>A. Company</b>					
- Penalty			None		
- Punishment					
- Compounding					
<b>B. Directors</b>					
- Penalty			None		
- Punishment					
- Compounding					
<b>C. Other officers in default</b>					
- Penalty			None		
- Punishment					
- Compounding					

On behalf of the Board of Directors

Gurugram, 11 August 2021

**Parmod Sagar**  
Managing Director & CEO  
(DIN: 06500871)

**Dr. Vijay Sharma**  
Chairman  
(DIN:00880113)

## ANNEXURE VI

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

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

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

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

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

The ratio of remuneration of each director to the median remuneration of all employees who were on the payroll of the Company and the percentage increase in remuneration of the Directors, Chief Financial Officer and Company Secretary during the financial year 2020-21 are given below:

	Ratio to median remuneration	% increase in remuneration in the financial year
<b>Non-Executive Directors</b>		
Dr. Vijay Sharma*	-	-
Mr. R. S. Bajoria*	-	-
Ms. Sonu Chadha*	-	-
<b>Mr. Nazim Sheikh*</b>	-	-
Mr. Erwin Jankovits#	-	-
Mr. Luiz Gustavo Rossato#	-	-
Mr. Gustavo Lucio Goncalves Franco#	-	-
<b>Executive Director</b>		
Mr. Parmod Sagar	70.04	26.29
<b>Key Managerial Personnel</b>		
Mr. Sanjeev Bhardwaj-CFO	23.69	11.40
Mr. Sanjay Kumar-Company Secretary	3.90	3.54

\*Only Sitting Fees paid.

# Non-Executive Non-Independent Directors are not drawing any remuneration/commission from the Company

- The percentage increase in the median remuneration of employees in the financial year : 12.63 %
- The number of permanent employees on the rolls of the Company : 793
- Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The percentage increase in the salaries of employees other than the managerial personnel in the last financial year was 12.84% on a cost to Company basis, as against an increase of 26.29% in the salary of the Managing Director (Managerial Personnel as defined under the Act). The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India.

- Affirmation that the remuneration is as per the remuneration policy of the Company:

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

7. The statement containing particulars of the employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

(a) **Top ten employees in term of remuneration drawn** (employed for whole of FY 2020-21)

Sr. no.	Employee name (Designation) [Age (in years)]	Educational qualification	Experience (in years)	Date of joining	Gross remuneration Paid (in Rs. Lacs)	Previous employment (Designation)
1.	Mr. Parmod Sagar (Managing Director & CEO) (56 Years)	B.E. (Mech.)	38	15.04.1992	351.85	Orient Abrasives Ltd. (Sr. Vice President)
2.	Mr. R V S Rudraraju (Whole Time Director, erstwhile fellow subsidiary) (51 Years)	B.E. (Mech.)	27	1.12.2005	173.06	-
3.	Mr. Sanjeev Bhardwaj (Chief Financial Officer) (56 Years)	Chartered Accountant & Company Secretary	33	10.06.2013	119.00	Sterling Tools Ltd. (Vice President)
4.	Mr. Jyotirmoy Bhattacharjee (Director-Sales) (49 Years)	B. Tech. (Ceramic)	26	01.01.2008	77.13	Tata Refractories Ltd (GM-Marketing)
5.	Mr. Thomas Mathew (Director-Technical Excellence & Solutions) (48 Years)	B.E. (Metallurgy)	25	01.08.2018	75.06	Vesuvius India Ltd. (GM-Sales & Business Development)
6.	Mr. Purshottam Dass (Senior Vice President) (59 Years)	B.E. (Electrical & Electronics)	34	01.01.2013	70.76	Samtel India Ltd. (Vice President)
7.	Mr. Suneel Chawla (Vice President) (57 Years)	B.Com. & Company Secretary	38	21.10.2015	65.81	Jindal Steel & Power Ltd. (General Manager)
8.	Mr. Jagdish Parikh (Chief Financial Officer- erstwhile fellow subsidiary) (58 Years)	Chartered Accountant	30	10.08.2010	55.12	Celebi Nas Airport Services India Pvt. Ltd. (Head of Finance & A/c)
9.	Mr. Anurag Agarwal Vice President (42 Years)	B. Tech. (Ceramic)	21	01.08.2007	53.02	Norinco Pvt. Ltd. (Sales Manager)
10.	Mr. Manoj Gupta (Joint Vice President) (48 Years)	Chartered Accountant & Cost Management Accountant	23	23.08.2008	44.16	Orient Abrasives Ltd. (Sr. General Manager)

- (b) (i) If employed throughout the financial year was in receipt of remuneration not less than Rs. 102 lacs : None  
(ii) If employed for part of the year with an average salary not less than Rs. 8.50 lacs per month : None  
(iii) If employed throughout or part of the financial year was in receipt of remuneration in excess of : None  
Managing Director and holds 2% of the equity shares of the Company

**On behalf of the Board of Directors**

Gurugram, 11 August 2021

**Parmod Sagar**  
Managing Director & CEO  
(DIN: 06500871)

**Dr. Vijay Sharma**  
Chairman  
(DIN:00880113)

### REPORT ON CORPORATE GOVERNANCE

#### I. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

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

##### **Statement on Company's Philosophy on Code of Governance**

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

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

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

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

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

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

## II. BOARD OF DIRECTORS

### Composition

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Board of Directors, as on 31 March 2021, comprised 6 directors, out of which 5 were Non-Executive Directors. The Company Board includes a Non-Executive Independent Chairman and 2 other Independent Directors. All directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as directors. All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and the governance guidelines for board effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees [Committees being Audit Committee and Stakeholders' Relationship Committee, as per Regulation 26 (1) of the Listing Regulations], across all the Companies in which he/ she is a director. The necessary disclosures regarding committee positions have been made by all the directors. None of the Directors holds office in more than 20 companies and in more than 10 public companies. All Directors are also in compliance of the limit on independent directorships of listed companies as prescribed in Regulation 25 (1) of the Listing Regulations.

### Category and attendance of directors

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

Director	Category	No. of board meetings attended during FY 2021	Attendance at AGM held on 28 August 2020	No. of directorships* (As on 31 March 2021)			No. of committee positions in mandatory committees* (As on 31 March 2021)		
				Chairman	Member	Total	Chairman	Member	Total
Dr. Vijay Sharma (Chairman) DIN- 00880113	Independent, Non-Executive	4	Yes	-	-	-	-	-	-
Mr. R. S. Bajoria DIN- 00033727 Retired on 23 September 2020		2	No	-	-	-	-	-	-
Ms. Sonu Chadha DIN- 00129923		4	No	-	-	-	-	-	-
Mr. Nazim Sheikh DIN-00064275 Appointed on 3 November 2020	Non-Independent, Non-Executive	2	NR	-	-	-	-	-	-
Mr. Gustavo Lucio Goncalves Franco DIN- 08754857 Appointed on 6 June 2020		1	No	-	-	-	-	-	-
Mr. Luiz Gustavo Rossato DIN-08695654 Resigned on 1 June 2020		NR	NR	-	-	-	-	-	-
Mr. Erwin Jankovits DIN- 07089589		3	No	-	-	-	-	-	-
Mr. Parmod Sagar (Managing Director & CEO) DIN- 06500871	Non-Independent, Executive	4	Yes	-	-	-	-	-	-

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

The Company held four (4) board meetings during FY 2021. The dates on which the board meetings were held 29 June 2020; 12 August 2020; 3 November 2020 and 12 February 2021. Meeting on 29 June 2020 held with a gap of more than 120 days due to disruptions caused by COVID-19 pandemic was conforming to relaxation extended by the Securities and

Exchange Board of India vide Circular Nos SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19th March 2020 and SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated 26th June 2020. The necessary quorum was present for all the meetings.

## **Board procedure**

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

## **Code of conduct**

The Company has adopted the RHIM Code of Conduct for all the Directors, including the Non-Executive Directors and Employees of the Company. The Code of Conduct for the Non-Executive Directors of the Company incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The Code is posted on the Company's web site. All Board members and Senior Management Personnel [as per Regulation 26 (3) of the Listing Regulations] have affirmed compliance with the applicable code of conduct. A declaration to this effect, signed by the Managing Director & CEO form part of this Report. Apart from receiving sitting fee that they are entitled to under the Companies Act, 2013 as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates. None of the Directors are inter-se related to each other. The Directors and Senior Management of the Company have made disclosures to the Board confirming that there is no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

## **Separate meeting of independent directors**

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 29 June 2020, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the meeting, the independent directors:

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

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

## **Board and director evaluation and criteria for evaluation**

During the year, the Board has carried out an annual evaluation of its own performance, performance of the directors, as well as the evaluation of the working of its committees. The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the performance evaluation process for the Board, its Committees and Directors. The criteria for board evaluation include inter-alia, degree of fulfilment of key responsibilities, board structure and composition, establishment and delineation of responsibilities to various committees, effectiveness of board processes, information and functioning. Criteria for evaluation of individual directors include aspects such as attendance and contribution at Board/ Committee meetings and guidance/ support to the management outside Board/ Committee meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director & CEO. Criteria for evaluation of the Committees of the Board include degree of fulfilment of key responsibilities, adequacy of committee composition and effectiveness of meetings. The procedure followed for the performance evaluation of the Board, Committees and Directors is detailed in the Board's report.

## **Familiarization programme for directors including independent directors**

The Board members, including Independent Directors are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes and landmark judicial

pronouncements encompassing important laws are regularly circulated to the directors. Site visits to the plant location are organized for the Directors to enable them to understand the operations of the Company. The details of the familiarization program imparted to Independent Director is available on website link: [www.orientrefractories.com/pdfs/Familiarisation%20Programme%20for%20Independent%20Directors.pdf](http://www.orientrefractories.com/pdfs/Familiarisation%20Programme%20for%20Independent%20Directors.pdf) of the Company.

### 3. AUDIT COMMITTEE

#### i. Audit Committee

Terms of reference

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

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Review with the management the quarterly and annual financial statements and the Auditor's Report thereon, before submission to the Board for approval.
- Discuss with the Statutory Auditors, before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the Statutory Auditors.
- Review and monitor the Auditor's independence and performance and effectiveness of audit process.
- Review with the management, performance of the Statutory and Internal Auditors.
- Review the adequacy of the Internal Audit function and the adequacy and efficacy of the Internal Control Systems.
- Evaluate Internal Financial Controls and Risk Management Systems.
- Scrutinize Inter-Corporate Loans and Investments.
- Discuss any significant findings with Internal Auditors and follow-up thereon.
- Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or failure of Internal Control Systems of a material nature and reporting the matter to the Board.
- Look into the reasons for substantial defaults in payments to shareholders and creditors.
- Approve transactions, including any subsequent modifications, of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Review the functioning of the Whistle Blower Mechanism.
- Oversee compliance with legal and regulatory requirements.
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate and
- Generally, all items listed in Part C of Schedule II to the Listing Regulations and in Section 177 of the Companies Act, 2013.

#### Composition and attendance during the year

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

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

Name of the member	Category	No. of meetings attended FY 2021
Dr. Vijay Sharma, Chairman	Independent, Non-Executive	4
Mr. R. S. Bajoria, Member [Retired on 23 September 2020]		2
Ms. Sonu Chadha, Member		4
Mr. Nazim Sheikh [Inducted on 3 November 2020]	Non-Independent, Non-Executive	2
Mr. Luiz Gustavo Rossato, Member [Resigned on 1 June 2020]		-
Mr. Gustavo Lucio Goncalves Franco, Member [Inducted on 29 June 2020]		1

The Audit Committee met four (4) times during the year. The dates on which the Audit Committee meetings were held were 29 June 2020; 12 August 2020; 3 November 2020 and 12 February 2021. Necessary quorum was present at the above meetings.

During the year, the Audit Committee reviewed key audit findings covering operational, financial and compliance under risk mitigation plans covering key risks affecting the Company were presented to the Committee. The meetings of the Audit Committee are usually attended by the Chief Financial Officer, the Company Secretary and a representative of the Statutory.

Auditors. The Company Secretary acts as the Secretary to the Committee. The Chairman of the Audit Committee, Dr. Vijay Sharma was present at the Annual General Meeting of the Company held on 28 August 2020.

## ii. Nomination and Remuneration Committee

### Terms of reference

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

- Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise a policy on board diversity.
- Recommend to the Board the appointment or re-appointment of Directors.
- Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.
- Carry out the evaluation of every Director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its Committees and individual Director, including formulation of criteria for evaluation of Independent Directors and the Board.
- Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.
- Recommend the remuneration policy for the Directors, KMP, executive team and other employees.
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.
- Review matters related to remuneration and benefits payable upon retirement and severance to MD/ EDs, KMP and executive team.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.

- Oversee familiarization programmes for Directors.
- Review HR and people strategy and its alignment with the business strategy periodically, or when a change is made to either.
- Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning.

## Composition and Attendance during the year

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

Name of the member	Category	No. of meetings attended during FY 2021
Mr. R. S. Bajoria, Chairman [Retired on 23 September 2020]	Independent, Non-Executive	2
Dr. Vijay Sharma, Member		3
Ms. Sonu Chadha, Chairman [Inducted on 3 November 2020 & Resigned on 3 November 2020]		1
Mr. Nazim Sheikh, Chairman [Inducted on 3 November 2020]		1
Mr. Erwin Jankovits, Member	Non-Independent, Non-Executive	1

The Committee met three (3) times during the year i.e. on 29 June 2020, 3 November 2020 and 12 February 2021. The Chairman of the Committee, Mr. R. S. Bajoria was not present at the Annual General Meeting of the Company held on 28 August 2020.

## Details of Remuneration Paid

### ▪ Remuneration paid to the Managing Director & CEO

(Amount in Rs. Lacs)

Particulars	Mr. Parmod Sagar- Managing Director & CEO
Salary	176.23
Perquisites and allowances	162.88
Retirement benefits	12.74
<b>Total</b>	<b>351.85</b>

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) & potential bonus (variable component) to Mr. Parmod Sagar, Managing Director & CEO.

### ▪ Remuneration paid to the Non-Executive Directors

The Company pays sitting fee and reimburses the out-of-pocket expenses incurred for attending the meetings of the Board/Committee only to Non-Executive Independent Directors. Non-Executive Non-Independent Directors of the Company decided to forgo their sitting fees. Sitting fee for attending each Board meeting was Rs. 75,000/- and each Audit Committee meeting was Rs. 25,000/-, no sitting fee paid for attending other committee meeting. The sitting fees paid during FY 2021 were as follows:

(Amount in Rs. Lacs)

Name of director	Sitting fees
Dr. Vijay Sharma	4.00
Mr. R. S. Bajoria	2.00
Ms. Sonu Chadha	4.00
Mr. Nazim sheikh	1.75

Apart from sitting fees as mentioned above, Non - Executive Directors, including Independent Directors are not entitled to any remuneration from the Company. None of the Directors hold any shares in the Company except Mr. Parmod Sagar, Managing Director & CEO who holds 13,698 equity shares of the Company as on 31 March 2021.

### iii. Stakeholders Relationship Committee

#### Terms of reference

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

- Review statutory compliance relating to all security holders.
- Consider and resolve the grievances of security holders of the Company, including complaints related to transfer of securities, non-receipt of annual report/ declared dividends/ notices/ balance sheet.
- Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the investor education and protection fund.
- Oversee and review all matters related to the transfer of securities of the Company.
- Approve issue of duplicate share certificates of the Company.
- Review movements in shareholding and ownership structures of the Company.
- Ensure setting of proper controls and oversee performance of the Registrar and Share Transfer Agent.
- Recommend measures for overall improvement of the quality of investor services.
- Set forth policies relating to and oversee implementation of the code of conduct for prevention of insider trading.
- Review the concerns received under the RHIM code of conduct.

#### Composition and attendance during the year

The Stakeholders' Relationship Committee met once during the year, on 12 February 2021. The composition of the Stakeholders' Relationship Committee and the details of the meetings attended by the members during the year are given below:

Name of the member	Category	No. of meetings attended during FY 2021
Ms. Sonu Chadha, Chairperson	Independent, Non-Executive	1
Mr. Luiz Gustavo Rossato, Member <i>[Resigned on 1 June 2020]</i>	Independent, Non-Executive	-
Mr. Gustavo Lucio Goncalves Franco, Member <i>[Inducted on 29 June 2020]</i>		1
Mr. Parmod Sagar, Member	Non-Independent, Executive	1

#### Name, designation and address of the Compliance Officer

Mr. Sanjay Kumar  
 Company Secretary  
 SP-148 A+B, RIICO Industrial Area,  
 Bhiwadi, Dist.-Alwar,  
 Rajasthan-301019  
 Tel. No.: +91 1493 222 266  
 Fax No.: +91 1493 222 267  
 e-mail: Sanjay.Kumar@RHIMagnesita.com

Shareholders may also correspond with the Company on the e-mail address: investors.india@RHIMagnesita.com. Three (3) cases were reported as complaint and no complaint were pending on 31 March 2021. No request for dematerialization of share was pending as on 31 March 2021.

## iv. Corporate Social Responsibility Committee

### Terms of reference

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

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount to be spent on the CSR activities.
- Monitor the Company's CSR policy periodically.
- Oversee the Company's conduct with regard to its corporate and social obligations and its reputation as a responsible rate citizen.
- Oversee activities impacting the quality of life of various stakeholders.
- Attend to such other matters and functions as may be prescribed from time to time.

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

### Composition and attendance during the year

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

Name of the member	Category	No. of meetings attended during FY 2021
<i>Ms. Sonu Chadha, Chairperson</i>	Independent, Non-Executive	2
Mr. Erwin Jankovits, Member	Non- Independent, Non-Executive	1
Mr. Parmod Sagar, Member	Independent, Non-Executive	2

The Committee met two (2) times during the year on: 29 June 2020 and 3 November 2020.

## v. RISK MANAGEMENT COMMITTEE

### Terms of reference

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

- Review the risk identification and management process developed by management to confirm it is consistent with the Company's strategy and business plan;
- Review management's assessment of risk at least annually and provide an update to the Board in this regard;
- Inquire of management and the Independent Auditor about significant business, political, financial and control risks or exposure to such risk;
- Oversee and monitor management's documentation of the material risks that the Company faces and update as events change and risks shift;
- Assess the steps management has implemented to manage and mitigate identifiable risk, including the use of hedging and insurance;
- Oversee and monitor management's review, at least annually, and more frequently if necessary, of the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks);
- Constitute Sub-Committee (team of the Company personals) to identify the risk to take action and report the same to the Committee;
- Review the following with management, with the objective of obtaining reasonable assurance that financial risk is being effectively managed and controlled:

- Management's tolerance for financial risks;
- Management's assessment of significant financial risks facing the Company;
- The Company's policies, plans, processes and any proposed changes to those policies for controlling significant financial risks and
- To review with the Company's counsel, legal matters which could have a material impact on the Company's public disclosure, including financial statements.

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

## Composition and attendance during the year

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

Name of the member	Category	No. of meetings attended during FY 2021
Dr. Vijay Sharma, Chairman	Independent, Non-Executive	4
Mr. Luiz Gustavo Rossato, Member [Resigned on 1 June 2020]	Non- Independent, Non-Executive	-
Mr. Gustavo Lucio Goncalves Franco, Member [Inducted on 29 June 2020]		1
Mr. Parmod Sagar, Member	Non- Independent, Executive	4

The Committee met four (4) times during the year on: 29 June 2020; 12 August 2020; 3 November 2020 and 12 February 2021.

## IV. GENERAL BODY MEETINGS

### i. General Meeting

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

Financial Year	Date	Time	Venue	Special resolutions
2020	28 August 2020	3.30 p.m.	Meeting conducted through VC / OAVM pursuant to the MCA Circular	- Variation in terms of remuneration of Mr. Parmod Sagar, Managing Director & CEO of the Company.
2019	23 July 2019	10.30 a.m.	Kohinoor Continental, Andheri-Kurla Road, J.B. Nagar, Andheri, Mumbai- 400059	- Reappointment of Dr. Vijay Sharma as an Independent Director, for 2nd time, of the Company. - Approve the continuation of directorship of Mr. R S Bajoria as an Independent Director of the Company
2018	10 September 2018	2.30 p.m.		- Adoption of Memorandum of Association as per the provisions of the Companies Act, 2013. - Adoption of Articles of Association as per the provisions of the Companies Act, 2013.

#### b. Extraordinary General Meeting:

- ii. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot: No such resolution passed through postal ballot during FY 2021.

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

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

- V. A certificate has been received from Naresh Verma and Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- VI. Price Waterhouse Chartered Accountants LLP, (Firm Registration No. 012754N/N500016) has been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis for FY 2021 is given below

Particulars	Amount (in Rs. Lacs)
Audit fees	95.58
Limited review	14.86
Reimbursement of expenses	3.93
<b>Total</b>	<b>114.37</b>

## VIII. Other disclosure

### During FY 2021

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

[http://www.orientrefractories.com/pdfs/Policy%20 For%20Related%20Party%20Transaction.pdf](http://www.orientrefractories.com/pdfs/Policy%20For%20Related%20Party%20Transaction.pdf)

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

- The Company was in Non-Compliance with regard to appointment of Independent Women Director till 12 August 2019 and No. of Directors being less than six till 12 August 2019 and also during 1 January 2010 to 10 February 2020 as required in terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Further in violation of the requirements of Regulation 17(1A) of said Regulations, Mr. R. S. Bajoria continued to hold office of Independent Director till 22 July 2019 without approval of shareholders by means of a Special Resolution (as he crossed 75 Years of age as on 1 April 2019). The Company appointed Ms. Sonu Chadha as Independent Women Director on 13 August 2019 and increased its number of Directors to minimum 6 during the year under review. The appointment of Mr. R. S. Bajoria was regularised in the AGM held during the year 2019.
- There was a fine of Rs. 10,000 plus GST was imposed by BSE and NSE for delay (by 1 day) in furnishing prior intimation of Board meeting held on 11 February 2020 which was duly paid by the Company.

- C. Whistle Blower Policy and Vigil Mechanism

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

D. Discretionary requirements

- The auditors' report on financial statements of the Company are unmodified.
- Statutory auditors of the Company make quarterly presentations to the audit committee on their reports.

E. Subsidiary Companies

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

The Company does not have any material unlisted subsidiary company.

F. Reconciliation of Share Capital Audit Report

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

G. Code of Conduct

The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended 31 March 2021. The Annual Report of the Company contains a certificate by the Chief Executive Officer and Managing Director, on the compliance declarations received from the members of the Board and Senior Management. The said policy has been uploaded on the website of the Company at the following web link: <https://www.orientrefractories.com/policies.htm>

H. Dividend Distribution Policy

The Company has defined dividend distribution policy and the said policy has been uploaded on the website of the Company at the following web link: <https://www.orientrefractories.com/policies.htm>

I. Familiarization Program

Details of familiarization program imparted to Independent Directors are available on the Company's website at the following web link: <https://www.orientrefractories.com/policies.htm>

J. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018

The details have been disclosed in the Business Responsibility Report forming part of the Annual Report.

## IX. Means of Communication

- A. The quarterly and the half yearly results, published in the format prescribed by the Listing Regulations read with the circular issued there under, are approved and taken on record by the Board of Directors of the Company within 45 days of the close of the relevant quarter. The approved results are forthwith uploaded on the designated portals of the Stock Exchanges where the Company's shares are listed viz., NSE Electronic Application Processing System (NEAPS) of the National Stock Exchange of India Ltd. (NSE) and BSE Online Portal of BSE Ltd. (BSE). The financial results are also published within 48 hours in The Business Standard (in English Language) and Mumbai Lakshadweep (in Marathi Language) and displayed on the Company's website, [www.orientrefractories.com](http://www.orientrefractories.com).
- B. The Company publishes the Audited Annual Results within the stipulated period of sixty days from the close of the financial year as required by the Listing Regulations. The Annual Audited Results are also uploaded on NEAPS and BSE online Portal of NSE and BSE respectively. The results are also published within 48 hours in The Economics Times (in English Language) and Mumbai Lakshadweep (in Marathi Language) and displayed on the Company's website

## X. General shareholder information

### i. Annual General Meeting for FY 2021

Date	: Wednesday, 29 September 2021
Time	: 1.30 p.m. (IST)
Venue	: Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated 5 May 2020 read with circulars dated 8 April 2020, 13 April 2020 and 13 January 2021 and as such there is no requirement to have a venue for the AGM

For details, please refer to the Notice of this AGM

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

- ii **Financial calendar** : 1 April 2020 to 31 March 2021
- iii **Date of book closure** : As mentioned in the Notice of this AGM
- iv **Dividend payment date** : The final dividend, if approved, shall be paid / credited on Wednesday, 6 October 2021
- v **Listing on Stock Exchanges** : National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (East), Mumbai 400 051  
BSE Limited  
P. J. Towers, Dalal Street, Mumbai 400 001
- vi **Stock Codes/Symbol** : **NSE** : RHIM  
**BSE** : 534076

Listing Fees as applicable have been paid

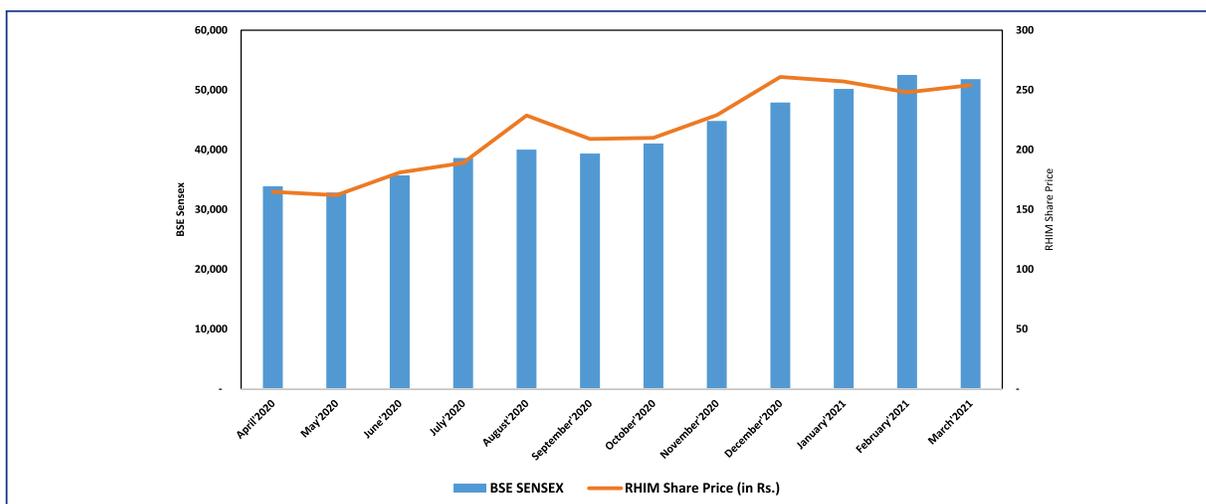
- vii **Corporate Identity Number (CIN)** : L28113MH2010PLC312871

### viii. Market Information:

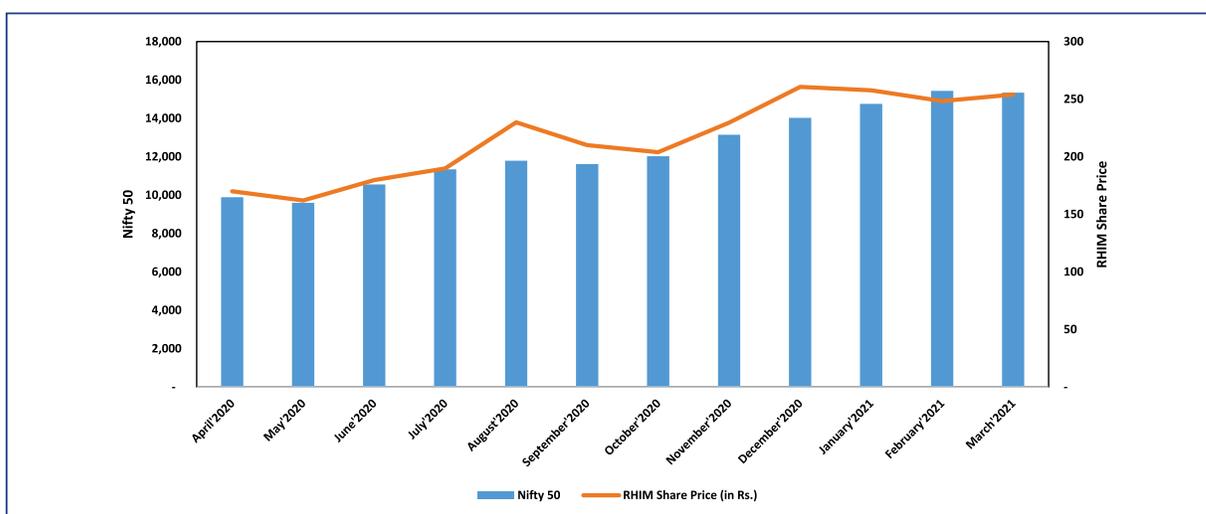
- a. **Market price data:** High, Low (based on daily closing prices) and number of equity shares traded during each month in FY 2021 on NSE and BSE:

Month	BSE				NSE			
	High price	Low price	No. of shares traded	Total turnover (Rs. in lacs)	High price	Low price	No. of shares traded	Total turnover (Rs. in lacs)
	(Rs.)				(Rs.)			
April-2020	164.80	110.65	74,593	109.57	169.95	110.00	563,077	792.43
May-2020	161.95	129.50	53,553	74.73	162.00	129.05	591,126	835.13
June-2020	181.00	139.00	171,463	278.9	179.75	139.25	1,892,827	3,081.19
July-2020	189.00	162.70	113,642	195.73	189.80	162.55	1,352,286	2,371.80
August-2020	228.65	167.25	196,951	387.94	229.90	168.60	2,417,681	4,799.65
September-2020	209.00	180.00	427,466	803.67	210.00	182.50	1,619,008	3,150.14
October-2020	209.95	180.00	61,603	117.85	203.90	181.25	1,037,096	1,990.85
November-2020	229.00	183.65	145,457	308.61	229.60	183.50	3,237,090	6,961.49
December-2020	260.90	197.95	239,830	571.33	260.65	196.75	3,721,507	8,670.09
January-2021	257.15	212.60	177,326	418.42	257.65	212.60	4,124,548	9,682.71
February-2021	248.00	213.25	175,390	411.59	248.30	213.00	3,454,245	8,077.12
March-2021	254.00	220.00	249,892	589.12	254.00	219.95	3,500,693	8,265.21

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



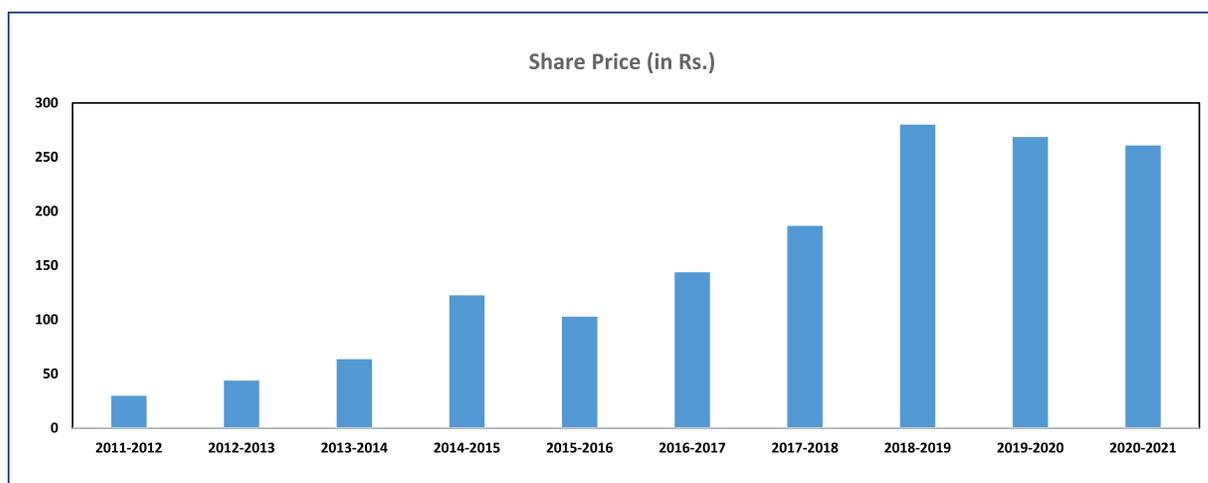
## c. Performance of RHIM Share Price in comparison with Nifty-50



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

(Amount in Rs.)

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



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

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

**x. Share Transfer System:**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from 1 April 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed 31 March 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Certain Company officials (including Chief Financial Officer and Company Secretary) are authorized by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

**xi. Secretarial Audit**

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

**xii. Shareholding as on 31 March 2021**

**a. Distribution of shareholding as on 31 March 2021**

Share holding nominal value (in Rs.)	Number of shareholders	%' age to total numbers	Shareholding amount (in Rs.)	%' age to total amount
Up to 5,000	17,891	96.29	8,988,582	7.48
5,001 to 10,000	365	1.96	2,675,179	2.23
10,001 to 20,000	183	0.98	2,644,443	2.20
20,001 to 30,000	54	0.29	1,350,322	1.12
30,001 to 40,000	18	0.10	627,535	0.52
40,001 to 50,000	12	0.06	547,454	0.46
50,001 to 1,00,000	24	0.13	1,703,729	1.42
100,000 and above	34	0.18	101,601,956	84.57
<b>Total</b>	<b>18,581</b>	<b>100.00</b>	<b>120,139,200</b>	<b>100.00</b>

## b. Shareholding pattern as on 31 March 2021

Sr. no.	Category of the shareholders	No. of shareholders	Total holding	%age to capital
1.	<b>Promoter and promoter group</b> Foreign-[Dutch US Holding B.V.]	1	79,877,771	66.49
2.	<b>Institutions</b>			
(a)	Mutual Fund	13	12,322,296	10.26
(b)	FII/Foreign Portfolio Investors	18	1,767,036	1.47
(c)	Alternate Investment Funds	1	10,050	0.01
(d)	Financial Institutions/Banks	3	7,000	0.01
(e)	Insurance Companies	2	1,929,936	1.61
3.	<b>Non-Institutions</b>			
(a)	Individual shareholders holding nominal share capital up to Rs. 2.00 lacs	17,237	16,702,362	13.90
(b)	Individual shareholders holding nominal share capital above Rs. 2.00 lacs	1	242,425	0.20
(c)	NBFC registered with RBI	1	30,000	0.02
(d)	Bodies Corporate	233	2,704,924	2.25
(e)	Non-Resident Indians	510	677,451	0.56
(f)	Resident Indian HUF	509	686,705	0.57
(g)	Clearing Members/House	51	41,598	0.03
(h)	Investor Education Protection Fund	1	3,139,646	2.61
	<b>Total</b>	18,581	120,139,200	100.00

## c. Top ten equity shareholders of the Company as on 31 March 2021

Sr. no.	Particulars	No. of shares	%
	<b>Promoter &amp; promoter group</b>		
1.	Dutch US Holding B.V.	79,877,771	66.49
	<b>Others</b>		
2.	L and T Mutual Fund Trustee Ltd-L and T Infrastructure Fund	4,240,519	3.53
3.	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Small Cap Fund	3,981,516	3.31
4.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Balanced Advantage Fund	1,471,995	1.23
5.	ICICI Lombard General Insurance Company Ltd.	1,367,378	1.14
6.	Pinebridge Global Funds - Pinebridge India Equity Fund	868,020	0.72
7.	Canara Robeco Mutual Fund A/C Canara Robeco Conservative Hybrid Fund	758,505	0.63
8.	Bajaj Allianz Life Insurance Company Ltd.	562,558	0.47
9.	UTI Small Cap Fund	534,375	0.44
10.	DSP India T.I.G.E.R. Fund	474,842	0.40

**xiii. Dematerialization of shares and liquidity:**

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 99.13 percent of the Company's equity share capital are dematerialized as on 31 March 2021. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE743M01012.

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

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence, as on 31 March 2021, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

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

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15 November 2018 is not required to be given. The details of foreign currency exposure are disclosed in note no. 24 of Standalone to the financial statements

**xvi. Equity shares in the suspense account**

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1 April 2020	1	1,000
Shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Shareholders to whom shares were transferred from the suspense account during the year	-	-
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	1	1,000
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 March 2021	-	-

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

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

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

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

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

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

Financial Year	Amount of unclaimed dividend transferred (Amount in Rs. lacs)	Number of shares transferred
2012-13	34.99	246,931
<b>Total</b>	<b>34.99</b>	<b>245,931</b>

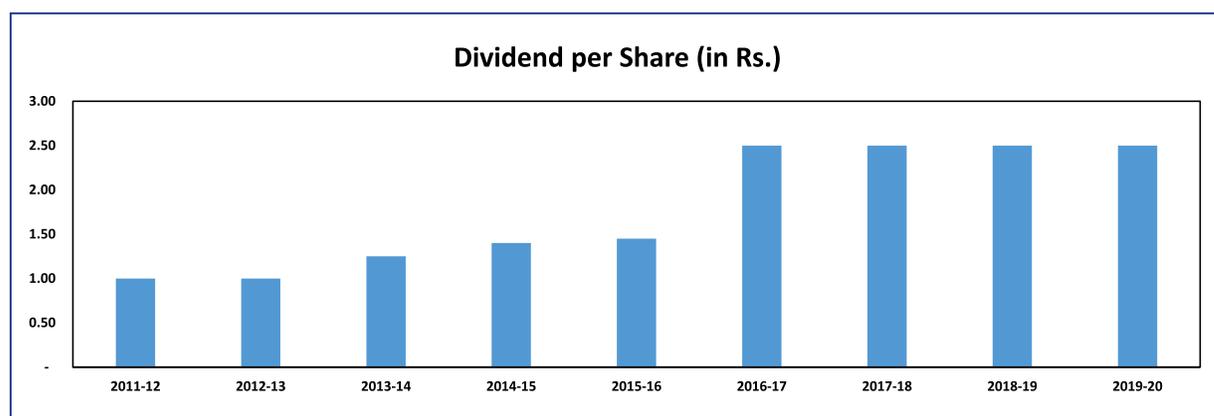
The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with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

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

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2013-14	26 September 2014	25 October 2021
2014-15	24 September 2015	23 October 2022
2015-16	26 September 2016	25 October 2023
2016-17	25 September 2017	24 October 2024
2017-18	10 September 2018	9 October 2025
2018-19	23 July 2019	22 August 2026
2019-20	28 August 2020	27 September 2027

#### xviii. Corporate benefits to investors' dividend declared for the last 9 years

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



**xix. Addresses:**

**a. Registered office:**

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

**b. Corporate office:**

Unit No. DG-B-001, 3rd Floor, Digital Greens, Sector-61, Gurugram, Haryana

**c. Plants location:**

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

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

Intermetal Engineers (I) Pvt. Ltd. 337, Gundecha Industrial Complex, Akurli Road, Kandivali (East), Mumbai-400 101

**e. Investor correspondence address:**

- C-604, Neelkanth Business Park, Opp. Railway Station, Vidhyavihar (West), Mumbai, Maharashtra-400086
- SP-148, RIICO Industrial Area, Bhiwadi, Dist.- Alwar, Rajasthan-301019 or
- Skyline Financial Services Private Limited, Unit: RHI Magnesita India Limited, D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020

**On behalf of the Board of Directors**

<b>Gurugram, 11 August 2021</b>	<b>Sanjay Kumar</b> Company Secretary (Membership No.: ACS 17021)	<b>Parmod Sagar</b> Managing Director & CEO (DIN: 06500871)	<b>Dr. Vijay Sharma</b> Chairman (DIN:00880113)
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## **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

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

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

I confirm that the Company has in respect of the year ended 31 March 2021, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

**Parmod Sagar**  
Managing Director and Chief Executive Officer

**Gurugram, 11 August 2021**

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,  
**RHI MAGNESTIA INDIA LIMITED**  
(Formerly known as Orient Refractories Limited)  
C-604, Neelkanth Business Park,  
Opposite Railway Station, Vidhyavihar (West),  
Mumbai, Maharashtra - 400 086

We, Naresh Verma & Associates, Company Secretaries, have examined the compliance of conditions of Corporate Governance by the company, for the year ended on 31 March, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

### Managements' Responsibility

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

### Auditors' Responsibility

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

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

### Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27, and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31 March, 2021.

### Other matters and Restriction on Use

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

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

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

For Naresh Verma & Associates  
Company Secretaries

Naresh Verma  
FCS: 5403  
CP: 4424

Date: 11 August, 2021  
Place: Delhi

UDIN: F005403C000769375  
Peer Review Certificate No. 574/2018

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,

**RHI MAGNESTIA INDIA LIMITED**  
(Formerly known as Orient Refractories Limited)  
C-604, Neelkanth Business Park,  
Opposite Railway Station, Vidhyavihar (West),  
Mumbai, Maharashtra - 400 086

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of by **RHI MAGNESTIA INDIA LIMITED** having CIN L28113MH2010PLC312871 and having registered office at C-604, Neelkanth Business Park, Opposite Railway Station, Vidhyavihar (West), Mumbai, Maharashtra - 400 086 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:-

Sr. no.	Name of Director	DIN	Date of appointment in Company
1.	Parmod Sagar	06500871	04/03/2013
2.	Vijay Sharma	00880113	12/11/2014
3.	Erwin Jankovits	07089589	11/02/2015
4.	Sonu Chadha	00129923	13/08/2019
5.	Gustavo Lucio Goncalves Franco	08754857	06/06/2020
6.	Nazim Sheikh	00064275	03/11/2020

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

**For Naresh Verma & Associates**  
**Company Secretaries**

**Naresh Verma**  
**FCS: 5403**  
**CP: 4424**

**Date: 11 August 2021**  
**Place: Delhi**

**UDIN: F005403C000769309**  
**Peer Review Certificate No. 574/2018**

### BUSINESS RESPONSIBILITY REPORT

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L28113MH2010PLC312871
2. Name of the Company : RHI Magnesita India Limited
3. Registered address : C-604, Neelkanth Business Park,  
Opp. Railway Station, Vidhyavihar (West), Mumbai,  
Maharashtra – 400086
4. Website : www.orientrefractories.com
5. E-mail id : corporate.india@RHIMagnesita.com
6. Financial Year reported : 1 April 2021 to 31 March 2022

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

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

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

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR in lacs) : INR 1,201.39
2. Total Turnover (INR in lacs) : INR 1,37,844.87
3. Total profit after taxes (INR in lacs) : INR 13,595.46
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 2.09%
5. List of activities in which expenditure in 4 above : For details, please refer the Corporate has been incurred Social Responsibility Report (Annexure II of Directors' Report)

## SECTION C: OTHER DETAILS

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

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

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

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

#### b. Details of the BR head

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

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

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

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
i.	The company has not understood the Principles	Not applicable								
ii.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
iii.	The company does not have financial or manpower resources available for the task									
iv.	It is planned to be done within next 6 months									
v.	It is planned to be done within the next 1 year									
vi.	Any other reason (please specify)									

### 3. Governance related to BR

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

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

- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company annually upload BRR to its web site. BRR are available at <https://www.orientrefractories.com>

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1

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

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

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

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

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

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

### Principle 2

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

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

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

- Hexa rod stopper has been introduced in Market. The material required to produce will be lesser and life will be higher.

- New grade in slide plate has been introduced. Life of the plate is 25 percent more than the previous grade in use.
- Hybrid plug for purging has been introduced. The life of plug is much higher compared the previous design of plug.

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

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

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

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

Replacement of oil as fuel by CNG by converting more kilns and driers on CNG.

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

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

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

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

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

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

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

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

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

## Principle 3

### Businesses should promote the wellbeing of all employees.

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

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

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

Providing and maintaining a safe and hygiene working environment is a continuous process at RHIM. Periodic awareness sessions, training on usage of protective equipments, identifying and eliminating unsafe conditions are given top priority. Our plant is BS- OHSAS 18001-2007 certified for occupational health and safety management systems. The Company continues its commitment to employ and empower women and its initiatives such as friendly workplace policies for women, policy for prevention of sexual harassment, redressal mechanism in the form of Internal Complaints Committee, women welfare Committees etc. augurs well.

1. **Total number of employees.** : 793
2. **Total number of employees hired on temporary/ contractual/casual basis.** : 1,517
3. **Number of permanent women employees.** : 17
4. **Number of permanent employees with disabilities** : 0
5. **Do you have an employee association that is recognized by management?** : Yes. There is recognised trade union affiliated to trade union bodies.
6. **What percentage of your permanent employees is members of this recognized employee association?** : 100 % workmen (which is 20% of the permanent employees) are members of recognised employee association.
7. **Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

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

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

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

## Principle 4

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

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

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

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

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

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

The Company on a periodical basis undertakes dedicated activities as a part of its CSR initiatives for the disadvantaged, vulnerable and marginalized stakeholders in and around the Company's factories/plants. Education, sports and health aids are provided to schools in rural/under-developed areas and to schools supporting differently abled children. The Company has been set up to build a skill bank of a technically competent and industry ready work force by providing specialized training based on National Council Vocational Training syllabus for the rural youth drawn from socially and economically backward sections of the society.

## Principle 5

### Businesses should respect and promote human rights

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

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

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

## Principle 6

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

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

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

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

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

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

The Environment, Health and Safety (EHS) Policy of the Company is available at <https://www.orientrefractories.com/policies.htm>

The Company is replacing cooling towers by chillers to reduce ground water consumption. The Company is also using cleaner fuel to reduce NOx and SOx generation and the Company is recycling its products after customer has disposed off after use. This way company is reducing CO2 emissions

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

Yes. Identification of potential environmental risks and the mitigation plan thereon is a continuous process. A report of the same is also placed before the Risk Management Committee of the Board of Directors on a periodical basis.

Further, the Company also ensures that the effluent/ emissions are within the permissible limits as prescribed by the statutory authorities.

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

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

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

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

with contingency plans and processes that help in preventing, mitigating and controlling environmental damages caused due to the Company's operations.

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

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

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

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

## Principle 7

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

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

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

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

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

## Principle 8

**Businesses should support inclusive growth and equitable development**

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

No, the Company does not have any specified programmes/initiatives/projects in pursuit of the policy related to Principle 8.

The Company believes that social responsibility is not just a corporate obligation that has to be carried out, but it is one's dharma.

Therefore, our philanthropic endeavors are a reflection of our spiritual conscience and this provides us a way to discharge our responsibilities to the various sections of the society.

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

During Covid wave-2 Company has Vaccinated more than 4000 persons as a part of CSR. In health care domain the Company has organized health check-up camps to offer curative services and conducted awareness programmes on health issue. The Company has incurred running expenses of Ambulance to provide health support to the society. Water and sanitation facilities were also provided under CSR activities at various places. The Company has contributed to Clean Ganga Fund for cleanliness of water and manage drinking water. To conserve water and manage & dispose water, the Company has contributed to Chief Minister Fund of Rajasthan under Mukhya Mantri Jal Swalamban Abhiyan. To promote the education facility, the Company has renovated school building and toilets in surrounding areas, further provided necessary infrastructure & reading materials to girl hostel to promote girl child education.

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

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

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

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

Please refer the CSR report in Annexure II of the Board's report for the FY 2020-21 for complete details on the spend made by the Company during the FY 2020-21.

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

The Company's dedicated CSR team focuses education of under privileged girl students. Schools have been adopted, where support is provided by providing various items of necessity. Also, time to time cleanliness drive and health checkup programmes for nearby communities have been undertaken by the Company.

The intent of participating schools and nearby communities during health checkup programmes indicates impact of initiatives. The indirect programmes for assisting communities in and around plant locations has also positively impacted & influenced those in the nearby communities. During Covid pandemic, the Company supported society by providing an ambulance to government run hospital. Also The Company supported the needy members of society by providing food packets and immunity booster kit.

## Principle 9

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

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

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

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

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

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. None**

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

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

The Business Responsibility Policy of the Company governing its business sustainability efforts is available on the Company's website <https://www.orientrefractories.com/policies.htm>

On behalf of the Board of Directors

Gurugram, 11 August 2021

**Parmod Sagar**  
Managing Director & CEO  
(DIN: 06500871)

**Dr. Vijay Sharma**  
Chairman  
(DIN: 00880113)

## CEO / CFO Certification

**We, Parmod Sagar, Managing Director & CEO and Sanjeev Bhardwaj, Chief Financial Officer, of RHI Magnesita India Limited (the 'Company') hereby certify that:**

- a) We have reviewed financial statements and the Cash Flow Statement for the year ended 31 March 2021 of the Company and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated, to the Auditors and the Audit Committee:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**For RHI Magnesita India Limited**

**Sanjeev Bhardwaj**  
Chief Financial Officer

**Parmod Sagar**  
Managing Director & CEO  
(DIN: 06500871)

**Gurugram, 11 August 2021**

## AUDITOR'S REPORT INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ORIENT REFRACTORIES LIMITED

#### Report on the audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying Standalone Financial Statements of Orient Refractories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for opinion

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

#### Emphasis of matter

4. We draw your attention to Note 34 to the Standalone Financial Statements regarding the scheme of amalgamation (the "Scheme") between the Company and its fellow subsidiaries i.e. RHI India Private Limited and RHI Clasil Private Limited (hereinafter referred as 'erstwhile fellow subsidiaries'), as approved by the Hon'ble National Company Law Tribunal ('NCLT') vide its Order dated May 05, 2021. While the appointed date as set out in the NCLT order is July 31, 2018, these Standalone Financial Statements have been prepared in accordance with clause 3.7 of the Scheme which requires the accounting treatment to be carried out as prescribed under applicable accounting standards that is, from the beginning of the preceding year and in accordance with Ind AS 103, Business Combination. Our opinion is not modified in respect of this matter.

#### Key audit matters

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

#### Revenue Recognition

(Refer Note 15 to the Standalone Financial Statements)

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

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

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

## How our audit addressed the key audit matter

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

- Understanding, evaluating the design and testing the operating effectiveness of controls over revenue recognition.
- Assessing appropriateness of management's judgements in accounting for identified contracts such as:
  - ✓ Identification of performance obligation and allocation of consideration to identified preformation obligation;
  - ✓ Evaluating the contract terms for assessment of the timing of transfer of control to the customer to assess whether revenue is recognised appropriately over a period of time or at a point in time (as the case may be) based on timing when control is transferred to customer;
  - ✓ Testing whether the revenue recognition is in line with the terms of customer contracts and the transfer of control; and
  - ✓ Evaluating adequacy of the presentation and disclosures.

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

## Other Information

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

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

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

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

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

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

9. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to
  - the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

14. The corresponding figures of the Company for the year ended March 31, 2020 have been prepared by the management based on the audited financial statements of the Company and its erstwhile fellow subsidiaries as adjusted for giving effect to the Scheme as approved by the NCLT vide Order dated May 05, 2021 (Refer Emphasis of Matter paragraph above). These adjustments have been audited by us.

Our opinion is not modified in respect of above matter.

## Report on other legal and regulatory requirements

15. As required by the Companies (Auditor's Report) Order, 2016 ("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.

16. 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 and its erstwhile fellow subsidiaries (Refer Emphasis of Matter paragraph above) so far as it appears from our examination of those books, except that, in respect of the Company (other than its erstwhile fellow subsidiaries), the back up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph 16(b) above that in respect of the Company (other than its erstwhile fellow subsidiaries), the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
  - (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 27 to the Standalone Financial Statements;
    - ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have any long-term contracts including derivative contracts as at March 31, 2021.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
17. 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: 012754N/N500016

**Abhishek Rara**  
Partner

Membership Number: 077779  
UDIN: 21077779AAAAAY3112

**Place: Gurugram**  
**Date: 25 June, 2021**

## ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

### Referred to in paragraph 16(g) of the Independent Auditors' Report of even date to the members of Orient Refractories Limited on the Standalone Financial Statements for the year ended March 31, 2021

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 Orient Refractories Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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.

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

#### Meaning of Internal Financial Controls with reference to financial statements

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

#### Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may

occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Abhishek Rara**  
Partner

Membership Number: 077779  
UDIN: 21077779AAAAAY3112

**Place: Gurugram**  
**Date: 25 June, 2021**

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Orient Refractories Limited on the Standalone Financial Statements as of and for the year ended March 31, 2021

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets 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 fixed assets 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 immovable properties, as disclosed in Note 3(a) on fixed assets to the Standalone Financial Statements, are held in the name of the Company, except with respect to the title deeds of immovable properties held in the name of its erstwhile fellow subsidiary i.e. RHI Clasil Private Limited amounting to Rs. 2,810.96 lacs. Pursuant to the approval of Scheme by the NCLT vide its Order dated May 05, 2021, the Company is in the process of getting these title deeds transferred in the name of the Company. Also refer Paragraph 4 to our main audit report.
- ii. The physical verification of inventory including stocks with third parties have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, service tax, duty of customs, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.
- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and services tax, value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount	Amount paid under protest	Period to which the amount relates	Forum where the dispute is pending
		(Rs. in lacs)			
Finance Act, 1994	Service Tax	133.50	3.09	January 2013 to February 2015	Goods and Services Tax Appellate Tribunal
Finance Act, 1994	Service Tax	147.64	-	Dec 2012 to January 2015	High Court
Customs Act, 1962	Customs Duty	0.86	-	April 2016 to June 2017	Commissioner of Customs (Appeals)
Central Excise Act, 1944	Excise Duty	34.98	1.11	April 2016 to March 2017	Commissioner (Appeals)

Income Tax Act, 1961	Income Tax	939.29	-	April 2017 to March 2018	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	54.62	-	April 2016 to March 2017	Income tax Appellate Tribunal
Foreign Trade Policy (FTP 2004-2009 & FTP 2009-2014) and Customs Act, 1962	Customs Duty	33.74	33.74	November 2019 to March 2020	Commissioner of Customs (Appeals)
Foreign Trade Policy (FTP 2004-2009 & FTP 2009-2014) and Customs Act, 1962	Customs Duty	257.28	-	April 2013 to August 2016	Directorate of Revenue Intelligence
Central Sales Tax Act, 1956	Sales Tax	14.51	-	April 2014 to March 2015	Assistant Commissioner of Sales Tax, CT & GST - Angul
Central Sales Tax Act, 1956	Sales Tax	2.02	-	April 2013 to March 2014	Assistant Commissioner of Sales Tax, CT & GST - Angul

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. 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.  
Also refer paragraph 17 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Financial Statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

**Abhishek Rara**  
Partner

Membership Number: 077779  
UDIN: 21077779AAAAAY3112

**Place: Gurugram**  
**Date: 25 June, 2021**

## STANDALONE BALANCE SHEET

(Amount in Rs. Lacs, unless otherwise stated)

Particulars	Notes	As at 31 March, 2021	As at 31 March, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	22,952.79	21,847.77
Right-of-use assets	3(b)	561.51	432.56
Capital work-in-progress	3(a)	4,625.70	859.37
Intangible assets	4	364.91	19.60
<b>Financial assets</b>			
i) Investments	5(a)	1,012.97	1,012.82
ii) Loans	5(c)	519.42	564.00
(iii) Other financial assets	5(f)	24.82	46.32
Deferred tax assets (net)	6	273.85	157.16
Other non-current assets	7	640.22	255.13
<b>Total non-current assets</b>		<b>30,976.19</b>	<b>25,194.73</b>
<b>Current assets:</b>			
Inventories	8	35,259.46	27,743.91
Financial assets			
(i) Trade receivables	5(b)	32,737.60	33,227.73
(ii) Cash and cash equivalents	5(d)	15,040.45	11,725.03
(iii) Bank balances other than above	5(e)	359.88	379.12
(iv) Other financial assets	5(f)	104.03	196.14
Contract assets	5(g)	6,130.73	3,127.89
Other current assets	7	5,278.64	3,546.77
<b>Total current assets</b>		<b>94,910.77</b>	<b>79,946.59</b>
<b>Total Assets</b>		<b>125,886.96</b>	<b>105,141.32</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	9(a)	1,201.39	1,201.39
Shares pending issuance	34	408.57	408.57
Other equity	9(b)	78,939.21	68,757.65
<b>Equity attributable to the owners of Orient Refractories Limited</b>		<b>80,549.17</b>	<b>70,367.61</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	11(a)	5,980.66	5,760.86
(ii) Lease Liabilities	3(b)	187.96	-
Other non-current liabilities	11(b)	99.04	73.43
<b>Total non-current liabilities</b>		<b>6,267.66</b>	<b>5,834.29</b>

(Amount in Rs. Lacs, unless otherwise stated)

Particulars	Notes	As at 31 March, 2021	As at 31 March, 2020
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	11(a)	-	799.05
(ii) Lease Liabilities	3(b)	45.41	94.70
(iii) Trade payables	12(a)		
- Total outstanding dues of micro and small enterprises		6,181.78	924.29
- Total outstanding dues of creditors other than micro enterprises and small enterprises		28,577.00	22,540.83
(iv) Other financial liabilities	12(b)	2,318.21	2,553.22
Contract liabilities	14(b)	266.80	752.86
Provisions	13	135.40	-
Employee benefit obligations	10	1,015.86	842.18
Other current liabilities	14(a)	529.68	432.29
<b>Total current liabilities</b>		<b>39,070.14</b>	<b>28,939.42</b>
<b>Total Liabilities</b>		<b>45,337.80</b>	<b>34,773.71</b>
<b>Total Equity and Liabilities</b>		<b>125,886.96</b>	<b>105,141.32</b>

The above standalone balance sheet should be read in conjunction with the accompanying notes.

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

**Abhishek Rara**  
Partner  
Membership Number: 077779

**Place : Gurugram**  
**Date: 25 June, 2021**

For and on behalf of the Board of Directors of  
**ORIENT REFRACTORIES LIMITED**

**Dr. Vijay Sharma**  
Chairman  
(DIN-00880113)

**Sanjeev Bhardwaj**  
Chief Financial Officer

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

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

**Manoj Gupta**  
Vice President (F&A)

## STANDALONE STATEMENT OF PROFIT AND LOSS

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

Particulars	Notes	Year ended 31 March, 2021	Year ended 31 March, 2020
Revenue from operations	15	136,641.31	138,399.13
Other Income	16	1,203.56	1,017.59
<b>Total Revenue</b>		<b>137,844.87</b>	<b>139,416.72</b>
<b>Expenses</b>			
Cost of raw material and components consumed	17(a)	49,300.06	46,099.41
Purchases of stock-in-trade (traded goods)	17(b)	42,410.52	38,415.65
Changes in inventories of finished goods, work-in-progress and stock-in-trade (traded goods)	18	(6,379.80)	1,734.35
Employee benefits expense	19	10,507.87	9,190.56
Depreciation and amortisation expense	20 (a)	2,961.33	2,604.00
Finance Cost	20 (b)	648.31	1,230.13
Other expenses	20 (c)	20,025.57	21,625.07
<b>Total expenses</b>		<b>119,473.86</b>	<b>120,899.17</b>
<b>Profit before tax</b>		<b>18,371.01</b>	<b>18,517.55</b>
<b>Tax expense:</b>			
- Current tax	22	4,866.21	4,535.53
- Deferred tax (charge/credit)	22	(119.14)	398.21
- Short / (Excess) provision for tax relating to prior years	22	28.48	(43.24)
<b>Total tax expense</b>		<b>4,775.55</b>	<b>4,890.50</b>
<b>Profit for the year</b>		<b>13,595.46</b>	<b>13,627.05</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- Remeasurement of the defined benefit plans		9.71	(144.02)
- Income tax relating to the above		(2.45)	36.26
<b>Other comprehensive income for the year, net of tax</b>		<b>7.26</b>	<b>(107.76)</b>
<b>Total comprehensive income for the year</b>		<b>13,602.72</b>	<b>13,519.29</b>
Basic earnings per share (Face value of Re 1 each share)	29	8.44	8.46
Diluted earnings per share (Face value of Re 1 each share)	29	8.44	8.46

The above standalone balance sheet should be read in conjunction with the accompanying notes.

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

**Abhishek Rara**  
Partner  
Membership Number: 077779

**Place: Gurugram**  
**Date: 25 June, 2021**

For and on behalf of the Board of Directors of  
**ORIENT REFRACTORIES LIMITED**

**Dr. Vijay Sharma**  
Chairman  
(DIN-00880113)

**Sanjeev Bhardwaj**  
Chief Financial Officer

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

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

**Manoj Gupta**  
Vice President (F&A)

## STANDALONE CASH FLOW STATEMENT

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

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>A. Cash flow from operating activities</b>		
Profit before tax	18,371.01	18,517.55
Adjustments for:		
Depreciation and amortisation expense	2,961.33	2,604.00
Interest income	(575.00)	(709.66)
Allowance for doubtful debts - export incentives receivables	44.00	-
Allowance for doubtful debts - trade receivables	(269.38)	74.40
Liabilities/ provisions no longer required written back	(66.00)	(129.12)
Bad debts recovered	(12.83)	-
Bad debts written off	116.64	137.25
Insurance claim receivable written off	-	342.89
Net gain on disposal of financial assets (open ended mutual fund scheme)	-	(125.30)
Finance Charges	648.31	1,230.13
(Profit)/Loss on sale of fixed assets	0.24	(21.83)
Net unrealised foreign exchange (loss)	163.47	785.12
Items that will not be reclassified to Profit or loss	9.71	(144.02)
<b>Operating profit before working capital changes</b>	<b>21,391.50</b>	<b>22,561.41</b>
<b>Changes in operating assets and liabilities</b>		
(Increase)/Decrease in inventories	(7,515.55)	2,206.59
Decrease/(Increase) in trade receivables	706.73	(1,500.52)
Decrease / (Increase) in other current financial assets	(1.98)	(3.22)
(Increase) / Decrease in other current assets	(1,724.87)	668.17
Decrease/(Increase) in loans	44.58	(214.37)
(Increase) in contract assets	(3,002.84)	(1,250.03)
Decrease in other non-current financial assets	21.50	12.32
Decrease / (Increase) in other non-current assets	(113.15)	(52.16)
Increase in trade payables	11,470.85	1,016.48
(Decrease)/Increase in other financial liabilities	356.22	63.63
Increase in employee benefit obligations	173.68	188.68
Increase in other non current liabilities	25.61	3.37
Decrease in contract liabilities	(486.06)	(767.10)
Increase/(Decrease) other current liabilities	97.39	(768.02)
Increase in Provisions	135.40	21.78
<b>Cash generated from operations</b>	<b>21,579.00</b>	<b>22,187.01</b>
Income tax paid	(4,945.70)	(4,878.09)
<b>Net cash flow from operating activities (A)</b>	<b>16,633.30</b>	<b>17,308.92</b>
<b>B. Cash flows from investing activities</b>		
Investment in mutual funds	-	(19,120.00)
Proceeds from redemption of mutual funds	-	29,561.49
Investment in Subsidiary	-	(1,012.52)
Investment in National Saving Certificate	(0.15)	
Decrease in other bank balances	19.24	234.20
Capital expenditure on fixed assets, including capital advances	(8,576.89)	(8,312.80)
Proceeds from sale of fixed assets	45.58	78.14
Interest received	669.09	687.60
<b>Net cash flow used in investing activities (B)</b>	<b>(7,843.13)</b>	<b>2,116.11</b>

Particulars	(All amount in Rs. Lacs, unless otherwise stated)	
	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>C. Cash flows from financing activities</b>		
Dividend paid on equity shares	(3439.29)	(3,027.01)
Tax on dividend	-	(617.37)
Lease rent paid	(75.77)	(220.28)
(Repayment)/Proceeds of non current borrowings (net)	(512.33)	2,000.00
Proceeds from/(Repayment) of current borrowings (net)	(799.05)	(8,770.08)
Interest paid	(648.31)	(1,151.84)
<b>Net cash flow used in financing activities (C)</b>	<b>(5,474.75)</b>	<b>(11,786.58)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>3,315.42</b>	<b>7,638.45</b>
Cash and cash equivalents at the beginning of the year	11,725.03	4,086.58
<b>Cash and cash equivalents at the end of the year</b>	<b>15,040.45</b>	<b>11,725.03</b>
<b>Non Cash Investing activities</b>		
- Acquisition of Right-of-use-assets (note 3b)	214.44	-
Cash and cash equivalent included in the cash flow statement comprise of the following:		
Balances with Bank		
- in current accounts	3,259.37	699.87
- in EEFC accounts	121.61	220.05
Deposits with original maturity of less than three months	11,656.26	10,800.0
Cash on hand	3.21	5.11
	<b>15,040.45</b>	<b>11,725.03</b>

The above standalone balance sheet should be read in conjunction with the accompanying notes.

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

**Abhishek Rara**  
Partner  
Membership Number: 077779

**Place : Gurugram**  
**Date: 25 June, 2021**

For and on behalf of the Board of Directors of  
**ORIENT REFRACTORIES LIMITED**

**Dr. Vijay Sharma**  
Chairman  
(DIN-00880113)

**Sanjeev Bhardwaj**  
Chief Financial Officer

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

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

**Manoj Gupta**  
Vice President (F&A)

## STANDALONE STATEMENT OF CHANGES IN EQUITY

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

### Equity Share Capital

Particulars	Notes	Amount
<b>As at 1 April, 2019</b>	9 (a)	1,201.39
Change in Equity Share Capital		-
<b>As at 31 March, 2020</b>		1,201.39
Change in Equity Share Capital	9 (a)	-
<b>As at 31 March, 2021</b>		<b>1,201.39</b>

### Other Equity

Particulars	Notes	Attributable to Owners of Orient Refractories Limited				Total other equity
		Securities Premium	General Reserve	Capital Reserve (Refer Note 34)	Retained Earnings	
<b>Balance as at 1 April 2020</b>	9(b)	6,493.97	8,681.48	1,465.71	52,116.49	<b>68,757.65</b>
Profit for the year		-	-	-	13,595.46	<b>13,595.46</b>
Other comprehensive income		-	-	-	7.26	<b>7.26</b>
<b>Total comprehensive income for the year</b>		<b>6,493.97</b>	<b>8,681.48</b>	<b>1,465.71</b>	<b>65,719.21</b>	<b>82,360.37</b>
Dividend paid		-	-	-	(3,421.16)	(3,421.16)
<b>Balance as at 31 March, 2021</b>		<b>6,493.97</b>	<b>8,681.48</b>	<b>1,465.71</b>	<b>62,298.05</b>	<b>78,939.21</b>
<b>Balance as at 1 April 2019</b>	9(b)	6,493.97	8,681.48	1,465.71	42,218.05	<b>58,859.21</b>
Profit for the year		-	-	-	13,627.05	<b>13,627.05</b>
Other comprehensive income		-	-	-	(107.76)	<b>(107.76)</b>
<b>Total comprehensive income for the year</b>		<b>6,493.97</b>	<b>8,681.48</b>	<b>1,465.71</b>	<b>55,737.34</b>	<b>72,378.50</b>
Dividend paid		-	-	-	(3,003.48)	(3,003.48)
Dividend distribution tax		-	-	-	(617.37)	(617.37)
<b>Balance as on 31 March, 2020</b>		<b>6,493.97</b>	<b>8,681.48</b>	<b>1,465.71</b>	<b>52,116.49</b>	<b>68,757.65</b>

The above standalone balance sheet should be read in conjunction with the accompanying notes.

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

**Abhishek Rara**  
Partner  
Membership Number: 077779

**Place : Gurugram**  
**Date: 25 June, 2021**

For and on behalf of the Board of Directors of  
**ORIENT REFRACTORIES LIMITED**

**Dr. Vijay Sharma**  
Chairman  
(DIN-00880113)

**Sanjeev Bhardwaj**  
Chief Financial Officer

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

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

**Manoj Gupta**  
Vice President (F&A)

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 1. Corporate Information

Orient Refractories Limited ('the Company'), is domiciled and incorporated in India and publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. The registered office of the Company is situated at C-604, Neelkanth Business Park, Opposite Railway Station, Vidhyavihar (West), Mumbai, Maharashtra-400086, India. The Company is primarily engaged in the business of manufacturing and trading of refractories, monolithics, bricks and ceramic paper, rendering management services and has manufacturing facilities in Bhiwadi (Rajasthan), Visakhapatnam (Andhra Pradesh) and Cuttack (Orissa).

The Standalone Financial Statements were approved by the Board of Directors and authorised for issue on 25 June, 2021.

### 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Standalone Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

(i) Compliance with Ind AS

The Standalone Financial Statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

Subsequent to the year end, the Company has received an order of Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) dated 05 May, 2021 wherein they have approved the scheme of amalgamation (the 'Scheme') of the Company with its fellow subsidiaries i.e. RHI India Private Limited and RHI Clasil Private Limited (hereinafter referred as 'erstwhile fellow subsidiaries'). While the appointed date as set out in the NCLT order is 31 July, 2018, these Standalone Financial Statements have been prepared after considering effect in accordance with clause 3.7 of the Scheme which requires the accounting treatment to be carried out as prescribed under the applicable accounting standards that is, from the beginning of the preceding year and in accordance with Ind AS 103, Business Combination. Also refer Note 2.28 below and Note 34.

(ii) Historical cost convention

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

- Financial assets comprising of investments in open ended mutual fund schemes, which are being measured at fair value;
- Defined benefit plans – plan assets measured at fair value.

(iii) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April, 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### 2.2 Critical accounting estimates, assumptions and judgements

The preparation of Standalone Financial Statements requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the date

of the Standalone Financial Statements and the results of operations during the reporting period. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

In the process of applying the Company's accounting policies, the management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the Standalone Financial Statements:

(a) *Property, plant and equipment*

The management engages internal technical team to assess the remaining useful lives and residual value of property, plant and equipment. The management believes that the assigned useful lives and residual value are reasonable.

(b) *Intangibles*

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

(c) *Income taxes*

The management's judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the Standalone Financial Statements.

(d) *Contingencies*

The management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(e) *Allowance for doubtful trade receivables*

Trade receivables are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

(f) *Revenue from contracts with customers*

For Refractory Management Contracts where the transaction price depends on the customer's production, customer expects total refractory management services from the Company, which includes supply of refractory material and its related services to produce steel. The customer expects complete refractory management for the product of steel in the steel plant. Thus, only one single performance obligation, performance of refractory management service, exists.

## 2.3 Current Versus non-current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

## 2.4 Property Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

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

On transition to Ind AS, the Company had elected to continue with the carrying value of its property, plant and equipment recognised as at 1 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation on Property, Plant and equipment is provided on straight-line basis over the useful lives of assets as determined on the basis of technical estimates which are similar to the useful lives as prescribed under Schedule II to the Companies Act, 2013 except for certain Plant and Machinery and Vehicles (which are being used by the employees). These Plant and Machinery are depreciated on straight-line basis, over the period of 6 years and vehicles are depreciated on written down value method, over the period of 5 years and 6 years for four wheelers and two wheelers respectively. Based on past experience and internal technical evaluation, the management believes that these useful lives represent the appropriate period of usage and therefore, considered to be appropriate for charging depreciation.

Assets residual values, depreciation method and useful lives are reviewed at the end of financial year considering the physical condition of the assets or whenever there are indicators for review and adjusts residual life prospectively.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss within Other Income/Other Expenses.

## 2.5 Intangible Assets

On transition to Ind AS, the Company has opted for the option given under Ind AS 101 to measure all the items of Intangible Assets at their carrying value under previous GAAP. Consequently the carrying value under IGAAP has been assumed to be deemed cost of Intangible Assets on the date of transition to Ind AS.

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised in the 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.

### Software

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

Software 1-5 years

## 2.6 Leases

As a lessee

Leases are recognised as a right-of-use asset at cost with a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with Ind AS 116 'Leases'.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs etc.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the

lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

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

## 2.7 Financial assets (Debt Instruments)

### A. Classification and initial recognition

Financial assets are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the asset. The Company determines the classification of its financial assets at initial recognition. The Company classifies the financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through profit or loss, or through other comprehensive income)
- Those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

All financial assets are initially measured at fair value. Transactions cost that are directly attributable to the acquisition of financial asset (other than financial asset at fair value through profit and loss) are added from the fair value of financial asset.

### B. Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

#### a. *Financial assets at fair value through profit or loss (FVPL):*

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial assets are designated upon initial recognition at fair value through profit or loss when the same are managed by the Company on the basis of their fair value and their performance is evaluated on fair value basis in accordance with a risk management or investment strategy of the Company. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in other income in the 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 and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

## C. Derecognition

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## D. Impairment of financial assets

The Company assesses on forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies simplified approach required by Ind AS 109 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of receivables.

## E. Income recognition - Interest

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

## 2.8 Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity.

The Company's financial liabilities includes borrowings, lease liability, trade and other payables.

### *Classification, initial recognition and measurement*

Financial liabilities are recognised initially at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities carried at fair value through profit or loss) are added or deducted from the fair value measured on initial recognition of financial liability. Financial liabilities are classified as subsequently measured at amortised cost.

### *Subsequent measurement*

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

### *De-recognition of financial liability*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.]

## 2.9 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 2.10 Fair Value Measurement

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## 2.11 Derivative financial instruments

The Company acquires forward contracts to mitigate the risk arising foreign currency exposures from purchase and sale of goods and services. These forward contracts are designated as derivative financial instruments. Derivatives are initially recognised at fair value on the date of derivate contract is entered into and subsequently re-measured to their fair value at the end of reporting period. The consequent gains/ losses, arising from subsequent re-measurement, are recognised in the statement of profit or loss, unless the derivative is designated as hedging instrument and hedging relationship is established with the item being hedged.

## 2.12 Impairment of non-financial assets – Property, plant and equipment and Intangible assets

Intangible assets and property, plant and equipment are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

## 2.13 Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Standalone Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 2.14 Inventories

Inventories including stores and spares are valued at the lower of cost on weighted average except certain traded goods which are valued at First in First out basis (FIFO) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods, including freight, octroi and other levies. Work-in-progress and finished goods include appropriate proportion of labour and overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

## 2.15 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## 2.16 Provisions, contingent liabilities and contingent assets

### a) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Standalone Financial Statements.

## 2.17 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

## 2.18 Segment reporting

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

The Board of Directors of the Company has authorised its Managing Director & CEO to assess the financial performance and position of the Company, and makes decisions in normal course of business operations. For key strategic decisions, the Board of Directors take decisions after evaluating the possible options and recommendations given by the management. The Board of Directors, together with Managing Director has been identified as being the chief operating decision maker. Refer Note 26 for segment information presented.

## 2.19 Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers either over time or at a point of time at an amount that reflects the consideration the Company expects to be entitled to in exchange for those products or services. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset.

Revenue is measured based on the transaction price, which is the expected consideration to be received, to the extent that it is highly probable that there will not be a significant reversal of revenue in future periods. If the consideration in a contract includes a variable amount, at the inception of the contract, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer.

At the inception of the contract, the Company identifies the goods or services promised in the contract and assesses which of the promised goods or services shall be identified as separate performance obligations. Promised goods or services give rise to separate performance obligations if they are capable of being distinct.

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

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

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

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due.

## 2.20 Government grants

Grants from the government are recognised at their fair value where there is reasonable certainty that the grant will be received and the Company will comply with required conditions. Export incentive under 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. With effect from 1 January, 2021, new scheme i.e. Remission of Duties and Taxes on Export products (RODTEP) has been introduced replacing the existing export incentive under MEIS. As the incentive rates under RODTEP are yet to be notified, the export incentive cannot be measured reliably. Accordingly, the Company has not recognised export incentive for the period 1 January, 2021 to 31 March, 2021.

## 2.21 Employee benefits

### Defined benefit plan - Gratuity

The liability recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

### Defined contribution plans

The Company's contribution to provident fund, national pension scheme and employees' state insurance scheme are considered as defined contribution plans and are charged as expense in the Statement of Profit and Loss, based on the amount of contribution required to be made and when services are rendered by the employee.

### Other Benefits - Compensated Absences

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

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## 2.22 Equity-settled share option plan (LTIP)

RHI Magnesita N.V. (the 'Ultimate Holding Company') has implemented a share option plan for the members of senior management of the RHI Magnesita Group.

The LTIP is treated as an equity-settled share option plan as the Company does not have an obligation to make any settlement.

The fair value of the LTIP granted is recognised as employee benefits expense with a corresponding increase in reserves. The total amount to be expensed is determined by reference to the fair value of the options granted:

- a) including any market performance conditions
- b) excluding the impact of any service and non-market performance vesting conditions, and
- c) including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

## 2.23 Foreign currency translation

### (i) Functional and presentation currency

Items included in the Standalone Financial Statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Company's operations are primarily in India. The Standalone Financial Statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss.

Foreign exchange differences arising on foreign currency borrowings are presented in the Statement of Profit and Loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

## 2.24 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

## 2.25 Earnings per Share

### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

## 2.26 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## 2.27 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 2.28 Business Combinations

### Entities under common control

Business combinations involving entities or businesses under common control is accounted for using the pooling of interest method as follows: -

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- (iii) The financial information in the Standalone Financial Statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the Standalone Financial Statements unless the business combination had occurred after that date, the prior period information shall be restated only from that date.
- (iv) The consideration for the business combination may consist of securities, cash or other assets. Securities shall be recorded at nominal value. In determining the value of the consideration, assets other than cash shall be considered at their fair values.
- (v) The balance of the retained earnings appearing in the Standalone Financial Statements of the Company is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and appear in the Standalone Financial Statements of the Company in the same form in which they appeared in the Standalone Financial Statements of the transferor.

**Note 3(a):**  
**Property, plant and equipment and capital work-in progress**  
(All amount in Rs. Lacs, unless otherwise stated)

Particulars	Freehold Land*	Buildings*	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work in progress
<b>Balance as at 1 April, 2019</b>	747.35	3,491.77	13,592.93	77.99	317.55	657.50	<b>18,885.09</b>	928.91
Additions	3,102.35	1,743.92	3,755.15	29.28	42.45	56.86	<b>8,730.01</b>	8,384.12
Disposals	-	-	(30.66)	0.00	(0.75)	(60.54)	<b>(91.95)</b>	(8,453.66)
<b>Balance as at 31 March, 2020</b>	<b>3,849.70</b>	<b>5,235.69</b>	<b>17,317.42</b>	<b>107.27</b>	<b>359.25</b>	<b>653.82</b>	<b>27,523.15</b>	<b>859.37</b>
Additions	-	75.92	3,585.38	10.38	129.75	181.83	<b>3,983.26</b>	6,718.31
Disposals	-	-	(276.47)	(0.55)	(7.01)	(110.82)	<b>(394.85)</b>	(2,951.98)
<b>Balance as at 31 March, 2021</b>	<b>3,849.70</b>	<b>5,311.61</b>	<b>20,626.33</b>	<b>117.10</b>	<b>481.99</b>	<b>724.83</b>	<b>31,111.56</b>	<b>4,625.70</b>
<b>Accumulated depreciation</b>								
<b>Balance as at 1 April, 2019</b>	-	241.47	2,786.24	16.74	113.43	187.72	<b>3,345.60</b>	-
Charge for the year	-	191.10	2,001.37	12.97	72.83	87.16	<b>2,365.43</b>	-
Depreciation on assets disposed off during the year	-	-	(13.49)	0.00	(0.19)	(21.97)	<b>(35.65)</b>	-
<b>Accumulated depreciation as at 31 March, 2020</b>	-	<b>432.57</b>	<b>4,774.12</b>	<b>29.71</b>	<b>186.07</b>	<b>252.91</b>	<b>5,675.38</b>	-
Charge for the year	-	246.68	2,407.94	14.12	77.89	85.77	<b>2,832.40</b>	-
Depreciation on assets disposed off during the year	-	-	(265.92)	(0.52)	(3.42)	(79.15)	<b>(349.01)</b>	-
<b>Accumulated depreciation as at 31 March, 2021</b>	-	<b>679.25</b>	<b>6,916.14</b>	<b>43.31</b>	<b>260.54</b>	<b>259.53</b>	<b>8,158.77</b>	-
<b>Carrying amount</b>								
<b>Balance as at 31 March, 2020</b>	<b>3,849.70</b>	<b>4,803.12</b>	<b>12,543.30</b>	<b>77.56</b>	<b>173.18</b>	<b>400.91</b>	<b>21,847.77</b>	<b>859.37</b>
<b>Balance as at 31 March, 2021</b>	<b>3,849.70</b>	<b>4,632.36</b>	<b>13,710.19</b>	<b>73.79</b>	<b>221.45</b>	<b>465.30</b>	<b>22,952.79</b>	<b>4,625.70</b>

\*Freehold Land and Building include land and building amounting to Rs. 747.35 lacs and Rs. 2,063.61 lacs (net), respectively for which the title deeds are in the name of the Company's erstwhile fellow subsidiary i.e. RHI Clasil Limited and the Company is in the process of getting it transferred in its name. Also refer Note 34.

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

Note	As at 31 March, 2021	As at 31 March, 2020
<b>Note 1 3(b): Leases</b>		
<b>Disclosure on adoption of Ind AS 116 'Leases':</b> The Company has adopted Ind AS 116 with effect from 1 April, 2019 by following Modified Retrospective method. The Company has taken on lease offices, guest house and warehouses. There is no case where the Company is acting as a lessor.		
<b>(i) Amount Recognised in Balance Sheet</b>		
Right-of-use assets	561.51	432.56
	561.51	432.56
<b>Lease Liabilities</b>		
Non Current	187.96	-
Current	45.41	94.70
	<b>233.37</b>	<b>94.70</b>

Addition (Net of termination/modification) to the right-of-use assets during the year were Rs. 214.44 lacs (31 March 2020: Nil)

**(ii) Amounts recognised in the Statement of Profit and Loss**

Depreciation charge of right-of-use assets		85.49	211.44
		85.49	211.44
Interest expense (included in finance costs)	20 (b)	12.27	18.99
Expense relating to short-term leases (included in other expenses)	20 (c)	114.52	76.48

**(iii) In applying IndAS 116 for the first time, the Company has used the following practical expedient:**

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

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

Extension and Termination options are included in all the contracts of short term lease and both are exercisable at mutual consent of Lessor & Lessee.

**Note 4:  
Other intangible assets**

Particulars	Software
<b>Balance as at 1 April, 2019</b>	<b>64.19</b>
Additions	23.31
<b>Balance as at 31 March, 2020</b>	<b>87.50</b>
Additions	388.75
<b>Balance as at 31 March, 2021</b>	<b>476.25</b>
<b>Accumulated amortisation</b>	
<b>Opening 1 April, 2019</b>	<b>40.77</b>
Charge for the year	27.13
<b>Balance as at 31 March, 2020</b>	<b>67.90</b>
Charge for the year	43.44
<b>Accumulated amortisation as at 31 March, 2021</b>	<b>111.34</b>
<b>Net Carrying amount</b>	
<b>Balance as at 31 March, 2020</b>	<b>19.60</b>
<b>Balance as at 31 March, 2021</b>	<b>364.91</b>

**Note 5 :  
Financial assets**

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>5 (a) Investments</b>		
<b>Non-current investments</b>		
<b>(i) Investments in Equity Instruments</b>		
- Subsidiary (At cost)		
Unquoted		
1,597 (31 March, 2020: 1,597) Equity shares of Rs 100 each fully paid up of Intermetal Engineers (India) Private Limited (Refer Note 35)	1,012.52	1,012.52
<b>(ii) Investments in government securities (unquoted)</b>		
National Savings Certificates*	0.45	0.30
*The National Saving Certificates have been given to the sales tax department, Rajasthan as security		
<b>Total</b>	<b>1,012.97</b>	<b>1,012.82</b>
<b>5 (b) Trade Receivables</b>		
Trade receivables	30,009.35	32,568.61
Receivables from related parties (refer note 30)	3,019.89	1,220.14
Less: Allowance for doubtful debts	(291.64)	(561.02)
[Includes retention money due on completion of performance obligation - Rs. 3,448.28 Lacs (31 March, 2020 Rs. 3,989.28 Lacs)]		
<b>Total</b>	<b>32,737.60</b>	<b>33,227.73</b>
<b>Break-up of security details</b>		
Secured- considered good	-	-
Unsecured:		
Considered good	32,737.60	33,227.73
Considered doubtful	291.64	561.02
Significant increase in credit risk	-	-
Credit impaired	-	-
<b>Total Gross receivables</b>	<b>33,029.24</b>	<b>33,788.75</b>
Less: Allowance for doubtful debts	(291.64)	(561.02)
<b>Total</b>	<b>32,737.60</b>	<b>33,227.73</b>
<b>5 (c) Loans</b>		
<b>Non-current</b>		
(Unsecured, considered good)		
Security Deposits	519.42	564.00
<b>Total</b>	<b>519.42</b>	<b>564.00</b>
<b>5 (d) Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	3,259.37	699.87
- in EEFC account	121.61	220.05
Deposits with original maturity of less than three months	11,656.26	10,800.00
Cash on hand	3.21	5.11
<b>Total</b>	<b>15,040.45</b>	<b>11,725.03</b>
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period.		
<b>5 (e) Bank balances other than cash and cash equivalents</b>		
On dividend account	359.88	379.12
<b>Total</b>	<b>359.88</b>	<b>379.12</b>
<b>5 (f) Other Financial Assets</b>		
<b>Non-current</b>		
Deposit account with Bank (With original maturity of more than 12 months)	1.11	22.61
Others	23.71	23.71
<b>Total</b>	<b>24.82</b>	<b>46.32</b>
<b>Current</b>		
Interest accrued on deposits	75.17	169.26
Loans and advances to employees	28.86	26.88
<b>Total</b>	<b>104.03</b>	<b>196.14</b>
<b>5 (g) Contract assets</b>		
Unbilled revenue	6,130.73	3,127.89
<b>Total</b>	<b>6,130.73</b>	<b>3,127.89</b>

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

## Note 6:

### Deferred tax assets/(liabilities) (net)

Particulars	Depreciation	Defined Benefits obligation	Allowance for doubtful debts no longer required written back	Others	Total
<b>At 1 April, 2019</b>	<b>(551.52)</b>	<b>213.16</b>	<b>532.53</b>	<b>324.94</b>	<b>519.11</b>
(Charged)/ Credited	-	-	-	-	-
- to statement of profit and loss	164.52	(36.69)	(446.78)	(79.26)	(398.21)
- to other comprehensive income	-	36.26	-	-	36.26
<b>At 1 April, 2020</b>	<b>(387.00)</b>	<b>212.73</b>	<b>85.75</b>	<b>245.68</b>	<b>157.16</b>
- to statement of profit and loss	74.42	45.40	(12.34)	11.66	119.14
- to other comprehensive income	-	(2.45)	-	-	(2.45)
<b>As at 31 March, 2021</b>	<b>(312.58)</b>	<b>255.68</b>	<b>73.41</b>	<b>257.34</b>	<b>273.85</b>

## Note 7:

### Other Assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>Unsecured, considered good unless otherwise stated</b>		
<b>Non Current</b>		
Capital Advances	451.38	179.44
Balances with Government Authorities {includes amounts paid under protest Rs. 37.94 lacs (31 March, 2020 Rs. 39.59 lacs)}	183.73	69.62
Prepaid expenses	5.11	6.07
<b>Total</b>	<b>640.22</b>	<b>255.13</b>
<b>Current</b>		
Prepaid expenses	228.14	252.93
Goods and Services tax input credit recoverable	3,650.90	2,078.71
Advances to income tax {(Net of provision Rs. 32,154.12 lacs (31 March, 2020 Rs. 27,259.43 lacs)}	316.55	265.54
Advances to creditors	386.05	334.35
<b>Export incentives receivable (government grant)</b>		
- Considered good	691.88	613.54
- Considered doubtful	63.04	19.04
	754.92	632.58
Less: Allowance for doubtful export incentives receivable	(63.04)	(19.04)
	691.88	613.54
Others	5.12	1.70
<b>Total</b>	<b>5,278.64</b>	<b>3,546.77</b>

## Note 8:

### Inventories

Raw materials {including goods in transit Rs. 799.42 lacs (31 March, 2020 Rs. 564.11 lacs)}	7,984.09	6,386.31
Work-in-progress	2,504.90	2,161.01
Finished goods	7,046.27	5,460.76
Traded goods {including goods in transit Rs. 7,435.29 lacs (31 March, 2020 Rs. 4,632.04 lacs)}	16,093.93	11,999.32
Stores and spares {including goods in transit Rs. Nil (31 March, 2020 Rs. 2.54 lacs)}	1,630.27	1,736.51
<b>Total</b>	<b>35,259.46</b>	<b>27,743.91</b>

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

	As at 31 March, 2021	As at 31 March, 2020
<b>Note 9(a):</b>		
<b>Equity Share Capital</b>		
Equity share capital	1,201.39	1,201.39
<b>Authorised (Also refer note 34)</b>		
120,500,000 equity shares (31 March, 2020 - 120,500,000) of Rs 1 each	1,205.00	1,205.00
<b>Issued, subscribed and fully paid up share capital</b>		
120,139,200 equity shares (31 March, 2020 - 120,139,200) of Rs 1 each	1,201.39	1,201.39
For Shares pending issuance of Rs. 408.57 lacs, refer Note 34		

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

Particulars	Number of shares	Closing balance
Balance as at 1 April, 2019	120,139,200	1,201.39
Changes during the year	-	-
Balance as at 31 March, 2020	120,139,200	1,201.39
Balance as at 1 April, 2020	120,139,200	1,201.39
Changes during the year	-	-
Balance as at 31 March, 2021	120,139,200	1,201.39

**Terms and rights attached to equity shares**

Equity share has a par value of Rs. 1. They entitle the holder to participate in dividend, and to share in the proceeds of winding up of the Company in proportion to number of and amounts paid on shares held.

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

(ii) **Shares of company held by immediate holding Company (Also refer Note 34)**

	Number of equity shares	
Dutch US Holding B.V., Netherlands	79,877,771	79,877,771

(iii) **Details of shares held by each shareholder holding more than 5% shares (Also refer Note 34)**

Dutch US Holding B.V., Netherlands	79,877,771	79,877,771
	Percentage of shares held	
Dutch US Holding B.V., Netherlands	66.49%	66.49%

**Note 9(b):**

**Other equity**

Securities Premium	6,493.97	6,493.97
General reserves	8,681.48	8,681.48
Capital Reserve	1,465.71	1,465.71
Retained earnings	62,298.05	52,116.49
<b>Total</b>	<b>78,939.21</b>	<b>68,757.65</b>

(i) **Securities Premium**

Opening balance	6,493.97	6,493.97
Received/(utilised) during the year	-	-
<b>Closing balance</b>	<b>6,493.97</b>	<b>6,493.97</b>

(ii) **General reserve**

Opening balance	8,681.48	8,681.48
Received/(utilised) during the year	-	-
<b>Closing balance</b>	<b>8,681.48</b>	<b>8,681.48</b>

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

Particulars	As at	
	31 March, 2021	31 March, 2020
<b>(iii) Capital reserve</b>		
Opening balance (refer Note 34)	1,465.71	1,465.71
Balance transferred from reserve during the year	-	-
<b>Closing balance</b>	<b>1,465.71</b>	<b>1,465.71</b>
<b>(iv) Retained earnings</b>		
Opening balance	52,116.49	42,218.05
Net profit for the year	13,595.46	13,627.05
Remeasurements of post employment benefit obligation, net of tax	7.26	(107.76)
Dividend paid	(3,421.16)	(3,003.48)
Dividend distribution tax	-	(617.37)
<b>Closing balance</b>	<b>62,298.05</b>	<b>52,116.49</b>

## Note 10: Employee benefit obligation

	Current	
Leave obligations	727.99	554.84
Gratuity	287.87	287.34
<b>Total</b>	<b>1,015.86</b>	<b>842.18</b>

### (i) Leave obligations

The leave obligation cover the Company's liability for earned leave.

The entire amount of provision of Rs. 727.99 Lacs (31 March 2020 - Rs. 554.84 Lacs ) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leaves or require payment for such leave within the next 12 months.

<b>Leave obligation not expected to be settled within the next 12 months</b>	<b>653.38</b>	<b>509.06</b>
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### (ii) Defined Contribution Plan:

The Company has certain defined contribution plans including provident fund. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards contribution to provident fund is Rs. 356.69 Lacs (31 March 2020 - Rs. 345.51 Lacs). The expense recognised during the year towards contribution to Employee State Insurance and National Pension Scheme is Rs 43.94 Lacs (31 March 2020 - 43.12 Lacs).

#### Contribution to provident and other funds:

Contribution to Employee state insurance	5.88	6.66
Contribution to Provident fund	356.69	345.51
Contribution to National Pension Scheme	38.06	36.46
	<b>400.63</b>	<b>388.63</b>

### (iii) Defined Benefit Plan - Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contribution to recognised funds in India. The Company does not fully fund the liability and maintains the target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. The gratuity fund plan assets of the company are managed by Orient Refractories Employees Group Gratuity Trust and erstwhile RHI India Private Limited group gratuity trust through Kotak Gratuity Group Plan and group gratuity plan with Life Insurance Corporation of India, respectively.

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

Particulars	Gratuity	
	As at 31 March, 2021	As at 31 March, 2020
	<b>Funded</b>	
<b>A. Changes in Defined Benefit Obligation</b>		
Defined benefit obligation as at the beginning of the year	1,521.01	1,296.96
Current service cost	128.33	110.75
Interest cost	103.35	100.35
Benefit paid	(33.02)	(173.53)
Actuarial Loss	6.06	186.48
<b>Defined Benefit Obligation at end of year</b>	<b>1,725.73</b>	<b>1,521.01</b>
<b>Change in fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	1,233.66	1,160.42
Expected return on plan assets	83.46	89.89
Employer contributions	138.00	114.42
Benefit payments from plan assets	(33.03)	(173.54)
Actuarial Gain on plan assets	15.77	42.47
<b>Fair value of plan assets at end of year</b>	<b>1,437.86</b>	<b>1,233.66</b>
<b>Net defined Benefit Asset/(Liability)</b>		
Present Value of obligation at the end	1,725.73	1,521.01
Fair Value of plan assets	1,437.86	1,233.66
<b>Unfunded Liability/Provision in Balance Sheet</b>	<b>287.87</b>	<b>287.35</b>
<b>Total expense recognised in the statement of profit and loss</b>		
Current service cost	128.33	110.75
Interest cost	103.35	100.35
Interest income	(83.46)	(89.89)
<b>Total Expense recognised under employee benefit expense (refer note 19)</b>	<b>148.22</b>	<b>121.21</b>
<b>Total expense recognised in OCI</b>		
Actuarial (Gain) / Loss on defined benefit obligation arising from change in demographic assumption	8.87	(11.37)
Actuarial (Gain) / Loss on defined benefit obligation arising from change in financial assumption	(24.87)	207.40
Actuarial (Gain) / Loss of Plan assets	6.29	(52.01)
<b>Unrecognised actuarial (gain)/loss at the end of year</b>	<b>(9.71)</b>	<b>144.02</b>
<b>(B) Actuarial Assumptions:</b>		
i) Discounting Rate	6.7 to 6.9%	6.6 to 6.8%
ii) Future salary Increase	8%	7 to 8%
iii) Retirement Age (Years)	60	60
iv) Ages	<b>Withdrawal Rate %</b>	
Up to 30 Years	3 to 5%	3 to 5%
From 31 to 44 years	2 to 3%	2 to 3%
Above 44 years	1 to 5%	1 to 2%

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

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>(C) Expected contribution for the next one year</b>		
(i) Service cost	137.23	114.28
(ii) Net Interest cost	9.12	14.37
<b>(iii) Expected contribution for the next one year</b>	<b>146.35</b>	<b>128.65</b>
<b>(D) Maturity profile of Defined Benefit Obligation</b>		
<b>Years:</b>	91.11	62.52
(i) 0 to 1 Year		
(ii) 1 to 2 Year	81.71	64.82
(iii) 2 to 3 Year	86.63	69.12
(iv) 3 to 4 Year	111.34	86.65
(v) 4 to 5 Year	171.85	95.97
(vi) 5 to 6 Year	114.14	158.19
(vii) 6 Year onwards	1,287.30	1,123.17
<b>Total</b>	<b>1,944.08</b>	<b>1,660.44</b>
<b>(E) Sensitivity analysis on defined benefit obligation</b>		
<b>Discount rate</b>		
a. Discount rate - 0.5% - the liability to increase by	197.99	193.43
b. Discount rate + 0.5% - the liability to decrease by	(219.77)	(167.62)
<b>Salary increase rate</b>		
a. Rate - 0.5% - the liability to decrease by	(213.01)	(169.65)
b. Rate + 0.5% - the liability to increase by	198.73	187.86

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 increase rate assumption in future valuations will also increase the liability.

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

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

**(G) Defined benefit liability and employer contribution**

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.

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>Note 11(a): Borrowings</b>		
<b>Non Current</b>		
<b>Amortised Cost</b>		
<b>Unsecured</b>		
External Commercial Borrowings	5,980.66	5,760.86
<b>Total</b>	<b>5,980.66</b>	<b>5,760.86</b>
<b>Current</b>		
<b>Secured</b>		
Working capital loan		
- From Bank*	-	527.96
- Bank Overdraft**	-	271.09
<b>Total</b>	<b>-</b>	<b>799.05</b>

\*Cash Credit from Bank is guaranteed by RHI Magnesita, Austria the ultimate holding company. The cash credit is repayable on demand and carries an Interest at 9.15% p.a computed on a daily basis on actual amount utilised.

\*\*Bank overdraft are secured against the corporate guarantee issued by Subsidiary of Ultimate Holding Company, RHI Magnesita GmbH

For current maturities of long term debt refer note 12(b)

**Term loan 1:** External commercial borrowing of EUR 450,000 was taken from the VRD Americas B.V. Netherland (fellow subsidiary), during the financial year 2013-14 which carries interest at applicable 3 month Euribor plus 200 basis points. It is repayable in single installment of EUR 450,000 on 31 December 2020. This term loan has been paid in full and there is no due as at March 31, 2021.

**Term loan 2:** External commercial borrowing of EUR 3,000,000 was taken from the VRD Americas B.V. Netherland (fellow subsidiary) during the financial year 2014-15 which carries interest at applicable 6 month Euribor plus 200 basis points. It is repayable in single installment of EUR 3,000,000 on 31 December 2022.

**Term loan 3:** External commercial borrowing of EUR 3,950,000 was taken from the VRD Americas B.V. Netherland (fellow subsidiary) during the financial year 2016-17 which carries interest at applicable 6 month Euribor plus 150 basis points. It is repayable in single installment of EUR 3,950,000 on 31 December 2023.

## Net debt reconciliation

<b>Cash and cash equivalents</b>	15,040.45	11,725.03
Current borrowings (including overdraft)	-	(1,205.53)
Non-current borrowings	(5,980.66)	(5,760.86)
Lease Liabilities	(233.37)	(94.70)
<b>Net debt</b>	<b>8,826.42</b>	<b>4,663.94</b>

## Note 11(b):

### Other non current liabilities

Deposit from employees	99.04	73.43
<b>Total</b>	<b>99.04</b>	<b>73.43</b>

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>Note 12(a): Trade payables</b>		
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises (refer Note 32)	6,181.78	924.29
Total outstanding dues of creditors other than micro enterprises and small enterprises *	28,577.00	22,540.83
<b>Total</b>	<b>34,758.78</b>	<b>23,465.12</b>

\* Foreign currency trade payables amounting to Rs. 43.78 lacs (31 March, 2020: Rs. Nil) have been written back during the year. Subsequent to the year end, the Company has approached the authorised dealer, under the Foreign Exchange Management (Import of Goods and Services) Regulations, 2015, to condone the delay in relation to obtaining approval for write back of the above mentioned matter.

## 12(b) Other current financial liabilities

Unpaid dividend	359.88	378.01
Employee benefits payable	1,497.53	884.98
Payables on purchase of fixed assets	436.24	602.86
Current maturities of long term borrowings	-	406.48
Other Payables*	-	232.50
Others	24.56	48.39
<b>Total</b>	<b>2,318.21</b>	<b>2,553.22</b>

\*Other Payables as at 31 March, 2020 are foreign currency payables which were overdue for more than three years and pertain to the excess amount received by the Company for services provided in earlier years. During the year, the Company has approached the authorised dealer, under the Foreign Exchange Management (Import of Goods and Services) Regulations, 2015, to condone the delay in relation to payment of outward remittance and allow the Company to adjust the amount due against future supply of services. The authorised dealer has approved the Company's request pursuant to which the amount has been adjusted during the year.

## Note 13: Provisions

Provision for unspent corporate social responsibility expenditure as at year end	135.40	-
<b>Total</b>	<b>135.40</b>	<b>-</b>

## Note 14(a): Other Current Liabilities

Statutory dues (Contribution to Provident Fund and Employee State Insurance, Goods and Services Tax etc)	522.95	423.44
Deposits from employees	6.73	8.85
<b>Total</b>	<b>529.68</b>	<b>432.29</b>

## Note 14(b): Contract Liabilities

Advances from customers	266.80	752.86
<b>Total</b>	<b>266.80</b>	<b>752.86</b>

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Note 15:</b>		
<b>Revenue from operations (refer note 33)</b>		
<b>Revenue from contracts with customers</b>		
- Sales of products		
(i) Finished goods	50,504.42	55,578.86
(ii) Traded goods	24,632.24	27,031.16
- Total Refractories Management Services	57,485.16	51,524.23
- Sale of services	3,122.48	3,133.98
	<b>135,744.30</b>	<b>137,268.23</b>
Other operating revenues (Government grant - export incentives)	897.01	1,130.90
<b>Total</b>	<b>136,641.31</b>	<b>138,399.13</b>

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

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Note 16:</b>		
<b>Other income</b>		
Interest income on financial assets on amortised cost:		
- on bank deposits	431.02	401.33
- on others	143.98	308.33
Net gain on disposal of financial assets (open ended mutual fund scheme)	-	125.30
Net foreign exchange differences	325.65	-
Liabilities/ provisions no longer required written back	66.00	129.12
Bad debts recovered	12.83	-
Profit on sale of fixed assets (net)	-	21.83
Scrap Sales	75.75	-
Miscellaneous income	148.33	31.68
<b>Total</b>	<b>1,203.56</b>	<b>1,017.59</b>
<b>Note 17(a)</b>		
<b>Cost of raw materials and components consumed</b>		
Opening stock	6,386.31	7,072.93
Add: Purchases	50,897.84	45,412.79
	57,284.15	52,485.72
Less: Closing stock	7,984.09	6,386.31
<b>Total</b>	<b>49,300.06</b>	<b>46,099.41</b>
<b>Note 17(b)</b>		
<b>Purchases of stock-in-trade (traded goods)</b>		
	42,410.52	38,415.65
<b>Total</b>	<b>42,410.52</b>	<b>38,415.65</b>
<b>Note 18:</b>		
<b>Change in inventories of finished goods, work in-progress and traded goods</b>		
<b>Inventories at the end of the year</b>		
Work in progress	2,504.90	2,161.01
Finished goods	7,046.27	5,460.76
Traded goods	16,093.93	11,999.32
	<b>25,645.10</b>	<b>19,621.09</b>
<b>Inventories at the beginning of the year</b>		
Work in progress	2,161.01	2,192.10
Finished goods	5,460.76	5,402.93
Traded goods	11,999.32	13,824.25
	<b>19,621.09</b>	<b>21,419.28</b>
Less: Own Production Consumed for construction of Kiln Capitalised	(355.79)	(63.84)
<b>Total</b>	<b>(6,379.80)</b>	<b>1,734.35</b>
<b>Note 19:</b>		
<b>Employee benefits expense</b>		
Salaries, wages and bonus	9,442.95	8,359.39
Contribution to provident fund & others (refer Note 10)	400.63	388.63
Gratuity (refer Note 10)	148.22	121.21
Leave obligation	179.24	67.63
Staff welfare expenses	336.83	253.70
<b>Total</b>	<b>10,507.87</b>	<b>9,190.56</b>

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

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Note 20(a):</b>		
<b>Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	2,832.40	2,365.43
Depreciation charge of right-of-use assets	85.49	211.44
Amortisation on intangible assets	43.44	27.13
<b>Total</b>	<b>2,961.33</b>	<b>2,604.00</b>
<b>Note 20(b):</b>		
<b>Finance cost</b>		
Interest expense:		
- on working capital loans	-	140.27
- on external commercial borrowings	112.24	104.29
- exchange difference on foreign currency borrowings	219.30	391.29
- on bank overdraft	0.28	134.60
- on current borrowings	-	78.72
- on bills discounting	240.91	361.97
Interest on late payment of taxes	63.31	-
Interest expenses on lease liabilities	12.27	18.99
<b>Total</b>	<b>648.31</b>	<b>1,230.13</b>
<b>Note 20(c):</b>		
<b>Other expenses</b>		
Consumption of stores and spare parts	2,082.32	2,326.14
Consumption of packing materials	1,684.86	2,041.86
Power and fuel	3,809.33	4,079.74
Processing charges	5,551.76	4,687.41
Rent {refer Note 3(b) & 28(b)}	114.52	76.48
Repairs and maintenance		
- Plant and machinery	463.06	511.47
- Buildings	32.18	52.57
- Others	53.97	9.42
Insurance	248.29	163.30
Rates and taxes	24.21	270.14
Communication costs	106.09	181.28
Travelling and conveyance	252.89	586.28
Printing and stationery	35.92	63.31
Freight and forwarding	3,888.65	3,684.52
Commission on sales (Other than sole selling agents)	100.62	226.33
Advertising and other expenses	6.08	96.02
Donation	0.83	2.27
Expenditure on corporate social responsibility (refer Note 21)	420.21	242.51
Legal and professional fees {refer Note 20(d)}	558.82	564.76
Royalty (Net)	129.50	189.77

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

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Directors sitting fees	11.75	13.00
Bad debts written off	116.64	137.25
Allowance for doubtful debts - trade receivables {Net of provision no longer required written back Rs. 333.38 lacs (31 March, 2020 Rs. 206 lacs)}	(269.38)	74.40
Allowance for doubtful export incentives receivable	44.00	-
Net foreign exchange differences	-	502.05
Loss on fixed assets sold/ scrapped (Net)	0.24	-
Insurance claim receivable written off	-	342.89
Amortization of prepaid lease rent	-	(11.54)
Bank charges	54.69	124.14
Information & technology expenses	350.25	273.89
Miscellaneous expenses	153.27	113.41
<b>Total</b>	<b>20,025.57</b>	<b>21,625.07</b>

## Note 20(d):

### Legal & professional include Payment to Auditors as under:

Payment to auditor (excluding GST) comprise

(a) To statutory auditor		
- for audit	95.58	100.36
- for limited review	14.86	13.30
- reimbursement of expenses	3.93	4.32
(b) To cost auditor for cost audit	1.15	0.66
<b>Total</b>	<b>115.52</b>	<b>118.64</b>

## Note 21:

### Corporate social responsibility expenditure

Amount required to be spent as per section 135 of the Companies Act 2013

### Details of expenditure towards Corporate Social Responsibility (CSR) activities:

a) Gross amount required to be spent by the Company during the year	420.21	386.73
b) Amount spent during the year on:	-	-
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	284.81	242.51
iii) Provision for unspent expenditure as at year end (refer note 13)	135.40	-
<b>Total</b>	<b>420.21</b>	<b>242.51</b>

## Note 22:

### Income Tax Expense

#### (a) Income Tax Expense

Current Tax

Current tax on profits for the year

Adjustments for current tax of prior periods

Total Current Tax Expense

4,866.21

28.48

**4,894.69**

(119.14)

**4,775.55**

Deferred Tax

Deferred Tax Expense/(Benefit)

**Income Tax Expense**

398.21

**4,890.50**

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

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>(b) Reconciliation of tax expense and accounting profit multiplied by tax rate</b>		
Profit before income tax expense	18,371.01	18,517.55
Tax at the Indian tax rate of 25.168% (Previous year : 25.168%)	4,623.61	4,660.50
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustments for current tax of prior periods	28.48	(43.24)
Impact of change in tax rate	-	260.19
Corporate social responsibility expenditure	105.76	42.60
Dividend Income	-	(32.43)
Other	17.70	2.88
<b>Income tax expense</b>	<b>4,775.55</b>	<b>4,890.50</b>

## Note 23:

### Fair Value measurement

Financial instruments by category:

	As at 31 March, 2021		As at 31 March, 2020	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
<b>Non-current</b>				
Investments	-	1,012.97	-	1,012.82
Loans	-	519.42	-	564.00
Other financial assets	-	24.82	-	46.32
<b>Current</b>				
Trade receivables	-	32,737.60	-	33,227.73
Cash and cash equivalents	-	15,040.45	-	11,725.03
Bank balances other than above	-	359.88	-	379.12
Other financial assets	-	104.03	-	196.14
<b>Total Financial Assets</b>	<b>-</b>	<b>49,799.17</b>	<b>-</b>	<b>47,151.16</b>
<b>Non Current</b>				
Borrowings	-	5,980.66	-	5,760.86
<b>Current</b>				
Borrowings	-	-	-	799.05
Trade payables	-	34,758.78	-	23,465.12
Other financial liabilities	-	2,318.21	-	2,553.22
<b>Total Financial Liabilities</b>	<b>-</b>	<b>43,057.65</b>	<b>-</b>	<b>32,578.25</b>

## Note 24:

### Financial Risk Management

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

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

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

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

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

## A. Credit Risk

Credit risk on cash and cash equivalent and bank balances is not significant as it majorly includes deposits with bank and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Other financial assets primary includes security deposits given to state electricity board and other public sector organisations, wherein possibility of any loss is remote. These deposits are given in the normal course of the business operations.

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

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

To address the risk of any potential non recovery from trade receivables, the Company has the practise of reviewing debtors having balances outstanding for more than 180 days as at period end and consider them for provision for bad and doubtful debts. Besides this, wherever there is specific evidence about the deteriorating financial position, downfall in business, intention to not pay or other similar factors of the customer, the management reviews the underlying facts and merits of such cases to evaluate the need to adjust provision, as computed based on ageing analysis. This provision, based on collective analysis, is sufficient to cover the entire lifetime loss of revenues recognised including those that are currently less than 180 days' outstanding and not provided for.

### Ageing of trade receivable

Category	As at 31 March 2021	As at 31 March 2020
Not Due	24,165.38	22,520.35
0 - 30	4,275.28	6,131.82
31-60 days	2,622.79	821.85
61-90 days	844.05	757.01
91-180 days	477.67	1,435.11
181 - 240 days	158.26	677.93
More than 240	485.81	1,444.68
<b>Total</b>	<b>33,029.24</b>	<b>33,788.75</b>

### Allowance for doubtful debts- trade receivable

Particulars	Amount
<b>Allowance as on 1 April, 2019</b>	<b>1,710.14</b>
Changes in loss allowance Net of bad debts written off Rs. 1,223.52 lacs) (refer note 20(c))	(1,149.12)
<b>Allowance as on 1 April, 2020</b>	<b>561.02</b>
Changes in loss allowance (refer note 20(b))	(269.38)
<b>Allowance as on 31 March, 2021</b>	<b>291.64</b>

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

## B. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time. The Company's primary sources of liquidity are cash generated from operations. The cash flows from operating activities are driven primarily by operating results and changes in the working capital requirements.

The Company believes that its liquidity position is adequate to fund the operating and investing needs and to provide with flexibility to respond to further changes in the business environment.

### Contractual Maturities of financial liabilities

Particulars	Less than 3 months	3 months to 6 months	6 months to 1 year	More than 1 year	Total
<b>31 March, 2021</b>					
Borrowings	-	-	-	5,980.66	<b>5,980.66</b>
Trade Payables	12,938.38	15,846.04	5,893.29	81.07	<b>34,758.78</b>
Lease Liabilities	8.72	17.92	18.77	187.96	<b>233.37</b>
Employee Benefits payable	820.93	676.60	-	-	<b>1,497.53</b>
Unpaid dividend	-	-	359.88	-	359.88
Other financial liabilities	61.27	0.67	398.86	-	460.80
<b>31 March, 2020</b>					
Borrowings	799.05	406.48	-	5,760.86	<b>6,966.39</b>
Trade Payables	21,159.64	2,133.09	129.58	42.81	<b>23,465.12</b>
Lease Liabilities	31.57	31.57	31.56	-	<b>94.70</b>
Employee Benefits payable	479.84	322.59	82.55	-	<b>884.98</b>
Unpaid dividend	-	-	378.01	-	<b>378.01</b>
Other financial liabilities	285.81	354.56	6.39	236.99	<b>883.75</b>

## C. Market Risk

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

**Foreign currency risk:** The Company operates internationally and is exposed to foreign exchange risk in relation to operating activities (when revenue or expense is denominated in a foreign currency) arising from foreign currency transactions, primarily with respect to the USD and EUR. The Company manages the exposure through natural hedging, by maintaining appropriate balances of receivables and payables within same currency. The Company also has policies to enter into foreign currency financial contracts in order to manage the impact of changes in foreign exchange rates on the results of operations and future foreign currency denominated cash flows. Forward exchange contracts are not intended for trading or speculative purposes but only for hedge purposes.

The Company does not have material foreign currency exposure .

### Foreign currency risk exposure

#### Particulars of unhedged foreign currency exposure in INR (in Lacs)

Purpose	As at 31 March 2021				As at 31 March 2020			
	USD	EURO	GBP	CHF	USD	EURO	NU*	CHF
Borrowings	-	5,980.66	-	-	-	6,167.34	-	-
<b>Trade Payables</b>	8,833.75	290.07	30.97	14.31	7,247.64	3,203.62	4.37	521.77
Payables on purchase of fixed assets	51.69	37.77	-	-	29.04	25.43	-	-
<b>Net exposure to foreign currency risk (Liabilities)</b>	<b>8,885.44</b>	<b>6,308.50</b>	<b>30.97</b>	<b>14.31</b>	<b>7,276.68</b>	<b>9,396.39</b>	<b>4.37</b>	<b>521.77</b>
<b>Trade Receivables</b>	2,816.63	957.67	-	-	1,208.46	1,185.03	-	-
<b>Balance with EEFC Account</b>	-	121.61	-	-	-	220.05	-	-
<b>Net exposure to foreign currency risk (Assets)</b>	<b>2,816.63</b>	<b>1,079.28</b>	-	-	<b>1,208.46</b>	<b>1,405.08</b>	-	-

\*NU is the currency of the Kingdom of Bhutan. The Company does not expect any change in the exchange rate of NU and INR, resulting into any significant impact to the financial numbers.

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

## Sensitivity to risk

Particulars	Impact of profit - (Increase)/ decrease	
	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>USD Sensitivity</b>		
INR/USD - Increase by 5%	(303.44)	(303.41)
INR/USD - Decrease by 5%	303.44	303.41
<b>Euro Sensitivity</b>		
INR/EURO - Increase by 5%	(261.46)	(399.57)
INR/EURO - Decrease by 5%	261.46	399.57
<b>GBP Sensitivity</b>		
INR/GBP - Increase by 5%	(1.55)	-
INR/GBP - Decrease by 5%	1.55	-
<b>CHF Sensitivity</b>		
INR/CHF - Increase by 5%	(0.72)	(26.09)
INR/CHF - Decrease by 5%	0.72	26.09

## Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Particulars	As at	As at
	31 March, 2021	31 March, 2020
<b>External Commercial Borrowings</b>		
Interest expense	112.24	104.29
Interest rate at the end of the year	2.00%	2.00%
Interest rate Increase by 1%	56.12	52.15
Interest rate Decreases by 1%	(56.12)	(52.15)
<b>Working Capital Loan</b>		
Interest expense	-	140.27
Interest rate at the end of the year	-	9.20%
Interest rate Increase by 1%	-	15.25
Interest rate Decreases by 1%	-	(15.25)
<b>Current borrowings</b>		
Interest expense	-	78.72
Interest rate at the end of the year	-	9.15%
Interest rate Increase by 1%	-	8.60
Interest rate Decreases by 1%	-	(8.60)
<b>Bank Overdraft</b>		
Interest expense	0.28	134.60
Interest rate at the end of the year	9.15%	9.15%
Interest rate Increase by 1%	0.03	14.71
Interest rate Decreases by 1%	(0.03)	(14.71)

## Note 25:

### Capital management

#### A. Risk Management

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

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

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

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Debt	5,980.66	6,966.39
Share capital	1,201.39	1,201.39
Shares pending issuance	408.57	408.57
Equity reserves	78,939.21	68,757.65
Total Equity	80,549.17	70,367.61
Gearing ratio	7.42%	9.90%

## B. Dividend

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>(i) Equity shares</b>		
Final Dividend for the year 31 March, 2021 of Rs.2.50 (31 March, 2020 - Rs. 2.50) per fully paid share	3,003.48	3,003.48
Final dividend for the year 31 March, 2021 of Rs. 2.27 ( 31 March, 2020 - Nil) to the shareholders of Erstwhile RHI Clasil Private Limited	417.68	-
<b>(ii) Dividend not recognised at the end of the reporting period</b>		
In addition to the above dividends, the directors have recommended the payment of a final dividend of Rs. 2.50 per fully paid equity share (31 March, 2020 of Rs. 2.50), in its meeting held on 25 June, 2021. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	4,024.90	3,003.48

## Note 26:

### Segment Information

The Company is primarily engaged in the business of manufacturing refractories and monolithics. Based on the information reported to the chief operating decision maker (CODM) for the purpose of resources' allocation and assessment of performance, there is single business segment in accordance with the requirements of Indian Accounting Standard (Ind AS 108 on 'Operating Segment Reporting' notified under the Companies (Indian Accounting Standard) Rules, 2015.

### Geographical Segments

The analysis of geographical segment is based on the geographical location of the customers. The Company operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets i.e. India and Outside India. For customers located outside India, the Company has assessed that they carry same risk and rewards. The Company has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India

### Secondary Segment Reporting (by Geographical Segments)

The following is the distribution of the Company's total revenue of operations by geographical market, regardless of where the goods were produced:

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Within India	112,221.72	112,684.12
Outside India	23,522.59	24,584.11
<b>Total</b>	<b>135,744.31</b>	<b>137,268.23</b>

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

The following table shows the carrying amount of trade receivables by geographical segments

Particulars	As at 31 March, 2021	As at 31 March, 2020
Within India	28,963.30	30,834.24
Outside India	3,774.30	2,393.49
<b>Total</b>	<b>32,737.60</b>	<b>33,227.73</b>

All other assets (other than trade receivables) used in the Company's business are located in India and are used to cater to both the categories of customers (within India and outside India), accordingly the total cost incurred during the year to acquire tangible and intangible assets has not been disclosed.

## Note 27:

### Contingent Liabilities

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

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Demand from Income tax	993.91	-
Demand from excise and service tax authorities	316.12	202.54
Demand from customs authorities	291.88	1,045.36
Demand from Central Sales Tax	16.53	-
<b>Total</b>	<b>1,618.44</b>	<b>1,247.90</b>

#### Notes:

- (i) No provision is considered necessary since the Company expects favourable decisions.
- (ii) Paid under protest of Rs. 37.94 Lacs (31 March, 2020, Rs. 39.59 Lacs)

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 28(a):

### Capital and other commitments

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Tangible Assets	1,570.53	2,714.27

- (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 did not have any long term commitments/contracts for which there were any material foreseeable losses. The Company did not have any long-term derivative contracts as at 31 March, 2021.

## Note 28 (b):

### Operating lease

The Company's cancellable operating lease arrangement mainly consists of offices, guest house and warehouse for period of less than 11 months. Terms of lease include terms for renewal, increase in rent in future periods and terms of cancellation.

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

**Note 29:  
Earning per share**

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
(a) Basic earnings per share (Rs.)	8.44	8.46
(b) Diluted earnings per share (Rs.)	8.44	8.46
<b>Profits used for calculating earning per share</b>		
Profit attributable to the equity holders of the Company used in calculating Basic Earnings per share	13,595.46	13,627.05
Profit attributable to the equity holders of the Company used in calculating Diluted Earnings per share	13,595.46	13,627.05
<b>Weighted average number of shares used as denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share*	1,609.96	1,609.96
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share*	1,609.96	1,609.96

\* Includes 408.57 lacs Shares which are pending for issuance as per the Scheme which is being considered effective from 01 April, 2019 as per Ind AS - 103, Business Combination. Refer note 34.

**Note 30:  
Related Party Transactions**

**(a) Parent entities**

The Company is controlled by the following

Name	Type	Place of incorporation	Ownership Interest (in %'age)	
			As at 31 March, 2021	As at 31 March, 2020
RHI Magnesita N.V.	Ultimate holding company	Austria	-	-
Dutch US Holding B.V.	Holding company	Netherlands	66.49%	66.49%

**(b) Key managerial personnel (KMP)**

Mr. Parmod Sagar, Managing Director & CEO  
Mr. Sanjeev Bhardwaj, Chief Financial Officer

**(c) List of related parties**

**i) Fellow subsidiaries with whom the Company had transactions during the year**

RHI Feuerfest GmbH  
Refractory Intellectual Property GmbH & Co KG  
Magnesita Mineracao S.A.  
RHI Refractories Asia Pacific Pte Ltd  
RHI Magnesita GmbH  
RHI Urmitz AG & Co KG  
Magnesita Refractories Private Limited  
Didier Werke AG, Germany  
Magnesita Envoy Asia Limited  
RHI Trading (Dalian) Co. Ltd  
VRD Americas B.V. Netherlands  
RHI Refractories UK Ltd.  
RHI-Refmex S.A. DE C.V.  
RHI Magnesita Deutschland AG  
RHI Refractories Liaoning Co. Ltd.- China  
RHI Magnesita Interstop AG (previously known as Stopinc Aktiengesellschaft)  
RHI Magnesita Trading B.V.

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

ii) **Subsidiary**  
Intermetal Engineers (India) Private Limited (with effect from 18 May, 2019)

iii) **Relative of KMP**  
Mr. Christophar Parvesh

(d) **Related Party Transactions**

Particulars	Relationship	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Dividend paid</b>			
Dutch US Holding B.V.	Holding Company	1,996.94	2,090.94
VRD Americas B.V. Netherlands	Fellow Subsidiary	224.37	-
<b>Sales:</b>			
RHI Magnesita GmbH	Fellow Subsidiary	19,111.96	20,122.38
RHI Urmitz AG & Co KG	Fellow Subsidiary	421.96	265.44
RHI Refractories Asia Pacific Pte Ltd	Fellow Subsidiary	31.04	189.18
Didier Werke AG, Germany	Fellow Subsidiary	-	1.18
RHI Refractories UK Ltd.	Fellow Subsidiary	0.43	-
RHI-Refmex S.A. DE C.V.	Fellow Subsidiary	3.44	-
Intermetal Engineers (India) Private Limited	Subsidiary	1.81	-
RHI Magnesita Deutschland AG	Fellow Subsidiary	425.97	-
<b>Purchase:</b>			
RHI Magnesita Interstop AG (previously known as Stopinc Aktiengesellschaft)	Fellow Subsidiary	-	967.33
RHI Magnesita Interstop AG	Fellow Subsidiary	582.31	-
Magnesita Mineracao S.A.	Fellow Subsidiary	39.80	37.60
Intermetal Engineers (India) Private Limited	Subsidiary	4.63	0.39
RHI Magnesita GmbH	Fellow Subsidiary	26,031.11	23,310.97
Magnesita Envoy Asia Limited	Fellow Subsidiary	152.03	166.89
<b>Purchase of spares</b>			
RHI Magnesita GmbH	Fellow Subsidiary	162.32	119.62
RHI Magnesita Interstop AG (previously known as Stopinc Aktiengesellschaft)	Fellow Subsidiary	153.58	134.37
<b>Purchase of assets</b>			
RHI Magnesita GmbH	Fellow Subsidiary	1,335.05	61.29
RHI Magnesita Interstop AG (previously known as Stopinc Aktiengesellschaft)	Fellow Subsidiary	66.41	15.18
<b>Service income</b>			
RHI Magnesita GmbH		1,020.06	1,365.33
RHI Magnesita Trading B.V.		415.96	-
<b>Managerial remuneration*</b>			
Mr. Parmod Sagar	KMP	351.85	278.61
Mr. Sanjeev Bhardwaj	KMP	119.00	106.82
*The amount of managerial remuneration does not include the amount attributed towards Equity- settled share options (LTIP) issued by RHI Magnesita N.V. for which no cost is charged from the Company. Also refer Note 31.			
<b>Salary</b>			
Mr. Christophar Parvesh	Relative of KMP	9.63	8.95

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

Particulars	Relationship	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Royalty</b>			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	129.50	189.77
<b>Information Technology Expenses</b>			
RHI Magnesita GmbH	Fellow Subsidiary	350.25	273.89
<b>Investment</b>			
Intermetal Engineers (India) Private Limited	Subsidiary	-	1,012.52
<b>Expenses reimbursement {Received/(Paid)}</b>			
RHI Magnesita GmbH	Fellow Subsidiary	265.15	211.91
RHI Refractories Asia Pacific Pte Ltd	Fellow Subsidiary	8.96	-
RHI Trading (Dalian) Co. Ltd	Fellow Subsidiary	-	0.16
Magnesita Refractories Private Limited	Fellow Subsidiary	0.84	1.26
<b>Interest Expenses</b>			
VRD Americas B.V. Netherlands	Fellow Subsidiary	112.24	104.29

**(e) Outstanding balances arising from sales/ purchase of goods and services**

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

Particulars		As at 31 March, 2021	As at 31 March, 2020
<b>Investment:</b>			
Intermetal Engineers (I) Pvt. Ltd.	Subsidiary	1,012.52	1,012.52
<b>Total Investment</b>		<b>1,012.52</b>	<b>1,012.52</b>
<b>Trade Payables:</b>			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	65.23	87.86
RHI Refractories Asia Pacific Pte Ltd	Fellow Subsidiary	2.92	123.32
RHI Magnesita Interstop AG (previously known as Stopinc Aktiengesellschaft)	Fellow Subsidiary	41.03	422.17
Magnesita Mineracao S.A.	Fellow Subsidiary	-	12.87
Intermetal Engineers (I) Pvt. Ltd.	Subsidiary	-	0.19
RHI Magnesita GmbH	Fellow Subsidiary	12,590.11	7,644.70
RHI Refractories Liaoning Co. Ltd.- China	Fellow Subsidiary	2.28	2.35
Stopinc Aktiengesellschaft	Fellow Subsidiary	-	99.60
RHI Trading (Dalian) CO. Limited	Fellow Subsidiary	0.17	0.18
<b>Total Trade Payables to related parties</b>		<b>12,701.74</b>	<b>8,393.24</b>
<b>Other payables</b>			
RHI Magnesita GmbH		-	232.50
<b>Trade Receivables:</b>			
RHI Refractories Asia Pacific Pte Ltd	Fellow Subsidiary	-	85.27
RHI Urmitz AG & Co KG	Fellow Subsidiary	57.22	1.25
RHI Magnesita GmbH	Fellow Subsidiary	2,784.16	1,133.31
RHI Magnesita Trading B.V	Fellow Subsidiary	178.08	-
Magnesita Refractories Private Limited	Fellow Subsidiary	0.43	0.31
<b>Total Trade receivables from related parties</b>		<b>3,019.89</b>	<b>1,220.14</b>

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

Particulars		As at 31 March, 2021	As at 31 March, 2020
<b>External Commercial Borrowings</b>			
VRD Americas B.V, Netherlands	Fellow Subsidiary	5,980.66	6,167.34
<b>Other transactions</b>			
Guarantee given to Bank by RHI Magnesita GmbH	Fellow Subsidiary	8,879.00	7,566.50
(Outstanding balance of borrowings as on 31 March, 2021 is Nil (March 31, 2020 - Rs. 271.09 lacs)			

## Note 31: Equity-settled share option plan (LTIP)

RHI Magnesita N.V (Ultimate Holding Company) has implemented a share option plan for the members of senior management including of the Company. Each share option converts into one ordinary share of RHI Magnesita N.V on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry rights to dividends but no voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The number of options granted is calculated in accordance with the performance-based formula approved by the shareholders of the Ultimate Holding Company. The vesting period for each share option plan is three years. If the options remain unexercised after a period of seven years from the vesting date the options expire. Options are forfeited if the employee leaves the Company before the options vest. The allocation of share option plan has been made by the Ultimate Holding Company pursuant to the following plans:

Plans details	Grant date	Vesting Date (Vesting period)	Exercise price	As at 31 March, 2021	As at 31 March, 2020
Equity-settled share option plan 2019	19-Aug-19	19-Aug-22 (3 years)	Nil	1,110	423
Equity-settled share option plan 2020	8-Apr-20	8-Apr-23 (3 years)	Nil	2,774	-
Equity-settled share option plan 2021	15-Mar-21	15-Mar-24 (3 years)	Nil	53	-
<b>Total</b>				<b>3,937</b>	<b>423</b>

### i) Summary of share options outstanding under the plan:

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>Number of share options</b>		
Opening balance		
Granted during the year	423	-
Exercised during the year	3,514	423
Forfeited during the year	-	-
<b>Closing Balance</b>	-	-
Vested and Excisable	3,937	423

### ii) Fair value of share options granted by the Company under each scheme

Grant Date	Fair Value (Euro)
19-Aug-19	46.25
8-Apr-20	22.70
15-Mar-21	48.28

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

**(b) Expense arising from employee share option plan**

The fair value of the LTIP granted that has not been recognised as expense in the Statement of Profit and Loss as the impact is not considered material, is as follows:

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Equity-settled share option plan expenses	74.23	-
<b>Total expense</b>	<b>74.23</b>	<b>-</b>

**Note 32:  
Due to micro, small and medium enterprises**

Particulars	As at 31 March, 2021	As at 31 March, 2020
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	6,181.78	924.29
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	22.04	2.34
(iii) Principal amount paid to supplier registered under the MSMED Act, beyond the appointed day during the year.	937.91	739.10
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	4.87	1.99
(vii) Further Interest remaining due and payable for earlier years	2.34	0.35

**Note 33:  
Revenue from Contracts with Customers**

Revenue from contracts with customers (refer Note 15)	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>The Company has recognised the following amounts relating to revenue in the statement of profit and loss:</b>		
Sale of products		
(i) Finished goods	50,504.42	55,578.86
(ii) Traded goods	24,632.24	27,031.16
<b>Total Refractories Management Services</b>	<b>57,485.16</b>	<b>51,524.23</b>
Sale of services	3,122.48	<b>3,133.98</b>
<b>Revenue from contracts with customers</b>	<b>135,744.30</b>	<b>137,268.23</b>
Other operating revenues(Government grant - export incentives)	897.01	<b>1,130.90</b>
<b>Total Revenue</b>	<b>136,641.31</b>	<b>138,399.13</b>

**Disaggregation of Revenue**

In the following tables, revenue is disaggregated by product group and by geography. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108 (refer note 26). The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

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

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Disaggregation of Revenue by Geography</b>		
Within India	112,221.72	112,684.12
Outside India	23,522.59	24,584.11
<b>Total Revenue</b>	<b>135,744.31</b>	<b>137,268.23</b>

## Timing of Revenue Recognition

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

Revenue from contracts for total refractory management services, revenue is recognized over time on the basis using the output-oriented method (e.g. quantity of steel produced by the customer).

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

## Performance obligations

Revenue from the sale of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual terms agreed in the customer contract. Control is defined as the ability to direct the use and obtain substantially all the economic benefits from an asset. For the terms CIF (Cost, Insurance and Freight), transport service gives rise to a separate performance obligation to which a part of revenue has to be allocated, as this service is performed after the control of the product is transferred to the customer.

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

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

## Transaction price allocated to the remaining performance obligations

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

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

## Reconciliation of revenue recognised with contract price

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Contract price</b>	134,332.96	134,613.35
Adjustments for:	-	-
Claims & Rebates	(453.78)	(624.88)
Performance Bonus	1,865.12	3,279.76
<b>Revenue from contracts with customers</b>	<b>135,744.30</b>	<b>137,268.23</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 asset usually gets converted to Trade Receivables within a time period of 30 days.

Contract liabilities consists of advances from customers. Contract liabilities are presented in note 14(b)

Trade receivables are presented net off impairment loss in note 5(b).

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

Revenue recognised that was included in the contract liability balance at the beginning of the year	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Revenue from contract with customers</b>	752.88	2,131.99
<b>Total</b>	<b>752.88</b>	<b>2,131.99</b>
<b>Movement in Contract Assets</b>		
Opening balance as on 1 April, 2020	3,127.89	1,877.86
Add: Revenue recognized during the year	135,744.30	137,268.23
Less: Invoiced during the year	(132,741.46)	(136,018.20)
Closing balance as on 31 March, 2021	<b>6,130.73</b>	<b>3,127.89</b>
<b>Movement in Contract Liabilities</b>		
Opening balance as on 1 April, 2020	752.88	2,131.99
Add: Collection during the year	8,685.97	6,322.52
Less: Gross Sales	(9,172.05)	(7,701.65)
Closing balance as on 31 March, 2021	<b>266.80</b>	<b>752.86</b>

The contract assets primarily relate to the company's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the right become unconditional. The contract liabilities primarily relate to the advance consideration received from customers.

### 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 steep plant in order to enable steel production. Thus, only one single performance obligation, performance of refractory management service, exists.

### Note 34:

#### Merger

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

The Scheme was filed before the National Company Law Tribunal, Mumbai ('NCLT') and was rejected by them vide order dated 02 March, 2021.

An appeal was filed before the Hon'ble National Company Law Appellate Tribunal ('NCLAT') and NCLAT vide its judgement dated 19 January, 2021 allowed the said appeal and directed the NCLT to approve the said Scheme with an appointed date of 31 July, 2018.

The NCLT vide its Order dated 05 May, 2021 has approved the Scheme with an appointed date of 31 July, 2018 in view of the order passed by the NCLAT.

In accordance with the clause 3.5 of the Scheme, as a consideration of the merger of the Company with the erstwhile fellow subsidiaries, the Company will issue and allot to the shareholders of the erstwhile fellow subsidiaries the shares of the Company in the following manner: -

(i) To the shareholders of RHI India:

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

(ii) To the shareholders of RHI Clasil:

For every 1000 equity shares of RHI Clasil of face value of INR 10 each held in RHI Clasil, every shareholder of the RHI Clasil, shall without any application, act or deed, be entitled to receive 908 equity shares of face value of Re. 1 each of the Company, credited as fully paid up on the same terms and conditions of issue as prevalent in the Company.

The Company has prepared these Standalone Financial Statements after considering effect in accordance with clause 3.7 of the Scheme which requires the accounting treatment to be carried out as prescribed under applicable accounting standards that is, from the beginning of the preceding year and in accordance with Ind AS 103, Business Combination. The corresponding figures in these Standalone Financial Statements have been prepared by the management based on the audited financial statements of the Company and its erstwhile fellow subsidiaries as adjusted for giving effect to the Scheme as approved by the NCLT. The consideration payable to the shareholders of erstwhile fellow subsidiaries, amounting to Rs. 408.57 lacs has been disclosed as Shares Pending Issuance under Equity. The reserves in the financial statements of the erstwhile fellow subsidiaries have been disclosed in the same form in the financial statements of the Company. The difference between the consideration disclosed as Shares Pending Issuance and the Share Capital of the erstwhile fellow subsidiaries on 01 April, 2019 is Rs. 1,465.71 lacs, which has been disclosed as Capital Reserve in these Standalone Financial Statements.

Pursuant to the Scheme becoming effective, in accordance with clause 3.2 of the Scheme, the authorised share capital of the Company has been increased from Rs. 1,205 lacs to Rs. 3,080 lacs.

On 11 June, 2021 the Board of Directors of the Company took on record the sanction of the Scheme by the NCLT, change in the authorised share capital and have fixed the record date as 24 June, 2021 for the purpose of determining the shareholders of its erstwhile fellow subsidiaries who shall be entitled to receive the shares of the Company.

Change in authorised share capital has been approved by the Registrar of Companies (ROC) on 24 June, 2021.

After the issuance and allotment of the equity shares to the shareholders of its erstwhile fellow subsidiaries, the Company will complete the necessary steps to have the equity shares listed on Bombay Stock Exchange and the National Stock Exchange. Further, pursuant to the issuance and allotment of shares to the shareholders of its erstwhile fellow subsidiaries, the shareholding of the Company will change for which the necessary filings in accordance with the SEBI regulations will be done.

Pursuant to the approval of the Scheme by the Board of Directors of the Company, the intimation of the Scheme and the Record date has been sent to the Bombay Stock Exchange and the National Stock Exchange. Further, the orders of NCLAT and NCLT along with the Scheme have been filed with the ROC and ROC has approved on 24 June, 2021.

Further, the Company has applied for change of name and the approval of ROC is awaited.

## **Note 35:**

### **Acquisition of Subsidiary**

The Board of Directors on 30 April, 2019 approved the acquisition of the entire paid-up equity share capital of "Intermetal Engineers India Private Limited" (the 'IEIPL') a company comprising of 1,597 equity shares of Rs.100/- each to make it a wholly owned subsidiary of the Company. The process of acquisition of IEIPL was completed on 18 May, 2019. The Company has paid consideration of Rs. 1,012.52 Lacs for the acquisition of IEIPL.

## **Note 36:**

### **Acquisition of group of assets**

During the year ended 31 March, 2020, the Company has completed the acquisition of group of assets from Manishri Refractories and Ceramics Private Limited, for a total consideration of Rs. 4,376 lacs. The group of assets include Land, Building and Plant and Machinery. The acquisition of assets has been appropriately recorded as per the requirements of Ind AS 16 and the valuation of Land and Building has been determined based on valuation done by an independent valuer.

## **Note 37:**

### **Assessment of impact of Covid-19**

In preparation of the standalone financial statements for the year ended 31 March, 2021, the Company has taken into account the possible impact of COVID-19 and the related internal and external factors known to the management upto the date of

approval of these standalone financial statements to assess the carrying amount of its assets and liabilities. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Company and the carrying value of its assets and liabilities is not likely to be material as at 31 March, 2021. The management has also assessed that there are no events or conditions that impact the ability of the Company to continue as a going concern.

## **Note 38:**

### **Transfer Pricing**

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international and domestic transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by 30 November, 2021, 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 39:**

### **Rounding of amounts**

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

## **Note 40:**

### **Previous year's figures**

Previous year's figures have also been regrouped / recasted, wherever necessary, to conform to the current year's presentation.

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

**Abhishek Rara**  
Partner  
Membership Number: 077779

**Place : Gurugram**  
**Date : 25 June, 2021**

For and on behalf of the Board of Directors of  
**ORIENT REFRACTORIES LIMITED**

**Dr. Vijay Sharma**  
Chairman  
(DIN-00880113)

**Sanjeev Bhardwaj**  
Chief Financial Officer

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

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

**Manoj Gupta**  
Vice President (F&A)

## AUDITOR'S REPORT INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ORIENT REFRACTORIES LIMITED

#### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying Consolidated Financial Statements of Orient Refractories Limited (hereinafter referred to as the 'Holding Company' or the "Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") (refer Note 2 to the attached Consolidated Financial Statements), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in Paragraph 17 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

4. We draw your attention to Note 34 to the Consolidated Financial Statements regarding the scheme of amalgamation (the "Scheme") between the Holding Company and its fellow subsidiaries i.e. RHI India Private Limited and RHI Clasil Private Limited (hereinafter referred as 'erstwhile fellow subsidiaries'), as approved by the Hon'ble National Company Law Tribunal ('NCLT') vide its Order dated May 05, 2021. While the appointed date as set out in the NCLT order is July 31, 2018, these Consolidated Financial Statements have been prepared in accordance with clause 3.7 of the Scheme which requires the accounting treatment to be carried out as prescribed under applicable accounting standards that is, from the beginning of the preceding year and in accordance with Ind AS 103, Business Combination. Our opinion is not modified in respect of this matter.

#### Key audit matters

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

Below Key Audit Matters have been reproduced from the report, of the even date, on the audit of standalone financial statements of the Holding Company.

#### Revenue Recognition

(Refer note 15 to the Consolidated Financial Statements)

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

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

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

### How our audit addressed the key audit matter

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

- Understanding, evaluating the design and testing the operating effectiveness of controls over revenue recognition.
- Assessing appropriateness of management's judgements in accounting for identified contracts such as:
  - Identification of performance obligation and allocation of consideration to identified preformation obligation;
  - Evaluating the contract terms for assessment of the timing of transfer of control to the customer to assess whether revenue is recognised appropriately over a period of time or at a point in time (as the case may be) based on timing when control is transferred to customer;
  - Testing whether the revenue recognition is in line with the terms of customer contracts and the transfer of control; and
  - Evaluating adequacy of the presentation and disclosures.

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

### Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.
7. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
8. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
10. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

12. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
14. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

## Other Matters

17. We did not audit the financial statements of one subsidiary, whose financial statements reflect Total Assets of Rs. 1,173.41 lacs and Net Assets of Rs. 1,047.63 lacs as at March 31, 2021, Total Revenue of Rs. 430.04 lacs, Total Comprehensive Income (comprising of profit and other comprehensive income) of Rs. 66.87 lacs and Net Cash Outflows amounting to Rs. 19.04 lacs for the year ended on that date, as considered in the Consolidated Financial Statements. The financial statements of the subsidiary have been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management.

18. The corresponding figures of the Company for the year ended March 31, 2020 have been prepared by the Management based on the audited financial statements of the Company and its erstwhile fellow subsidiaries as adjusted for giving effect to Scheme as approved by the NCLT vide Order dated May 05, 2021 (Refer Emphasis of Matter paragraph above). These adjustments have been audited by us.

Our opinion is not modified in respect of above matters.

## Report on Other Legal and Regulatory Requirements

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books of the Holding Company and its erstwhile fellow subsidiaries (Refer Emphasis of Matter paragraph above) and the report of the other auditor, except that, in respect of the Holding Company (other than its erstwhile fellow subsidiaries), the back up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.
  - In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph 19(b) above that in respect of the Holding Company (other than its erstwhile fellow subsidiaries), the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
  - With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group— Refer Note 27 to the Consolidated Financial Statements.
  - ii. The Group has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Group did not have any long-term derivative contracts as at March 31, 2021.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.
20. The Group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

**Place: Gurugram**  
**Date: 25 June, 2021**

**Abhishek Rara**  
Partner  
Membership Number: 077779  
UDIN: 21077779AAAAAZ3352

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of Orient Refractories Limited on the consolidated financial statements for the year ended March 31, 2021

### 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. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Orient Refractories Limited (hereinafter referred to as "the Holding Company") and its subsidiary Company, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, and its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls with reference to financial statements

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

### Opinion

8. In our opinion, the Holding Company, and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a Company incorporated in India, is based on the corresponding report of the auditor of such a Company incorporated in India. Our opinion is not modified in respect of this matter.

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

**Abhishek Rara**  
Partner

Membership Number: 077779  
UDIN: 21077779AAAAAZ3352

**Place: Gurugram**  
**Date: 25 June, 2021**

## CONSOLIDATED BALANCE SHEET

(Amount in Rs. Lacs, unless otherwise stated)

Particulars	Notes	As at 31 March, 2021	As at 31 March, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	23,386.62	22,297.92
Right-of-use assets	3(b)	561.51	432.56
Capital work-in-progress	3(a)	4,625.70	859.37
Intangible assets	4	366.01	19.60
<b>Financial assets</b>			
(i) Investments	5(a)	0.45	0.30
(ii) Loans	5(c)	519.64	564.00
(iii) Other financial assets	5(f)	24.81	46.32
Deferred tax assets (net)	6	197.13	72.82
Other non-current assets	7	640.44	255.14
<b>Total non-current assets</b>		<b>30,322.31</b>	<b>24,548.03</b>
<b>Current assets</b>			
Inventories	8	35,308.73	27,783.63
<b>Financial assets</b>			
(i) Trade receivables	5(b)	32,770.99	33,244.11
(ii) Cash and cash equivalents	5(d)	15,514.18	12,217.79
(iii) Bank balances other than above	5(e)	509.88	479.12
(iv) Other financial assets	5(f)	107.07	198.30
Contract assets	5(g)	6,130.73	3,127.89
Other current assets	7	5,300.63	3,574.89
<b>Total current assets</b>		<b>95,642.21</b>	<b>80,625.73</b>
<b>Total Assets</b>		<b>125,964.52</b>	<b>105,173.76</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	9(a)	1,201.39	1,201.39
Shares pending issuance	34	408.57	408.57
Other equity	9(b)	78,967.56	68,719.13
<b>Equity attributable to the owners of Orient Refractories Limited</b>		<b>80,577.52</b>	<b>70,329.09</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	11(a)	5,980.66	5,760.86
(ii) Lease Liabilities	3(b)	187.96	-
Other non-current liabilities	11(b)	99.04	73.43
<b>Total non-current liabilities</b>		<b>6,267.66</b>	<b>5,834.29</b>

(Amount in Rs. Lacs, unless otherwise stated)

Particulars	Notes	As at 31 March, 2021	As at 31 March, 2020
<b>Current liabilities</b>			
Financial liabilities			
i) Borrowings	11(a)	-	799.05
(ii) Lease Liabilities	3(b)	45.41	94.70
(iii) Trade payables	12(a)		
- Total outstanding dues of micro and small enterprises		6,198.59	953.97
- Total outstanding dues of creditors other than micro enterprises and small enterprises		28,586.71	22,560.94
(iv) Other financial liabilities	12(b)	2,327.14	2,559.87
Contract liabilities	14(b)	272.44	766.02
Provisions	13	135.40	-
Employee benefit obligations	10	1,022.66	842.18
Other current liabilities	14(a)	530.99	433.65
<b>Total current liabilities</b>		<b>39,119.34</b>	<b>29,010.38</b>
<b>Total Liabilities</b>		<b>45,387.00</b>	<b>34,844.67</b>
<b>Total Equity and Liabilities</b>		<b>1,25,964.52</b>	<b>1,05,173.76</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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

**Abhishek Rara**  
Partner  
Membership Number: 077779

**Place : Gurugram**  
**Date : 25 June, 2021**

For and on behalf of the Board of Directors of  
**ORIENT REFRACTORIES LIMITED**

**Dr. Vijay Sharma**  
Chairman  
(DIN-00880113)

**Sanjeev Bhardwaj**  
Chief Financial Officer

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

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

**Manoj Gupta**  
Vice President (F&A)

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

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

Particulars	Notes	Year ended 31 March, 2021	Year ended 31 March, 2020
Revenue from operations	15	1,37,037.86	1,38,758.56
Other Income	16	1,232.39	1,035.84
<b>Total revenue</b>		<b>1,38,270.25</b>	<b>1,39,794.40</b>
Cost of raw material and components consumed	17(a)	49,521.46	46,321.79
Purchases of stock-in-trade (traded goods)	17(b)	42,410.52	38,415.65
Changes in inventories of finished goods, work-in-progress and stock-in-trade (traded goods)	18	(6,389.05)	1,699.35
Employee benefits expense	19	10,559.68	9,241.08
Depreciation and amortisation expense	20(a)	2,979.48	2,617.67
Finance Cost	20 (b)	648.31	1,230.13
Other expenses	20 (c)	20,081.89	21,687.96
<b>Total expenses</b>		<b>1,19,812.29</b>	<b>1,21,213.63</b>
<b>Profit before tax</b>		<b>18,457.96</b>	<b>18,580.77</b>
<b>Tax expense:</b>			
- Current tax	22	4,896.21	4,563.63
- Deferred tax (charge/credit)	22	(126.76)	471.27
- Short / (Excess) provision for tax relating to prior years	22	26.18	(42.66)
<b>Total tax expense</b>		<b>4,795.63</b>	<b>4,992.24</b>
<b>Profit for the year</b>		<b>13,662.33</b>	<b>13,588.53</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- Remeasurement of the defined benefit plans		9.71	(144.02)
- Income tax relating to the above		(2.45)	36.26
<b>Other comprehensive income for the year, net of tax</b>		<b>7.26</b>	<b>(107.76)</b>
<b>Total comprehensive income for the year</b>		<b>13,669.59</b>	<b>13,480.77</b>
Basic earnings per share (Face value of Re 1 each share)	29	8.49	8.44
Diluted earnings per share (Face value of Re 1 each share)	29	8.49	8.44

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

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

**Abhishek Rara**  
Partner  
Membership Number: 077779

Place : Gurugram  
Date : 25 June, 2021

For and on behalf of the Board of Directors of  
**ORIENT REFRACTORIES LIMITED**

**Dr. Vijay Sharma**  
Chairman  
(DIN-00880113)

**Sanjeev Bhardwaj**  
Chief Financial Officer

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

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

**Manoj Gupta**  
Vice President (F&A)

## CONSOLIDATED CASH FLOW STATEMENT

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

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>A. Cash flow from operating activities</b>		
Profit before tax	18,457.96	18,580.77
<b>Adjustments for:</b>		
Depreciation and amortisation expense	2,979.48	2,617.67
Interest income	(596.84)	(719.68)
Allowance for doubtful debts - export incentives receivables	44.00	-
Allowance for doubtful debts - trade receivables	(276.05)	77.81
Liabilities/ provisions no longer required written back	(71.11)	(129.12)
Bad debts recovered	(12.83)	-
Bad debts written off	117.90	137.25
Insurance claim receivable written off	-	342.89
Net gain on disposal of financial assets (open ended mutual fund scheme)	-	(129.07)
Finance Cost	648.31	1,230.13
Loss/(Profit) on sale of fixed assets (net)	0.24	(23.50)
Net unrealised foreign exchange	57.12	785.12
Items that will not be reclassified to Profit or loss	9.71	(144.02)
<b>Operating profit before working capital changes</b>	<b>21,357.89</b>	<b>22,626.25</b>
<b>(Increase)/Decrease in inventories</b>	<b>(7,525.10)</b>	<b>2,189.65</b>
Decrease/(Increase) in trade receivables	695.09	(1,507.73)
(Increase) in other current financial assets	(0.90)	(3.22)
(Increase)/Decrease in other current assets	(1,716.68)	682.23
Decrease/(Increase) in loans	44.36	(214.59)
(Increase) in contract assets	(3,002.84)	(1,250.03)
Decrease in other non-current financial assets	21.51	12.32
(Increase) in other non-current assets	(113.35)	(52.16)
Increase in trade payables	11,452.67	1,007.12
Increase in other financial liabilities	358.50	63.63
Increase in employee benefit obligations	180.48	188.68
Increase in other non current liabilities	25.61	3.35
Decrease in contract liabilities	(493.58)	(771.93)
Increase/(Decrease) other current liabilities	97.34	(768.15)
Increase in Provisions	135.40	21.78
<b>Cash generated from operations</b>	<b>21,516.41</b>	<b>22,227.20</b>
Net income tax paid	(4,975.45)	(4,909.03)
<b>Net cash flow from operating activities (A)</b>	<b>16,540.96</b>	<b>17,318.17</b>
<b>B. Cash flows from investing activities</b>		
Investment in mutual funds	-	(19,120.00)
Proceeds from redemption of mutual funds	-	30,088.66
Investment in Subsidiary	-	(991.53)
Investment in National Saving Certificate	(0.15)	-
Decrease in other bank balances	(30.76)	200.99
Capital expenditure on fixed assets, including capital advances	(8,579.81)	(8,356.99)
Proceeds from sale of fixed assets	45.58	78.14
Interest received	688.97	700.45
<b>Net cash flow used in investing activities (B)</b>	<b>(7,876.17)</b>	<b>2,599.72</b>

Particulars	(All amount in Rs. Lacs, unless otherwise stated)	
	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>C. Cash flows from financing activities</b>		
Dividend paid on equity shares	(3,439.29)	(3,027.01)
Tax on dividend	-	(617.37)
Lease rent paid	(75.77)	(220.28)
(Repayment)/Proceeds of non current borrowings (net)	(405.98)	2,000.00
Proceeds from/(Repayment) of current borrowings (net)	(799.05)	(8,770.08)
Interest paid	(648.31)	(1,151.84)
<b>Net cash flow used in financing activities (C)</b>	<b>(5,368.40)</b>	<b>(11,786.58)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	3,296.38	8,131.31
Cash and cash equivalents at the beginning of the year	12,217.79	4,086.48
<b>Cash and cash equivalents at the end of the year</b>	<b>15,514.17</b>	<b>12,217.79</b>
<b>Non Cash Investing activities</b>		
- Acquisition of Right-of-use-assets (note 3b)	214.44	-
<b>Cash and cash equivalent included in the cash flow statement comprise of the following:</b>		
Balances with banks		
- in current accounts	3,297.88	751.62
- in EEFC account	121.61	220.05
Deposits with original maturity of less than three months	12,091.26	11,240.50
Cash on hand	3.43	5.62
	<b>15,514.18</b>	<b>12,217.79</b>

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

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

**Abhishek Rara**  
Partner  
Membership Number: 077779

**Place : Gurugram**  
**Date : 25 June, 2021**

For and on behalf of the Board of Directors of  
**ORIENT REFRACTORIES LIMITED**

**Dr. Vijay Sharma**  
Chairman  
(DIN-00880113)

**Sanjeev Bhardwaj**  
Chief Financial Officer

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Company Secretary  
(ACS-17021)

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

**Manoj Gupta**  
Vice President (F&A)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

### Equity Share Capital

Particulars	Notes	Amount
<b>As at 1 April, 2019</b>	9 (a)	1,201.39
Change in Equity Share Capital		-
<b>As at 31 March, 2020</b>		1,201.39
Change in Equity Share Capital	9 (a)	-
<b>As at 31 March, 2021</b>		<b>1,201.39</b>

### Other Equity

Particulars	Notes	Attributable to Owners of Orient Refractories Limited				Total other equity
		Reserves and Surplus				
		Securities Premium	General Reserve	Capital Reserve (Refer Note 34)	Retained Earnings	
<b>Balance as at 1 April 2020</b>	9(b)	6,493.97	8,681.48	1,465.71	52,077.97	<b>68,719.13</b>
Profit for the year		-	-	-	13,662.33	<b>13,662.33</b>
Other comprehensive income		-	-	-	7.26	<b>7.26</b>
<b>Total comprehensive income for the year</b>		<b>6,493.97</b>	<b>8,681.48</b>	<b>1,465.71</b>	<b>65,747.56</b>	<b>82,388.72</b>
Dividend paid		-	-	-	(3,421.16)	(3,421.16)
<b>Balance as at 31 March, 2021</b>		<b>6,493.97</b>	<b>8,681.48</b>	<b>1,465.71</b>	<b>62,326.40</b>	<b>78,967.56</b>
<b>Balance as at 1 April 2019</b>	9(b)	6,493.97	8,681.48	1,465.71	42,218.05	<b>58,859.21</b>
Profit for the year		-	-	-	13,588.53	<b>13,588.53</b>
Other comprehensive income		-	-	-	(107.76)	<b>(107.76)</b>
<b>Total comprehensive income for the year</b>		<b>6,493.97</b>	<b>8,681.48</b>	<b>1,465.71</b>	<b>55,698.82</b>	<b>72,339.98</b>
Dividend paid		-	-	-	(3,003.48)	(3,003.48)
Dividend distribution tax		-	-	-	(617.37)	(617.37)
<b>Balance as on 31 March, 2020</b>		<b>6,493.97</b>	<b>8,681.48</b>	<b>1,465.71</b>	<b>52,077.97</b>	<b>68,719.13</b>

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

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

**Abhishek Rara**  
Partner  
Membership Number: 077779

Place : Gurugram  
Date : 25 June, 2021

For and on behalf of the Board of Directors of  
**ORIENT REFRACTORIES LIMITED**

**Dr. Vijay Sharma**  
Chairman  
(DIN-00880113)

**Sanjeev Bhardwaj**  
Chief Financial Officer

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

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

**Manoj Gupta**  
Vice President (F&A)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. Corporate Information

Orient Refractories Limited ('the Company' or 'the Holding Company'), domiciled and incorporated in India and publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. The registered office of the Company is situated at C-604, Neelkanth Business Park, Opposite Railway Station, Vidhyavihar (West), Mumbai, Maharashtra-400086, India. The Company is primarily engaged in the business of manufacturing and trading of refractories, monolithics, bricks and ceramic paper, rendering management services and has manufacturing facilities in Bhiwadi (Rajasthan), Visakhapatnam (Andhra Pradesh) and Cuttack (Orissa). The Company has a subsidiary i.e. Intermetal Engineers (India) Private Limited ('the subsidiary') which was acquired on 18 May, 2019 and which is primarily engaged in the business of manufacturing and sale of slide gate mechanics and related components.

The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 25 June, 2021.

### 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Consolidated Financial Statements consist of the Holding Company and its subsidiary (Holding Company and its subsidiary together referred to as "the Group").

#### 2.1 Basis of preparation

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

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

Subsequent to the year end, the Company has received an order of Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) dated 05 May, 2021 wherein they have approved the scheme of amalgamation (the 'Scheme') of the Company with its fellow subsidiaries i.e. RHI India Private Limited and RHI Clasil Private Limited (hereinafter referred as 'erstwhile fellow subsidiaries'). While the appointed date as set out in the NCLT order is 31 July, 2018, these Consolidated Financial Statements have been prepared after considering effect in accordance with clause 3.7 of the Scheme which requires the accounting treatment to be carried out as prescribed under the applicable accounting standards that is, from the beginning of the preceding year and in accordance with Ind AS 103, Business Combination. Also refer Note 2.28 below and Note 34.

##### (ii) Historical cost convention

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

- Financial assets comprising of investments in open ended mutual fund schemes, which are being measured at fair value;
- Defined benefit plans – plan assets measured at fair value.

##### (iii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## (iv) Principals of consolidation and equity accounting

Subsidiary is the entity over which the Group has control. The Group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to effect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The acquisition method of accounting has been used to account for business combinations by the Group.

The Group has combined the financial statements for the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Unrealised losses have also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group. Also refer to note 2 above.

## 2.2 Critical accounting estimates, assumptions and judgements

The preparation of Consolidated Financial Statements requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the date of the Consolidated Financial Statements and the results of operations during the reporting period. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

In the process of applying the Group's accounting policies, the management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the Consolidated Financial Statement:

### (a) Property, plant and equipment

The management engages internal technical team to assess the remaining useful lives and residual value of property, plant and equipment. The management believes that the assigned useful lives and residual value are reasonable.

### (b) Intangibles

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

### (c) Income taxes

The management's judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the Consolidated Financial Statements.

### (d) Contingencies

The management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

### (e) Allowance for doubtful trade receivables

Trade receivables are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

### (f) Revenue from contracts with customers

For Refractory Management Contracts where the transaction price depends on the customer's production, customer expects total refractory management services from the Group, which includes supply of refractory material and its related services to produce steel. The customer expects complete refractory management for the product of steel in the steel plant. Thus, only one single performance obligation, performance of refractory management service, exists.

## 2.3 Current Versus non-current Classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

## 2.4 Property Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

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

On transition to Ind AS, the Company had elected to continue with the carrying value of its property, plant and equipment recognised as at 1 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation on Property, Plant and equipment is provided on straight-line basis over the useful lives of assets as determined on the basis of technical estimates which are similar to the useful lives as prescribed under Schedule II to the Companies Act, 2013 except for certain Plant and Machinery and Vehicles (which are being used by the employees). These Plant and Machinery are depreciated on straight-line basis, over the period of 6 years and vehicles are depreciated on written down value method, over the period of 5 years and 6 years for four wheelers and two wheelers respectively. Based on past experience and internal technical evaluation, the management believes that these useful lives represent the appropriate period of usage and therefore, considered to be appropriate for charging depreciation.

Assets residual values, depreciation method and useful lives are reviewed at the end of financial year considering the physical condition of the assets or whenever there are indicators for review and adjusts residual life prospectively.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss within Other Income/Other Expenses.

## 2.5 Intangible Assets

On transition to Ind AS, the Group has opted for the option given under Ind AS 101 to measure all the items of Intangible Assets at their carrying value under previous GAAP. Consequently, the carrying value under IGAAP has been assumed to be deemed cost of Intangible Assets on the date of transition to Ind AS.

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised in the Statement of Profit and Loss on a straight line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

### Software

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

Software 1-5 years

## 2.6 Leases

### As a lessee

Leases are recognised as a right-of-use asset at cost with a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with Ind AS 116 'Leases'.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs etc.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

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

## 2.7 Financial assets (Debt Instruments)

### A. Classification and initial recognition

Financial assets are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the asset. The Group determines the classification of its financial assets at initial recognition. The Group classifies the financial assets in the following measurement categories

- Those to be measured subsequently at fair value (either through profit or loss, or through other comprehensive income)
- Those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

All financial assets are initially measured at fair value. Transactions cost that are directly attributable to the acquisition of financial asset (other than financial asset at fair value through profit and loss) are added from the fair value of financial asset.

### B. Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

#### a. Financial assets at fair value through profit or loss (FVPL):

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial assets are designated upon initial recognition at fair value through profit or loss when the same are managed by the Group on the basis of their fair value and their performance is evaluated on fair value basis in accordance with a risk management or investment strategy of the Group. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in other income in the Statement of Profit and Loss.

#### b. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows, where the assets' cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income in the Statement of Profit and Loss.

## c. Fair value through other comprehensive income (FVOCI):

Financial assets are measured at fair value through other comprehensive income (OCI) if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

## C. Derecognition

A financial asset is derecognized only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## D. Impairment of financial assets

The Group assesses on forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

## E. Income recognition - Interest

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

## 2.8 Financial Liabilities

Financial liabilities of the Group are contractual obligation to deliver cash or another financial asset to another entity.

The Group's financial liabilities includes borrowings, lease liability and trade and other payables.

### *Classification, initial recognition and measurement*

Financial liabilities are recognised initially at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities carried at fair value through profit or loss) are added or deducted from the fair value measured on initial recognition of financial liability. Financial liabilities are classified as subsequently measured at amortised cost.

## *Subsequent measurement*

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are recognised in profit or loss when the liabilities are derecognized.

## *De-recognition of financial liability*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

## **2.9 Offsetting Financial Instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

## **2.10 Fair Value Measurement**

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## **2.11 Derivative financial instruments**

The Group acquires forward contracts to mitigate the risk arising foreign currency exposures from purchase and sale of goods and services. These forward contracts are designated as derivative financial instruments. Derivatives are initially recognised at fair value on the date of derivate contract is entered into and subsequently re-measured to their fair value at the end of reporting period. The consequent gains/ losses, arising from subsequent re-measurement, are recognised in the statement of profit or loss, unless the derivative is designated as hedging instrument and hedging relationship is established with the item being hedged.

## **2.12 Impairment of non-financial assets – Property, plant and equipment and Intangible assets**

Intangible assets and property, plant and equipment are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

## **2.13 Income Taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit or Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 2.14 Inventories

Inventories including stores and spares are valued at the lower of cost on weighted average except certain traded goods which are valued at First in First out basis (FIFO) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods, including freight, octroi and other levies. Work-in-progress and finished goods include appropriate proportion of labour and overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

## 2.15 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## 2.16 Provisions, contingent liabilities and contingent assets

### a) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Consolidated Financial Statements.

## 2.17 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

## 2.18 Segment reporting

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

The Board of Directors of the Group has authorised its Managing Director & CEO to assess the financial performance and position of the Group, and makes decisions in normal course of business operations. For key strategic decisions, the Board of Directors take decisions after evaluating the possible options and recommendations given by the management. The Board of Directors, together with Managing Director has been identified as being the chief operating decision maker. Refer Note 26 for segment information presented.

## 2.19 Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers either over time or at a point of time at an amount that reflects the consideration the Group expects to be entitled to in exchange for those products or services. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset.

Revenue is measured based on the transaction price, which is the expected consideration to be received, to the extent that it is highly probable that there will not be a significant reversal of revenue in future periods. If the consideration in a contract includes a variable amount, at the inception of the contract, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer.

At the inception of the contract, the Group identifies the goods or services promised in the contract and assesses which of the promised goods or services shall be identified as separate performance obligations. Promised goods or services give rise to separate performance obligations if they are capable of being distinct.

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

Revenue from contracts for total refractory management services, is recognized over time on the basis using the output-oriented method (e.g. quantity of steel produced by the customer).

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

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due.

## 2.20 Government grants

Grants from the government are recognised at their fair value where there is reasonable certainty that the grant will be received and the Company will comply with required conditions. Export incentive under 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. With effect from 1 January, 2021, new scheme i.e. Remission of Duties and Taxes on Export products (RODTEP) has been introduced replacing the existing export incentive under MEIS. As the incentive rates under RODTEP are yet to be notified, the export incentive cannot be measured reliably. Accordingly, the Company has not recognised export incentive for the period 1 January, 2021 to 31 March, 2021.

## 2.21 Employee benefits

### Defined benefit plan - Gratuity

The liability recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

### Defined contribution plans

The Group's contribution to provident fund, national pension scheme and employees' state insurance scheme are considered as defined contribution plans and are charged as expense in the Statement of Profit and Loss, based on the amount of contribution required to be made and when services are rendered by the employee.

### Other Benefits - Compensated Absences

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

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long-term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## 2.22 Equity-settled share option plan (LTIP)

RHI Magnesita N.V. (the 'Ultimate Holding Company') has implemented a share option plan for the members of senior management of the RHI Magnesita Group.

The LTIP is treated as an equity-settled share option plan as the Company does not have an obligation to make any settlement.

The fair value of the LTIP granted is recognised as employee benefits expense with a corresponding increase in reserves. The total amount to be expensed is determined by reference to the fair value of the options granted:

- a) including any market performance conditions
- b) excluding the impact of any service and non-market performance vesting conditions, and
- c) including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

## 2.23 Foreign currency translation

- (i) Functional and presentation currency

Items included in the Consolidated Financial Statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The Group's operations are primarily in India.

The Consolidated Financial Statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss.

Foreign exchange differences arising on foreign currency borrowings are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

## 2.24 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

## 2.25 Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

## 2.26 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## 2.27 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 2.28 Business Combinations

### Entities under common control

Business combinations involving entities or businesses under common control is accounted for using the pooling of interest method as follows: -

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- (iii) The financial information in the Consolidated Financial Statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the Consolidated Financial Statements unless the business combination had occurred after that date, the prior period information shall be restated only from that date.
- (iv) The consideration for the business combination may consist of securities, cash or other assets. Securities shall be recorded at nominal value. In determining the value of the consideration, assets other than cash shall be considered at their fair values.
- (v) The balance of the retained earnings appearing in the Consolidated Financial Statements of the Company is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and appear in the Consolidated Financial Statements of the Company in the same form in which they appeared in the Consolidated Financial Statements of the transferor.

## Note 3(a):

Particulars	(Amount in Rs. Lacs, unless otherwise stated)						
	Freehold Land*	Buildings*	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
<b>Balance as at 1 April, 2019</b>	747.35	3,491.77	13,592.93	77.99	317.55	657.50	<b>18,885.09</b>
Additions	3,145.35	1,743.92	3,755.15	29.92	44.69	56.86	<b>8,775.89</b>
Addition on 18 May, 2019 (on account of acquisition of the subsidiary)#	187.77	248.97	0.94	0.10	1.94	0.69	<b>440.41</b>
Disposals	-	-	(30.66)	-	(0.75)	(61.23)	<b>(8,453.66)</b>
<b>Balance as at 31 March, 2020</b>	<b>4,080.47</b>	<b>5,484.66</b>	<b>17,318.36</b>	<b>108.01</b>	<b>363.43</b>	<b>653.82</b>	<b>28,008.75</b>
Additions	-	75.92	3,585.38	10.38	131.56	181.83	<b>3,985.07</b>
Disposals	-	-	(276.47)	(0.55)	(7.01)	(110.80)	<b>(394.83)</b>
<b>Balance as at 31 March, 2021</b>	<b>4,080.47</b>	<b>5,560.58</b>	<b>20,627.27</b>	<b>117.84</b>	<b>487.98</b>	<b>724.85</b>	<b>31,598.99</b>
<b>Accumulated depreciation</b>							
<b>Balance as at 1 April, 2019</b>	-	241.47	2,786.24	16.74	113.43	187.72	<b>3,345.60</b>
Charge for the year	-	203.80	2,001.61	13.02	73.51	87.16	<b>2,379.10</b>
Addition on 18 May, 2019 (on account of acquisition of the subsidiary)#	-	20.85	0.16	0.05	0.73	0.65	<b>22.44</b>
Depreciation on assets disposed off during the year	-	-	(13.49)	-	(0.20)	(22.62)	<b>(36.31)</b>
<b>Accumulated depreciation as at 31 March, 2020</b>	<b>-</b>	<b>466.12</b>	<b>4,774.52</b>	<b>29.81</b>	<b>187.47</b>	<b>252.91</b>	<b>5,710.83</b>
Charge for the year	-	263.47	2,408.17	14.18	78.96	85.77	<b>2,850.55</b>
Depreciation on assets disposed off during the year	-	-	(265.92)	(0.52)	(3.42)	(79.15)	<b>(349.01)</b>
<b>Accumulated depreciation as at 31 March, 2021</b>	<b>-</b>	<b>729.59</b>	<b>6,916.77</b>	<b>43.47</b>	<b>263.01</b>	<b>259.53</b>	<b>8,212.37</b>
<b>Carrying amount</b>							
<b>Balance as at 31 March, 2020</b>	<b>4,080.47</b>	<b>5,018.54</b>	<b>12,543.84</b>	<b>78.20</b>	<b>175.96</b>	<b>400.91</b>	<b>22,297.92</b>
<b>Balance as at 31 March, 2021</b>	<b>4,080.47</b>	<b>4,830.99</b>	<b>13,710.50</b>	<b>74.37</b>	<b>224.97</b>	<b>465.32</b>	<b>23,386.62</b>

\*Freehold Land and Building include land and building amounting to Rs. 747.35 lacs and Rs. 2,0631 lacs (net), respectively for which the title deeds are in the name of the Company's erstwhile fellow subsidiary i.e. RHI Clasil Limited and the Company is in the process of getting it transferred in its name. Also refer Note 34.

#Recorded at fair value by the Subsidiary. The fair value of freehold factory land, factory and office premise has been determined by external, independent property valuers. The fair value has been arrived at by the valuer based on comparative market price i.e. selling price method determined based on the market feedback of investigations, local enquiries with architects and real estate consultants, supply and demand in the vicinity etc.

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

Particulars	Note	As at 31 March, 2021	As at 31 March, 2020
<b>Note 3(b): Leases</b>			
<b>Disclosure on adoption of Ind AS 116 'Leases':</b> The Group has adopted Ind AS 116 with effect from 1 April, 2019 by following Modified Retrospective method. The Group has taken on lease offices, guest house and warehouses. There is no case where the Group is acting as a lessor.			
<b>(i) Amount Recognised in Balance Sheet</b>			
Right-of-use assets		561.51	432.56
		<b>561.51</b>	<b>432.56</b>
<b>Lease Liabilities</b>			
Non Current		187.96	-
Current		45.41	94.70
		<b>233.37</b>	<b>94.70</b>
Addition (Net of termination/modification) to the right-of-use assets during the year were Rs. 214.44 lacs (31 March 2020: Nil)			
<b>(ii) Amounts recognised in the Statement of Profit and Loss</b>			
Depreciation charge of right-of-use assets		85.49	211.44
		<b>85.49</b>	<b>211.44</b>
Interest expense (included in finance costs)	<b>20 (b)</b>	12.27	18.99
Expense relating to short-term leases (included in other expenses)	<b>20 (c)</b>	114.84	77.12
<b>(iii) In applying IndAS 116 for the first time, the Company has used the following practical expedient:</b>			
Accounting for operating leases with a remaining lease term of less than 12 months treated as short-term leases.			
<b>(iv) Extension and Termination option:</b>			
Extension and Termination options are included in all the contracts of short term lease and both are exercisable at mutual consent of Lessor & Lessee.			

## Note 4: Intangible assets

Particulars	Software
<b>Balance as at 1 April, 2019</b>	<b>64.19</b>
Additions	23.31
<b>Balance as at 31 March, 2020</b>	<b>87.50</b>
Additions	389.85
<b>Balance as at 31 March, 2021</b>	<b>477.35</b>
<b>Accumulated amortisation</b>	
<b>Opening 1 April, 2019</b>	<b>40.77</b>
Charge for the year	27.13
<b>Balance as at 31 March, 2020</b>	<b>67.90</b>
Charge for the year	43.44
<b>Accumulated amortisation as at 31 March, 2021</b>	<b>111.34</b>
<b>Net Carrying amount</b>	
<b>Balance as at 31 March, 2020</b>	<b>19.60</b>
<b>Balance as at 31 March, 2021</b>	<b>366.01</b>

**Note 5 :**
**(All amount in Rs. Lacs, unless otherwise stated)**
**Financial assets**

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>5 (a) Investments</b>		
<b>Investments in government securities (unquoted)</b>		
National Savings Certificates*	0.45	0.30
*The National Saving Certificates have been given to the sales tax department, Rajasthan as security		
<b>Total</b>	<b>0.45</b>	<b>0.30</b>
<b>5 (b) Trade Receivables</b>		
Trade receivables	30,042.74	32,591.66
Receivables from related parties (refer note 30)	3,019.89	1,220.14
Less: Allowance for doubtful debts	(291.64)	(567.69)
(Includes retention money due on completion of performance obligation - Rs. 3,448.28 Lacs (31 March, 2020 Rs. 3,989.28 Lacs)		
<b>Total</b>	<b>32,770.99</b>	<b>33,244.11</b>
<b>Break-up of security details</b>		
Secured- considered good		
Unsecured:		
Considered good	32,770.99	33,244.11
Considered doubtful	291.64	567.69
Significant increase in credit risk	-	-
Credit impaired	-	-
<b>Total Gross receivables</b>	<b>33,062.63</b>	<b>33,811.80</b>
Less: Allowance for doubtful debts	(291.64)	(567.69)
<b>Total</b>	<b>32,770.99</b>	<b>33,244.11</b>
<b>5 (c) Loans</b>		
<b>Non-current</b>		
(Unsecured, considered good)		
Security Deposits	519.64	564.00
<b>Total</b>	<b>519.64</b>	<b>564.00</b>
<b>5 (d) Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	3,297.88	751.62
- in EEFC account	121.61	220.05
Deposits with original maturity of less than three months	12,091.26	11,240.50
Cash on hand	3.43	5.62
<b>Total</b>	<b>15,514.18</b>	<b>12,217.79</b>
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.		
<b>5 (e) Bank balances other than cash and cash equivalents</b>		
In dividend account	359.88	479.12
Deposits with original maturity of more than three months but less than 12 months	150.00	-
<b>Total</b>	<b>509.88</b>	<b>479.12</b>
<b>5 (f) Other Financial Assets</b>		
<b>Non-current</b>		
Deposit account with Bank (with original maturity of more than 12 months)	1.11	22.61
Others	23.70	23.71
<b>Total</b>	<b>24.81</b>	<b>46.32</b>
<b>Current</b>		
Interest accrued on deposits	77.89	170.02
Loans and advances to employees	29.18	28.28
<b>Total</b>	<b>107.07</b>	<b>198.30</b>
<b>5 (g) Contract assets</b>		
Unbilled revenue	6,130.73	3,127.89
<b>Total</b>	<b>6,130.73</b>	<b>3,127.89</b>

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

## Note 6:

### Deferred tax assets/(liabilities) (net)

Particulars	Depreciation	Defined Benefits obligation	Allowance for doubtful debts no longer required written back	Others	Total
<b>At 1 April, 2019</b>	<b>(551.52)</b>	<b>213.16</b>	<b>532.52</b>	<b>324.94</b>	<b>519.10</b>
- Deferred Tax Liability as on May 18, 2019 on acquisition of subsidiary	(86.07)	-	-	(3.56)	<b>(89.63)</b>
- to statement of profit and loss	164.52	(36.69)	(446.78)	(62.69)	<b>(381.64)</b>
- to other comprehensive income	-	36.26	-	-	<b>36.26</b>
- MAT Credit entitlement adjustment	-	-	-	(11.27)	<b>(11.27)</b>
<b>At 1 April, 2020</b>	<b>(473.07)</b>	<b>212.73</b>	<b>85.74</b>	<b>247.42</b>	<b>72.82</b>
- to statement of profit and loss	80.57	45.40	(48.12)	48.91	<b>126.76</b>
- to other comprehensive income	-	(2.45)	-	-	<b>(2.45)</b>
<b>As at 31 March, 2021</b>	<b>(392.50)</b>	<b>255.68</b>	<b>37.62</b>	<b>296.33</b>	<b>197.13</b>

## Note 7:

### Other Assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>Unsecured, considered good unless otherwise stated</b>		
<b>Non Current</b>		
Capital Advances	451.38	179.44
Balances with Government Authorities {includes amounts paid under protest Rs. 37.94 lacs (31 March, 2020 Rs. 39.59 lacs)}	183.73	69.62
Prepaid expenses	5.33	6.08
<b>Total</b>	<b>640.44</b>	<b>255.14</b>
<b>Current</b>		
Prepaid expenses	222.76	247.16
Goods and Services tax input credit recoverable	3,656.17	2,092.55
Advances to income tax {(Net of provision Rs. 32,184.12 Lacs (31 March, 2020 Rs. 27,261.73 lacs)}	338.65	285.59
Advances to creditors	386.05	334.35
<b>Export incentives receivable (government grant)</b>		
- Considered good	691.87	613.54
- Considered doubtful	63.04	19.04
	754.91	632.58
Less: Allowance for doubtful export incentives receivable	(63.04)	(19.04)
	691.87	613.54
Others	5.13	1.70
<b>Total</b>	<b>5,300.63</b>	<b>3,574.89</b>

## Note 8:

### Inventories

Raw materials {including goods in transit Rs. 799.42 lacs (31 March, 2020 Rs. 564.11 lacs)}	7,989.11	6,391.03
Work-in-progress	2,508.20	2,161.78
Finished goods	7,087.22	5,494.99
Traded goods {including goods in transit Rs. 7,435.29 lacs (31 March, 2020 Rs. 4,632.04 lacs)}	16,093.93	11,999.32
Stores and spares {including goods in transit Rs. Nil (31 March, 2020 Rs. 2.54 lacs)}	1,630.27	1,736.51
<b>Total</b>	<b>35,308.73</b>	<b>27,783.63</b>

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>Note 9(a):</b>		
<b>Equity Share Capital</b>		
<b>Equity share capital</b>	<b>1,201.39</b>	<b>1,201.39</b>
<b>Authorised</b>		
120,500,000 equity shares (31 March, 2020 - 120,500,000) of Rs 1 each	1,205.00	1,205.00
<b>Issued, subscribed and fully paid up share capital</b>		
120,139,200 equity shares (31 March, 2020 - 120,139,200) of Rs 1 each	1,201.39	1,201.39
For Shares pending issuance of Rs. 408.57 lacs, refer Note 34		

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

Particulars	Number of shares	Closing balance
Balance as at 1 April, 2019	12,01,39,200	1,201.39
Changes during the year	-	-
Balance as at 31 March, 2020	12,01,39,200	1,201.39
Balance as at 1 April, 2020	12,01,39,200	1,201.39
Changes during the year	-	-
Balance as at 31 March, 2021	12,01,39,200	1,201.39

**Terms and rights attached to equity shares**

Equity share has a par value of Rs. 1. They entitle the holder to participate in dividend, and to share in the proceeds of winding up of the Company in proportion to number of and amounts paid on shares held.

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

(ii) **Shares of company held by immediate holding Company (Also refer Note 34)**

	Number of equity shares	
Dutch US Holding B.V., Netherlands	7,98,77,771	7,98,77,771

(iii) **Details of shares held by each shareholder holding more than 5% shares (Also refer Note 34)**

Dutch US Holding B.V., Netherlands	7,98,77,771	7,98,77,771
	Percentage of shares held	
Dutch US Holding B.V., Netherlands	66.49%	66.49%

**Note 9(b):**

**Other equity**

Securities Premium	6,493.97	6,493.97
General reserves	8,681.48	8,681.48
Capital Reserve	1,465.71	1,465.71
Retained earnings	62,326.40	52,077.97
<b>Total</b>	<b>78,967.56</b>	<b>68,719.13</b>

(i) **Securities Premium**

Opening balance	6,493.97	6,493.97
Received/(utilised) during the year	-	-
<b>Closing balance</b>	<b>6,493.97</b>	<b>6,493.97</b>

(ii) **General reserve**

Opening balance	8,681.48	8,681.48
Received/(utilised) during the year	-	-
<b>Closing balance</b>	<b>8,681.48</b>	<b>8,681.48</b>

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>(iii) Capital reserve</b>		
Opening balance (refer Note 34)	1,465.71	1,465.71
Balance transferred from reserve during the year	-	-
<b>Closing balance</b>	<b>1,465.71</b>	<b>1,465.71</b>
<b>(iv) Retained earnings</b>		
Opening balance	52,077.97	42,218.05
Net profit for the year	13,662.33	13,588.53
Remeasurements of post employment benefit obligation, net of tax	7.26	(107.76)
Dividend paid	(3,421.16)	(3,003.48)
Dividend distribution tax	-	(617.37)
<b>Closing balance</b>	<b>62,326.40</b>	<b>52,077.97</b>

## Note 10: Employee benefit obligation

	Current	
Leave obligations	730.14	554.84
Gratuity	292.52	287.34
<b>Total</b>	<b>1,022.66</b>	<b>842.18</b>

### (i) Leave obligations

The leave obligation cover the company's liability for earned leave.

The entire amount of provision of Rs. 730.14 Lacs (31 March 2020 - Rs. 554.84 Lacs) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to avail the full amount of accrued leaves or require payment for such leave within the next 12 months.

<b>Leave obligation not expected to be settled within the next 12 months</b>	<b>653.38</b>	<b>509.06</b>
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### (ii) Defined Contribution Plan:

The Group has certain defined contribution plans including provident fund. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards contribution to provident fund is Rs. 357.30 Lacs (31 March 2020 - Rs. 345.51 Lacs). The expense recognised during the year towards contribution to Employee State Insurance and National Pension Scheme is Rs 47.25 Lacs (31 March 2020 - 46.18 Lacs).

#### Contribution to provident and other funds:

Contribution to Employee state insurance	9.19	9.72
Contribution to Provident fund	357.30	345.51
Contribution to National Pension Scheme	38.06	36.46
	<b>404.55</b>	<b>391.69</b>

### (iii) Defined Benefit Plan - Gratuity:

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contribution to recognised funds in India. The Group does not fully fund the liability and maintains the target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. The gratuity fund plan assets of the Company are managed by Orient Refractories Employees Group Gratuity Trust and erstwhile RHI India Private Limited group gratuity trust through Kotak Gratuity Group Plan and New group gratuity cash accumulation plan with Life Insurance Corporation of India, respectively. The gratuity fund plan assets of the subsidiary are managed by Intermetal Engineers (India) Private Limited Employee Group Gratuity Scheme through LIC Gratuity Group Plan.

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

Particulars	Gratuity	
	As at 31 March, 2021	As at 31 March, 2020
	<b>Funded</b>	
<b>A. Changes in Defined Benefit Obligation</b>		
Defined benefit obligation as at the beginning of the year	1,521.01	1,296.96
Current service cost	134.01	110.75
Interest cost	103.35	100.35
Benefit paid	(33.02)	(173.53)
Actuarial Loss	6.06	186.48
<b>Defined Benefit Obligation at end of year</b>	<b>1,731.41</b>	<b>1,521.01</b>
<b>Change in fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	1,233.66	1,160.42
Expected return on plan assets	83.46	89.89
Employer contributions	139.01	114.42
Benefit payments from plan assets	(33.02)	(173.54)
Actuarial Gain on plan assets	15.78	42.47
<b>Fair value of plan assets at end of year</b>	<b>1,438.89</b>	<b>1,233.66</b>
<b>Net defined Benefit Asset/(Liability)</b>		
Present Value of obligation at the end	1,731.41	1,521.01
Fair Value of plan assets	1,438.89	1,233.66
<b>Unfunded Liability/Provision in Balance Sheet</b>	<b>292.52</b>	<b>287.35</b>
<b>Total expense recognised in the statement of profit and loss</b>		
Current service cost	134.01	110.75
Interest cost	103.35	100.35
Interest income	(83.46)	(89.89)
<b>Total Expense recognised under employee benefit expense (refer note 19)</b>	<b>153.90</b>	<b>121.21</b>
<b>Total expense recognised in OCI</b>		
Actuarial (Gain) / Loss on defined benefit obligation arising from change in demographic assumption	8.87	(11.37)
Actuarial (Gain) / Loss on defined benefit obligation arising from change in financial assumption	(24.86)	207.40
Actuarial (Gain) / Loss of Plan assets	6.28	(52.01)
<b>Unrecognised actuarial (gain)/loss at the end of year</b>	<b>(9.71)</b>	<b>144.02</b>
<b>(B) Actuarial Assumptions:</b>		
i) Discounting Rate	6.7 to 6.9%	6.6 to 6.8%
ii) Future salary Increase	8%	7 to 8%
iii) Retirement Age (Years)	60	60
iv) Ages	<b>Withdrawal Rate %</b>	
Up to 30 Years	3 to 5%	3 to 5%
From 31 to 44 years	2 to 3%	2 to 3%
Above 44 years	1 to 5%	1 to 2%
Assumptions regarding future mortality rate for gratuity is based on actuarial advice in accordance with published statistics and experience.		
<b>(C) Expected contribution for the next one year</b>		
(i) Service cost	137.23	114.28
(ii) Net Interest cost	9.12	14.37
<b>(iii) Expected contribution for the next one year</b>	<b>146.35</b>	<b>128.65</b>

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>(D) Maturity profile of Defined Benefit Obligation</b>		
<b>Year:</b>		
(i) 0 to 1 Year	91.11	62.52
(ii) 1 to 2 Year	81.71	64.82
(iii) 2 to 3 Year	86.63	69.12
(iv) 3 to 4 Year	111.34	86.65
(v) 4 to 5 Year	171.85	95.97
(vi) 5 to 6 Year	114.14	158.19
(vii) 6 Year onwards	1,287.30	1,123.17
<b>Total</b>	<b>1,944.08</b>	<b>1,660.44</b>

**(E) Sensitivity analysis on defined benefit obligation**

**Discount rate**

a. Discount rate - 0.5% - the liability to increase by	197.99	193.43
b. Discount rate + 0.5% - the liability to decrease by	(219.77)	(167.62)

**Salary increase rate**

a. Rate - 0.5% - the liability to decrease by	(213.01)	(169.65)
b. Rate + 0.5% - the liability to increase by	198.73	187.86

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 Group is exposed to a number of risks, the most significant of which are detailed below:

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

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

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

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

**Withdrawals:** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**(G) Defined benefit liability and employer contribution**

The Group 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.

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>Note 11(a): Borrowings</b>		
<b>Non Current</b>		
<b>Amortised Cost</b>		
<b>Unsecured</b>		
External Commercial Borrowings	5,980.66	5,760.86
<b>Total</b>	<b>5,980.66</b>	<b>5,760.86</b>
<b>Current</b>		
<b>Secured</b>		
Working capital loan		
- From Bank*	-	527.96
- Bank Overdraft**	-	271.09
<b>Total</b>	<b>-</b>	<b>799.05</b>

\*Cash Credit from Bank is guaranteed by RHI Magnesita, Austria the ultimate holding company. The cash credit is repayable on demand and carries an Interest at 9.15% p.a computed on a daily basis on actual amount utilised.

\*\*Bank overdraft are secured against the corporate guarantee issued by Subsidiary of Ultimate Holding Company, RHI Magnesita GmbH

For current maturities of long term debt refer note 12(b)

**Term loan 1:** External commercial borrowing of EUR 450,000 was taken from the VRD Americas B.V. Netherland (fellow subsidiary), during the financial year 2013-14 which carries interest at applicable 3 month Euribor plus 200 basis points. It is repayable in single installment of EUR 450,000 on 31 December 2020. This term loan has been paid in full and there is no due as at March 31, 2021.

**Term loan 2:** External commercial borrowing of EUR 3,000,000 was taken from the VRD Americas B.V. Netherland (fellow subsidiary) during the financial year 2014-15 which carries interest at applicable 6 month Euribor plus 200 basis points. It is repayable in single installment of EUR 3,000,000 on 31 December 2022.

**Term loan 3:** External commercial borrowing of EUR 3,950,000 was taken from the VRD Americas B.V. Netherland (fellow subsidiary) during the financial year 2016-17 which carries interest at applicable 6 month Euribor plus 150 basis points. It is repayable in single installment of EUR 3,950,000 on 31 December 2023.

## Net debt reconciliation

<b>Cash and cash equivalents</b>	15,514.18	12,217.79
Current borrowings (including overdraft)	-	(1,205.53)
Non-current borrowings	(5,980.66)	(5,760.86)
Lease Liabilities	(233.37)	(94.70)
<b>Net debt</b>	<b>9,300.15</b>	<b>5,156.70</b>

## Note 11(b):

### Other non current liabilities

Deposit from employees	99.04	73.43
<b>Total</b>	<b>99.04</b>	<b>73.43</b>

## Note 12(a): Trade payables

### Current

Total outstanding dues of micro enterprises and small enterprises (refer Note 32)	6,198.59	953.97
Total outstanding dues of creditors other than micro enterprises and small enterprises *	28,586.71	22,560.94
<b>Total</b>	<b>34,785.30</b>	<b>23,514.91</b>

\* Foreign currency trade payables amounting to Rs. 43.78 lacs (31 March, 2020: Rs. Nil lacs) have been written back during the year. Subsequent to the year end, (the Company has approached the authorised dealer, under the Foreign Exchange Management (Import of Goods and Services) Regulations, 2015, to condone the delay in relation to obtaining approval for write back for the above mentioned matter.

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>12(b) Other current financial liabilities</b>		
Unpaid dividend	359.88	378.01
Employee benefits payable	1,501.90	891.63
Payables on purchase of fixed assets	436.24	602.86
Current maturities of long term borrowings	-	406.48
Other Payables*	4.56	232.50
Others	24.56	48.39
<b>Total</b>	<b>2,327.14</b>	<b>2,559.87</b>

\*Other Payables as at 31 March, 2020 are foreign currency payables which were overdue for more than three years and pertain to the excess amount received by the Company for services provided in earlier years. During the year, the Company has approached the authorised dealer, under the Foreign Exchange Management (Import of Goods and Services) Regulations, 2015, to condone the delay in relation to payment of outward remittance and allow the Company to adjust the amount due against future supply of services. The authorised dealer has approved the Company's request pursuant to which the amount has been adjusted during the year.

**Note 13:  
Provisions**

Provision for unspent corporate social responsibility expenditure as at year end	135.40	-
<b>Total</b>	<b>135.40</b>	<b>-</b>

**Note 14(a):  
Other Current Liabilities**

Statutory dues (Contribution to Provident Fund and Employee State Insurance, Goods and Services Tax etc)	524.26	424.80
Deposits from employees	6.73	8.85
<b>Total</b>	<b>530.99</b>	<b>433.65</b>

**Note 14(b):  
Contract Liabilities**

Advances from customers	272.44	766.02
<b>Total</b>	<b>272.44</b>	<b>766.02</b>

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
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**Note 15:  
Revenue from operations (refer note 33)**

**Revenue from contracts with customers**

-Sales of products		
(i) Finished goods	50,900.50	55,938.23
(ii) Traded goods	24,632.24	27,031.15
- Total Refractories Management Services	57,485.16	51,524.23
- Sale of services	3,122.48	3,133.99
	<b>136,140.38</b>	<b>137,627.60</b>
Other operating revenues (Government grant - export incentives)	897.48	1,130.96
<b>Total</b>	<b>137,037.86</b>	<b>138,758.56</b>

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

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Note 16:</b>		
<b>Other income</b>		
Interest income on financial assets on amortised cost:		
- on bank deposits	452.86	401.33
- on others	143.98	318.35
Net gain on disposal of financial assets (open ended mutual fund scheme)	-	129.07
Net foreign exchange differences	325.73	-
Liabilities/ provisions no longer required written back	71.11	129.12
Bad debts recovered	12.83	-
Profit on sale of fixed assets (net)	-	23.50
Scrap Sales	75.73	-
Miscellaneous income	150.15	34.47
<b>Total</b>	<b>1,232.39</b>	<b>1,035.84</b>
 <b>Note 17(a)</b>		
<b>Cost of raw materials and components consumed</b>		
Opening stock	6,391.04	7,095.71
Add: Purchases	51,119.53	45,617.12
	57,510.57	52,712.83
Less: Closing stock	7,989.11	6,391.04
<b>Total</b>	<b>49,521.46</b>	<b>46,321.79</b>
 <b>Note 17(b)</b>		
<b>Purchases of stock-in-trade (traded goods)</b>		
	42,410.52	38,415.65
<b>Total</b>	<b>42,410.52</b>	<b>38,415.65</b>
 <b>Note 18:</b>		
<b>Change in inventories of finished goods, work in-progress and traded goods</b>		
<b>Inventories at the end of the year</b>		
Work in progress	2,508.20	2,161.78
Finished goods	7,087.22	5,494.99
Traded goods	16,093.93	11,999.32
	<b>25,689.35</b>	<b>19,656.09</b>
<b>Inventories at the beginning of the year</b>		
Work in progress	2,161.78	2,192.10
Finished goods	5,494.99	5,402.93
Traded goods	11,999.32	13,824.25
	<b>19,656.09</b>	<b>21,419.28</b>
Less: Own Production Consumed for construction of Kiln Capitalised	(355.79)	(63.84)
<b>Total</b>	<b>(6,389.05)</b>	<b>1,699.35</b>
 <b>Note 19:</b>		
<b>Employee benefits expense</b>		
Salaries, wages and bonus	9,481.73	8,405.88
Contribution to provident fund & others (refer Note 10)	404.55	391.69
Gratuity (refer Note 10)	153.90	121.21
Leave obligation	181.38	67.63
Staff welfare expenses	338.12	254.67
<b>Total</b>	<b>10,559.68</b>	<b>9,241.08</b>

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

	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Note 20(a):</b>		
<b>Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	2,850.55	2,379.10
Depreciation charge of right-of-use assets	85.49	211.44
Amortisation of intangible assets	43.44	27.13
<b>Total</b>	<b>2,979.48</b>	<b>2,617.67</b>
<b>Note 20(b):</b>		
<b>Finance cost</b>		
Interest expense:		
- on working capital loans	-	140.27
- on external commercial borrowings	112.24	104.29
- exchange difference on foreign currency borrowings	219.30	391.29
- on bank overdraft	0.28	134.60
- on current borrowings	-	78.72
- on bills discounting	240.91	361.97
Interest on late payment of taxes	63.31	-
Interest expenses on lease liabilities	12.27	18.99
<b>Total</b>	<b>648.31</b>	<b>1,230.13</b>
<b>Note 20(c):</b>		
<b>Other expenses</b>		
Consumption of stores and spare parts	2,082.32	2,326.14
Consumption of packing materials	1,684.86	2,041.86
Power and fuel	3,810.43	4,080.39
Processing charges	5,551.76	4,687.41
Rent {refer note 3(b) & 28(b)}	114.84	77.12
Repairs and maintenance		
- Plant and machinery	463.06	511.47
- Buildings	32.57	52.57
- Others	54.07	14.12
Insurance	248.87	163.36
Rates and taxes	32.58	273.48
Communication costs	106.72	182.01
Travelling and conveyance	262.77	593.66
Printing and stationery	36.74	63.81
Freight and forwarding	3,895.73	3,689.27
Commission on sales (Other than sole selling agents)	100.62	226.33
Advertising and other expenses	6.08	96.02
Donation	0.83	2.27
Expenditure on corporate social responsibility (refer Note 21)	420.21	242.51
Legal and professional fees {refer Note 20(d)}	579.58	574.26
Royalty (Net)	129.50	189.77
Directors sitting fees	12.75	13.75
Bad debts written off	117.90	137.25
Allowance for doubtful debts - trade receivables {Net of provision no longer required written back Rs. 333.38 lacs (31 March, 2020 Rs. 206 lacs)}	(276.05)	77.81
Allowance for doubtful export incentives receivable	44.00	-
Net foreign exchange differences	-	502.05
Loss on fixed assets sold/ scrapped (Net)	0.24	-
Insurance claim receivable written off	-	342.89
Amortisation of prepaid lease rent	-	(11.54)
Bank charges	55.22	124.28
Information & technology expenses	351.42	273.89
Miscellaneous expenses	162.27	139.73
<b>Total</b>	<b>20,081.89</b>	<b>21,687.96</b>

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

	Year ended 31 March, 2021	Year ended 31 March, 2020
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**Note 20(d):**

**Legal & professional include Payment to Auditors as under:**

Payment to auditor (excluding GST) comprise

(a) To statutory auditor		
- for audit	98.03	102.81
- for limited review	16.06	13.90
- reimbursement of expenses	3.93	2.89
(b) To cost auditor for cost audit	1.15	0.66
<b>Total</b>	<b>119.17</b>	<b>120.26</b>

**Note 21:**

**Corporate social responsibility expenditure**

Amount required to be spent as per section 135 of the Companies Act 2013

**Details of expenditure towards Corporate Social Responsibility (CSR) activities:**

a) Gross amount required to be spent by the Company during the year	420.21	386.73
b) Amount spent during the year on:	-	-
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	284.81	242.51
iii) Provision for unspent expenditure as at year end (refer note 13)	135.40	-
<b>Total</b>	<b>420.21</b>	<b>242.51</b>

**Note 22:**

**Income Tax Expense**

**(a) Income Tax Expense**

Current Tax

Current tax on profits for the year

Adjustments for current tax of prior periods

Total Current Tax Expense

4,896.21

4,563.63

26.18

(42.66)

**4,922.39**

**4,520.97**

Deferred Tax

Deferred Tax Expense/(Benefit)

**Income Tax Expense**

(126.76)

471.27

**4,795.63**

**4,992.24**

**(b) Reconciliation of tax expense and accounting profit multiplied by tax rate**

**Profit before income tax expense**

Tax at the Indian tax rate of 25.168% (Previous year : 25.168%)

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Adjustments for current tax of prior periods

Impact of change in tax rate

Corporate social responsibility expenditure

Dividend Income

Deferred Tax Liability as on 18 May, 2019 on acquisition of subsidiary

Other

**Income tax expense**

18,457.96

18,580.77

4,645.50

4,676.41

26.18

(42.66)

-

260.19

105.76

42.60

-

(32.43)

-

89.63

18.18

(1.50)

**4,795.62**

**4,992.24**

## Note 23:

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

### Fair Value measurement

Financial instruments by category:

	As at 31 March, 2021		As at 31 March, 2020	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
<b>Non-current</b>				
Investments	-	0.45	-	0.30
Loans	-	519.64	-	564.00
Other financial assets	-	24.81	-	46.32
<b>Current</b>				
Trade receivables	-	32,770.99	-	33,244.11
Cash and cash equivalents	-	15,514.18	-	12,217.79
Bank balances other than above	-	509.88	-	479.12
Other financial assets	-	107.07	-	198.30
<b>Total Financial Assets</b>	<b>-</b>	<b>49,447.02</b>	<b>-</b>	<b>46,749.94</b>
<b>Non Current</b>				
Borrowings	-	5,980.66	-	5,760.86
<b>Current</b>				
Borrowings	-	-	-	799.05
Trade payables	-	34,785.30	-	23,514.91
Other financial liabilities	-	2,327.14	-	2,559.87
<b>Total Financial Liabilities</b>	<b>-</b>	<b>43,093.10</b>	<b>-</b>	<b>32,634.69</b>

## Note 24:

### Financial Risk Management

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

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

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

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

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

## A. Credit Risk

Credit risk on cash and cash equivalent and bank balances is not significant as it majorly includes deposits with bank and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Other financial assets primary includes security deposits given to state electricity board and other public sector organisations, wherein possibility of any loss is remote. These deposits are given in the normal course of the business operations.

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

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

To address the risk of any potential non recovery from trade receivables, the Group has the practise of reviewing debtors having balances outstanding for more than 180 days as at period end and consider them for provision for bad and doubtful debts. Besides this, wherever there is specific evidence about the deteriorating financial position, downfall in business, intention to not pay or other similar factors of the customer, the management reviews the underlying facts and merits of such cases to evaluate the need to adjust provision, as computed based on ageing analysis. This provision, based on collective analysis, is sufficient to cover the entire lifetime loss of revenues recognised including those that are currently less than 180 days' outstanding and not provided for.

### Ageing of trade receivable

Category	As at 31 March 2021	As at 31 March 2020
Not Due	24,190.33	22,521.63
0 - 30	4,275.28	6,138.93
31-60 days	2,622.79	821.86
61-90 days	851.15	757.77
91-180 days	479.54	1,436.97
181 - 240 days	158.26	681.63
More than 240	485.27	1,453.01
<b>Total</b>	<b>33,062.62</b>	<b>33,811.80</b>

### Allowance for doubtful debts-trade receivables

Particulars	Amount
<b>Loss allowance as on 1 April, 2019</b>	<b>1,713.39</b>
Changes in loss allowance (Net of bad debts written off Rs. 1,223.53 lacs) (refer note 20(c))	(1,145.70)
<b>Loss allowance as on 1 April, 2020</b>	<b>567.69</b>
Changes in loss allowance (refer note 20(c))	(276.05)
<b>Loss allowance as on 31 March, 2021</b>	<b>291.64</b>

## B. Liquidity Risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time. The Group's primary sources of liquidity are cash generated from operations. The cash flows from operating activities are driven primarily by operating results and changes in the working capital requirements.

The Group believes that its liquidity position is adequate to fund the operating and investing needs and to provide with flexibility to respond to further changes in the business environment.

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

## Contractual Maturities of financial liabilities

Particulars	Less than 3 months	3 months to 6 months	6 months to 1 year	More than 1 year	Total
<b>31 March,2021</b>					
Borrowings	-	-	-	5,980.66	<b>5,980.66</b>
Trade Payables	12,964.68	15,846.04	5,893.29	81.29	<b>34,785.30</b>
Lease Liabilities	8.72	17.92	18.77	187.96	<b>233.37</b>
Employee Benefits payable	820.92	676.60	4.38	-	<b>1,501.90</b>
Unpaid dividend	-	-	359.88	-	<b>359.88</b>
Other financial liabilities	65.82	0.68	398.86	-	<b>465.36</b>
<b>31 March,2020</b>					
Borrowings	799.05	406.48	-	5,760.86	<b>6,966.39</b>
Trade Payables	21,209.39	2,133.09	129.58	42.85	<b>23,514.91</b>
Lease Liabilities	31.56	31.57	31.57	-	<b>94.70</b>
Employee Benefits payable	483.06	322.59	85.98	-	<b>891.63</b>
Unpaid dividend	-	-	378.01	-	<b>378.01</b>
Other financial liabilities	289.14	354.56	6.39	233.66	<b>883.75</b>

## C. Market Risk

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

**Foreign currency risk:** The Group operates internationally and is exposed to foreign exchange risk in relation to operating activities (when revenue or expense is denominated in a foreign currency) arising from foreign currency transactions, primarily with respect to the USD and EUR. The Group manages the exposure through natural hedging, by maintaining appropriate balances of receivables and payables within same currency. The Group also has policies to enter into foreign currency financial contracts in order to manage the impact of changes in foreign exchange rates on the results of operations and future foreign currency denominated cash flows. Forward exchange contracts are not intended for trading or speculative purposes but only for hedge purposes. The Group does not have material foreign currency exposure .

## Foreign currency risk exposure

### Particulars of unhedged foreign currency exposure in INR (in Lacs)

Purpose	As at 31 March 2021				As at 31 March 2020			
	USD	EURO	GBP	CHF	USD	EURO	NU*	CHF
Borrowings	-	5,980.66	-	-	-	6,167.34	-	-
Trade Payables	8,833.75	290.07	30.97	14.31	7,247.64	3,203.62	4.37	521.77
Payables on purchase of fixed assets	51.69	37.77	-	-	29.04	25.43	-	-
<b>Net exposure to foreign currency risk (Liabilities)</b>	<b>8,885.44</b>	<b>6,308.50</b>	<b>30.97</b>	<b>14.31</b>	<b>7,276.68</b>	<b>9,396.39</b>	<b>4.37</b>	<b>521.77</b>
Trade Receivables	2,818.30	957.67	-	-	1,208.46	1,185.03	-	-
Balance with EEFC Account	-	121.61	-	-	-	220.05	-	-
<b>Net exposure to foreign currency risk (Assets)</b>	<b>2,818.30</b>	<b>1,079.28</b>	<b>-</b>	<b>-</b>	<b>1,208.46</b>	<b>1,405.08</b>	<b>-</b>	<b>-</b>

\*NU is the currency of the Kingdom of Bhutan. The Company does not expect any change in the exchange rate of NU and INR, resulting into any significant impact to the financial numbers.

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

## Sensitivity to risk

Particulars	Impact of profit - (Increase)/ decrease	
	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>USD Sensitivity</b>		
INR/USD - Increase by 5%	(303.36)	(303.41)
INR/USD - Decrease by 5%	303.36	303.41
<b>Euro Sensitivity</b>		
INR/EURO - Increase by 5%	(261.46)	(399.57)
INR/EURO - Decrease by 5%	261.46	399.57
<b>GBP Sensitivity</b>		
INR/GBP - Increase by 5%	(1.55)	-
INR/GBP - Decrease by 5%	1.55	-
<b>CHF Sensitivity</b>		
INR/CHF - Increase by 5%	(0.72)	(26.09)
INR/CHF - Decrease by 5%	0.72	26.09

## Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

## Interest rate exposure

Particulars	As at	As at
	31 March, 2021	31 March, 2020
<b>External Commercial Borrowings</b>		
Interest expense	112.24	104.29
Interest rate at the end of the year	2.00%	2.00%
Interest rate Increase by 1%	56.12	52.15
Interest rate Decreases by 1%	(56.12)	(52.15)
<b>Working Capital Loan</b>		
Interest expense	-	140.27
Interest rate at the end of the year	-	9.20%
Interest rate Increase by 1%	-	15.25
Interest rate Decreases by 1%	-	(15.25)
<b>Current Borrowings</b>		
Interest expense	-	78.72
Interest rate at the end of the year	-	9.15%
Interest rate Increase by 1%	-	8.60
Interest rate Decreases by 1%	-	(8.60)
<b>Bank Overdraft</b>		
Interest expenses	0.28	134.60
Interest rate at the end of the year	9.15%	9.15%
Interest rate Increase by 1%	0.03	14.71
Interest rate Decreases by 1%	(0.03)	(14.71)

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

## Note 25:

### Capital management

#### A. Risk Management

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

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

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

Particulars	As at	As at
	31 March, 2021	31 March, 2020
Debt	5,980.66	6,966.39
Share capital	1,201.39	1,201.39
Shares pending issuance	408.57	408.57
Equity reserves	78,967.56	68,719.13
Total Equity	80,577.52	70,329.09
Gearing ratio	7.42%	9.91%

#### B. Dividend

Particulars	Year ended	Year ended
	31 March, 2021	31 March, 2020
<b>(i) Equity shares</b>		
Final Dividend for the year 31 March, 2021 of Rs.2.50 (31 March, 2020 - Rs. 2.50) per fully paid share	3,003.48	3,003.48
Final dividend for the year 31 March, 2021 of Rs. 2.27 (31 March, 2020 - Nil) to the shareholders of Erstwhile RHI Clasil Private Limited	417.68	-
<b>(ii) Dividend not recognised at the end of the reporting period</b>		
In addition to the above dividends, the directors have recommended the payment of a final dividend of Rs. 2.50 per fully paid equity share (31 March, 2020 of Rs. 2.50), in its meeting held on 25 June, 2021. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	4,024.90	3,003.48

## Note 26:

The Group is primarily engaged in the business of manufacturing refractories and monolithics. Based on the information reported to the chief operating decision maker (CODM) for the purpose of resources' allocation and assessment of performance, there is single business segment in accordance with the requirements of Indian Accounting Standard (Ind AS 108 on 'Operating Segment Reporting' notified under the Companies (Indian Accounting Standard) Rules, 2015.

### Geographical Segments

The analysis of geographical segment is based on the geographical location of the customers. The Group operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets i.e. India and Outside India. For customers located outside India, the Group has assessed that they carry same risk and rewards. The Group has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India

### Secondary Segment Reporting (by Geographical Segments)

The following is the distribution of the Company's total revenue of operations by geographical market, regardless of where the goods were produced:

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

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Within India	112,589.07	112,992.27
Outside India	23,551.31	24,635.33
<b>Total</b>	<b>136,140.38</b>	<b>137,627.60</b>

The following table shows the carrying amount of trade receivables by geographical segments

Particulars	As at 31 March, 2021	As at 31 March, 2020
Within India	28,995.02	30,850.62
Outside India	3,775.97	2,393.49
<b>Total</b>	<b>32,770.99</b>	<b>33,244.11</b>

All other assets (other than trade receivables) used in the Group's business are located in India and are used to cater to both the categories of customers (within India and outside India), accordingly the total cost incurred during the year to acquire tangible and intangible assets has not been disclosed.

## Note 27:

### Contingent Liabilities

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

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Demand from Income tax	993.91	-
Demand from excise and service tax authorities	316.12	202.54
Demand from customs authorities	291.88	1,045.36
Demand from Central Sales Tax	16.53	-
<b>Total</b>	<b>1,618.44</b>	<b>1,247.90</b>

#### Notes:

- (i) No provision is considered necessary since the Group expects favourable decisions.
- (ii) Paid under protest of Rs. 37.94 Lacs (31 March, 2020, Rs. 39.59 Lacs)

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

## Note 28(a):

### Capital and other commitments

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Tangible Assets	1,570.53	2,714.27

- (ii) The Group has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services and employee benefits, in normal course of business.
- (iii) The Group did not have any long term commitments/contracts for which there were any material foreseeable losses. The Company did not have any long-term derivative contracts as at 31 March, 2021.

### (b) Operating lease

The Company's cancellable operating lease arrangement mainly consists of offices, guest house and warehouses for period of less than 11 months. Terms of lease include terms for renewal, increase in rents in future periods and terms of cancellation.

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

**Note 29:**  
**Earning per share**

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
(a) Basic earnings per share (Rs.)	8.49	8.44
(b) Diluted earnings per share (Rs.)	8.49	8.44
<b>Profits used for calculating earnings per share</b>		
Profit attributable to the equity holders of the Company used in calculating Basic Earnings per share	13,662.33	13,588.53
Profit attributable to the equity holders of the Company used in calculating Diluted Earnings per share	13,662.33	13,588.53
<b>Weighted average number of shares used as denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share*	1,609.96	1,609.96
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share*	1,609.96	1,609.96

\*Includes 408.57 lacs Shares which are pending for issuance as per the Scheme which is being considered effective from 01 April, 2019 as per Ind AS - 103, Business Combination. Refer note 34

**Note 30:**  
**Related Party Transactions**

**(a) Parent entities**

The Company is controlled by the following

Name	Type	Place of incorporation	Ownership Interest (in %'age)	
			As at 31 March, 2021	As at 31 March, 2020
RHI Magnesita N.V.	Ultimate holding company	Austria	-	-
Dutch US Holding B.V.	Holding company	Netherlands	66.49%	66.49%

**(b) Key managerial personnel (KMP)**

Mr. Parmod Sagar, Managing Director & CEO  
Mr. Sanjeev Bhardwaj, Chief Financial Officer

**(c) List of related parties**

**i) Fellow subsidiaries with whom the Company had transactions during the year**

RHI Feuerfest Gmbh  
Refractory Intellectual Property GmbH & Co KG  
Magnesita Mineracao S.A.  
RHI Refractories Asia Pacific Pte Ltd  
RHI Magnesita GmbH  
RHI Urmitz AG & Co KG  
Magnesita Refractories Private Limited  
Didier Werke AG, Germany  
Magnesita Envoy Asia Limited  
RHI Trading (Dalian) Co. Ltd  
VRD Americas B.V. Netherlands  
RHI Refractories UK Ltd.  
RHI-Refmex S.A. DE C.V.  
RHI Magnesita Deutschland AG  
RHI Refractories Liaoning Co. Ltd.- China  
RHI Magnesita Interstop AG (previously known as Stopinc Aktiengesellshift)  
RHI Magnesita Trading B.V.

**ii) Relative of KMP**

Mr. Christophar Parvesh

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

(d) **Related Party Transactions**

Particulars	Relationship	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Dividend paid</b>			
Dutch US Holding B.V.	Holding Company	1,996.94	2,090.94
VRD Americas B.V. Netherlands	Fellow Subsidiary	224.37	-
<b>Sales:</b>			
RHI Magnesita GmbH	Fellow Subsidiary	19,111.96	20,122.38
RHI Urmitz AG & Co KG	Fellow Subsidiary	421.96	265.44
RHI Refractories Asia Pacific Pte Ltd	Fellow Subsidiary	31.04	189.18
Didier Werke AG, Germany	Fellow Subsidiary	-	1.18
RHI Refractories UK Ltd.	Fellow Subsidiary	0.43	-
<b>RHI-Refmex S.A. DE C.V.</b>	Fellow Subsidiary	3.44	-
RHI Magnesita Deutschland AG	Fellow Subsidiary	425.97	-
<b>Purchases</b>			
RHI Magnesita Interstop AG (previously known as Stopinc Aktiengesellschaft)	Fellow Subsidiary	-	967.33
RHI Magnesita Interstop AG	Fellow Subsidiary	582.31	-
Magnesita Mineracao S.A.	Fellow Subsidiary	39.80	37.60
RHI Magnesita GmbH	Fellow Subsidiary	26,031.11	23,310.97
Magnesita Envoy Asia Limited	Fellow Subsidiary	152.03	166.89
<b>Purchase of spares</b>			
RHI Magnesita GmbH	Fellow Subsidiary	162.32	119.62
RHI Magnesita Interstop AG (previously known as Stopinc Aktiengesellschaft)	Fellow Subsidiary	153.58	134.37
<b>Purchase of assets</b>			
RHI Magnesita GmbH	Fellow Subsidiary	1,335.05	61.29
RHI Magnesita Interstop AG (previously known as Stopinc Aktiengesellschaft)	Fellow Subsidiary	66.41	15.18
<b>Service income</b>			
RHI Magnesita GmbH		1,020.06	1,365.33
RHI Magnesita Trading B.V.		415.96	-
<b>Managerial remuneration*</b>			
Mr. Parmod Sagar	KMP	351.85	278.61
Mr. Sanjeev Bhardwaj	KMP	119.00	106.82
The amount of managerial remuneration does not include the amount attributed towards Equity- settled share options (LTIP) issued by RHI Magnesita N.V. for which no cost is charged from the Company. Also refer Note 31.			
<b>Salary</b>			
Mr. Christophar Parvesh	Relative of KMP	9.63	8.95
<b>Royalty</b>			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	129.50	189.77

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

Particulars	Relationship	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Information Technology Expenses</b>			
RHI Magnesita GmbH	Fellow Subsidiary	350.25	273.89
<b>Expenses reimbursement (Received/(Paid))</b>			
RHI Magnesita GmbH	Fellow Subsidiary	265.15	211.91
RHI Refractories Asia Pacific Pte Ltd	Fellow Subsidiary	8.96	-
RHI Trading (Dalian) Co. Ltd	Fellow Subsidiary	-	0.16
Magnesita Refractories Private Limited	Fellow Subsidiary	0.84	1.26
<b>Interest Expenses</b>			
VRD Americas B.V. Netherlands	Fellow Subsidiary	112.24	104.29

## (e) Outstanding balances

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

Particulars	Relationship	As at 31 March, 2021	As at 31 March, 2020
<b>Trade Payables:</b>			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	65.23	87.86
RHI Refractories Asia Pacific Pte Ltd	Fellow Subsidiary	2.92	123.32
RHI Magnesita Interstop AG (previously known as Stopinc Aktiengesellschaft)	Fellow Subsidiary	41.03	422.17
Magnesita Mineracao S.A.	Fellow Subsidiary	-	12.87
Intermetal Engineers (I) Pvt. Ltd.	Subsidiary	-	0.19
RHI Magnesita GmbH	Fellow Subsidiary	12,590.11	7,644.70
RHI Refractories Liaoning Co. Ltd.- China	Fellow Subsidiary	2.28	2.35
Stopinc Aktiengesellschaft	Fellow Subsidiary	-	99.60
RHI Trading (Dalian) Co. Limited	Fellow Subsidiary	0.17	0.18
Total Trade Payables to related parties		<b>12,701.74</b>	<b>8,393.24</b>
<b>Other payables</b>			
RHI Magnesita GmbH		-	<b>232.50</b>
<b>Trade Receivables:</b>			
RHI Refractories Asia Pacific Pte Ltd	Fellow Subsidiary	-	85.27
RHI Urmitz AG & Co KG	Fellow Subsidiary	57.22	1.25
RHI Magnesita GmbH	Fellow Subsidiary	2,784.16	1,133.31
RHI Magnesita Trading B.V	Fellow Subsidiary	178.09	-
Magnesita Refractories Private Limited	Fellow Subsidiary	0.42	0.31
Total Trade receivables from related parties		<b>3,019.89</b>	<b>1,220.14</b>
<b>External Commercial Borrowings</b>			
VRD Americas B.V, Netherlands	Fellow Subsidiary	<b>5,980.66</b>	<b>6,167.34</b>
<b>Other transactions</b>			
Guarantee given to Bank by RHI Magnesita GmbH (Outstanding balance of borrowings as on 31 March, 2021 is Nil (March 31, 2020 - Rs. 271.09 lacs)	Fellow Subsidiary	<b>8,879.00</b>	<b>7,566.50</b>

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

## Note 31:

### Equity-settled share option plan (LTIP)

RHI Magnesita N.V (Ultimate Holding Company) has implemented a share option plan for the members of senior management including of the Company. Each share option converts into one ordinary share of RHI Magnesita N.V on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry rights to dividends but no voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The number of options granted is calculated in accordance with the performance-based formula approved by the shareholders of the Ultimate Holding Company. The vesting period for each share option plan is three years. If the options remain unexercised after a period of seven years from the vesting date the options expire. Options are forfeited if the employee leaves the Company before the options vest. The allocation of share option plan has been made by the Ultimate Holding Company pursuant to the following plans:

Plans details	Grant date	Vesting Date (Vesting period)	Exercise price	As at 31 March, 2021	As at 31 March, 2020
Equity-settled share option plan 2019	19-Aug-19	19-Aug-22 (3 years)	Nil	1,110	423
Equity-settled share option plan 2020	8-Apr-20	8-Apr-23 (3 years)	Nil	2,774	-
Equity-settled share option plan 2021	15-Mar-21	15-Mar-24 (3 years)	Nil	53	-
			<b>Total</b>	<b>3,937</b>	<b>423</b>

i) Summary of share options outstanding under the plan:

Particulars	Number of share options	
<b>Opening balance</b>	423	-
Granted during the year	3,514	423
Exercised during the year	-	-
Forfeited during the year	-	-
<b>Closing Balance</b>	<b>3,937</b>	<b>423</b>
Vested and Excisable	-	-

ii) Fair value of share options granted by the Company under each scheme

Grant Date	Fair Value (Euro)
19-Aug-19	46.25
8-Apr-20	22.70
15-Mar-21	48.28

### Expense arising from employee share option plan

The fair value of the LTIP granted that has not been recognised as expense in the Statement of Profit and Loss as the impact is not considered material, is as follows:

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Equity-settled share option plan expenses	74.23	-
<b>Total expense</b>	<b>74.23</b>	<b>-</b>

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

## Note 32:

### Due to micro, small and medium enterprises

Particulars	As at 31 March, 2021	As at 31 March, 2020
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	6,198.59	953.97
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	23.48	2.42
(iii) Principal amount paid to supplier registered under the MSMED Act, beyond the appointed day during the year.	2,763.81	751.44
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	6.31	2.07
(vii) Further Interest remaining due and payable for earlier years	2.42	0.35

## Note 33:

### Revenue from Contracts with Customers

#### Revenue from contracts with customers (refer Note 15)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>The Group has recognised the following amounts relating to revenue in the statement of profit and loss:</b>		
Sale of products		
(i) Finished goods	50,900.50	55,938.23
(ii) Traded goods	24,632.24	27,031.15
Total Refractories Management Services #	57,485.16	51,524.23
Sale of services	3,122.48	3,133.99
<b>Revenue from contracts with customers</b>	<b>136,140.38</b>	<b>137,627.60</b>
Other operating revenues(Government grant - export incentives)	897.48	1,130.97
<b>Total Revenue</b>	<b>137,037.86</b>	<b>138,758.57</b>

### Disaggregation of Revenue

In the following tables, revenue is disaggregated by product group and by geography. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108 (refer note 26). The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

### Disaggregation of Revenue by Geography

Within India	112,589.07	112,992.27
Outside India	23,551.31	24,635.33
<b>Total Revenue</b>	<b>136,140.38</b>	<b>137,627.60</b>

### Timing of Revenue Recognition

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

Revenue from contracts for total refractory management services, revenue is recognized over time on the basis using the output-oriented method (e.g. quantity of steel produced by the customer).

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

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

## Performance obligations

Revenue from the sale of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual terms agreed in the customer contract. Control is defined as the ability to direct the use and obtain substantially all the economic benefits from an asset. For the terms CIF (Cost, Insurance and Freight), transport service gives rise to a separate performance obligation to which a part of revenue has to be allocated, as this service is performed after the control of the product is transferred to the customer.

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

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

## Transaction price allocated to the remaining performance obligations

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

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

## Reconciliation of revenue recognised with contract price

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Contract price</b>	134,729.00	134,972.71
Adjustments for:	-	-
Claims & Rebates	(453.78)	(624.88)
Performance Bonus	1,865.16	3,279.77
<b>Revenue from contracts with customers</b>	<b>136,140.38</b>	<b>137,627.60</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 asset usually gets converts to Trade Receivables within a time period of 30 days.

Contract liabilities consists of advances from customers. Contract liabilities are presented in note 14(b)

Trade receivables are presented net off impairment loss in note 5(b).

## Revenue recognised that was included in the contract liability balance at the beginning of the year

Revenue from contract with customers	766.02	2,149.98
<b>Total</b>	<b>766.02</b>	<b>2,149.98</b>

## Movement in Contract Assets

Opening balance as on 1 April, 2020	3,127.89	1,877.86
Add: Revenue recognized during the year	130,650.96	137,627.59
Less: Invoiced during the year	(127,648.12)	(136,377.56)
Closing balance as on 31 March, 2021	<b>6,130.73</b>	<b>3,127.89</b>

## Movement in Contract Liabilities

Opening balance as on 1 April, 2020	766.02	2,149.98
Add: Collection during the year	8,779.17	6,453.30
Less: Gross Sales	(9,272.75)	(7,837.26)
Closing balance as on 31 March, 2021	<b>272.44</b>	<b>766.02</b>

The contract assets primarily relate to the company's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the right become unconditional. The contract liabilities primarily relate to the advance consideration received from customers.

## 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 steep plant in order to enable steel production. Thus, only one single performance obligation, performance of refractory management service, exists.

### Note 34:

#### Merger

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

The Scheme was filed before the National Company Law Tribunal, Mumbai ('NCLT') and was rejected by them vide order dated 02 March, 2021.

An appeal was filed before the Hon'ble National Company Law Appellate Tribunal ('NCLAT') and NCLAT vide its judgement dated 19 January, 2021 allowed the said appeal and directed the NCLT to approve the said Scheme with an appointed date of 31 July, 2018.

The NCLT vide its Order dated 05 May, 2021 has approved the Scheme with an appointed date of 31 July, 2018 in view of the order passed by the NCLAT.

In accordance with the clause 3.5 of the Scheme, as a consideration of the merger of the Company with the erstwhile fellow subsidiaries, the Company will issue and allot to the shareholders of the erstwhile fellow subsidiaries the shares of the Company in the following manner:

(i) To the shareholders of RHI India:

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

(ii) To the shareholders of RHI Clasil:

For every 1000 equity shares of RHI Clasil of face value of INR 10 each held in RHI Clasil, every shareholder of the RHI Clasil, shall without any application, act or deed, be entitled to receive 908 equity shares of face value of Re. 1 each of the Company, credited as fully paid up on the same terms and conditions of issue as prevalent in the Company.

The Company has prepared these Consolidated Financial Statements after considering effect in accordance with clause 3.7 of the Scheme which requires the accounting treatment to be carried out as prescribed under applicable accounting standards that is, from the beginning of the preceding year and in accordance with Ind AS 103, Business Combination. The corresponding figures in these Consolidated Financial Statements have been prepared by the management based on the audited financial statements of the Company and its erstwhile fellow subsidiaries as adjusted for giving effect to the Scheme as approved by the NCLT. The consideration payable to the shareholders of erstwhile fellow subsidiaries, amounting to Rs. 408.57 lacs has been disclosed as Shares Pending Issuance under Equity. The reserves in the financial statements of the erstwhile fellow subsidiaries have been disclosed in the same form in the financial statements of the Company. The difference between the consideration disclosed as Shares Pending Issuance and the Share Capital of the erstwhile fellow subsidiaries on 01 April, 2019 is Rs. 1,465.71 lacs, which has been disclosed as Capital Reserve in these Consolidated Financial Statements.

Pursuant to the Scheme becoming effective, in accordance with clause 3.2 of the Scheme, the authorised share capital of the Company has been increased from Rs. 1,205 lacs to Rs. 3,080 lacs.

On 11 June, 2021 the Board of Directors of the Company took on record the sanction of the Scheme by the NCLT, change in the authorised share capital and have fixed the record date as 24 June, 2021 for the purpose of determining the shareholders of its erstwhile fellow subsidiaries who shall be entitled to receive the shares of the Company.

Change in authorised share capital has been approved by the Registrar of Companies (ROC) on 24 June, 2021.

After the issuance and allotment of the equity shares to the shareholders of its erstwhile fellow subsidiaries, the Company will complete the necessary steps to have the equity shares listed on Bombay Stock Exchange and the National Stock Exchange. Further, pursuant to the issuance and allotment of shares to the shareholders of its erstwhile fellow subsidiaries, the shareholding of the Company will change for which the necessary filings in accordance with the SEBI regulations will be done.

Pursuant to the approval of the Scheme by the Board of Directors of the Company, the intimation of the Scheme and the Record date has been sent to the Bombay Stock Exchange and the National Stock Exchange. Further, the orders of NCLAT and NCLT along with the Scheme have been filed with the ROC and ROC has approved on 24 June, 2021.

Further, the Company has applied for change of name and the approval of ROC is awaited.

## **Note 35:**

### **Acquisition of Subsidiary**

The Board of Directors on 30 April, 2019 approved the acquisition of the entire paid-up equity share capital of “Intermetal Engineers India Private Limited” (the ‘IEIPL’) a company comprising of 1,597 equity shares of Rs.100/- each to make it a wholly owned subsidiary of the Company. The process of acquisition of IEIPL was completed on 18 May, 2019. The Holding Company has paid consideration of Rs. 1,012.52 Lacs for the acquisition of IEIPL.

## **Note 36:**

### **Acquisition of group of assets**

During the year ended 31 March, 2020, the Holding Company has completed the acquisition of group of assets from Manishri Refractories and Ceramics Private Limited, for a total consideration of Rs. 4,376 lacs. The group of assets include Land, Building and Plant and Machinery. The acquisition of assets has been appropriately recorded as per the requirements of Ind AS 16 and the valuation of Land and Building has been determined based on valuation done by an independent valuer.

## **Note 37:**

### **Assessment of impact of Covid-19**

In preparation of the consolidated financial statements for the year ended 31 March, 2021, the Group has taken into account the possible impact of COVID-19 and the related internal and external factors known to the management upto the date of approval of these consolidated financial statements to assess the carrying amount of its assets and liabilities. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Group and the carrying value of its assets and liabilities is not likely to be material as at 31 March, 2021. The management has also assessed that there are no events or conditions that impact the ability of the Group to continue as a going concern.

## **Note 38:**

### **Transfer Pricing**

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international and domestic transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by 30 November, 2021, as required by law. The Management confirms that its international and domestic transactions are at arm’s length so that the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expenses and that of provision for taxation.

**Note 39: Additional information to the consolidated financial statements as at 31 March, 2021 (Pursuant to Schedule III of the Companies Act, 2013)**

Name of the Entity	Net Assets i.e., total assets minus total liabilities as at 31 March, 2021		Share in Profit for the year ended 31 March, 2021		Share in Other Comprehensive Income (OCI) for the year ended 31 March, 2021		Share in Total Comprehensive Income for the year ended 31 March, 2021	
	As a % of consolidated net assets	Amount	As a % of consolidated net profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidated Total Comprehensive Income	Amount
Orient Refractories Limited	98.70%	79,529.90	99.51%	13,595.46	100%	7.26	99.51%	13,602.72
Intermetal Engineers India Private Limited	1.30%	1,047.62	0.49%	66.87	0%	-	0.49%	66.87
<b>Total</b>	<b>100%</b>	<b>80,577.52</b>	<b>100%</b>	<b>13,662.33</b>	<b>100%</b>	<b>7.26</b>	<b>100%</b>	<b>13,669.59</b>

Name of the Entity	Net Assets i.e., total assets minus total liabilities as at 31 March, 2020		Share in Profit for the year ended 31 March, 2020		Share in Other Comprehensive Income (OCI) for the year ended 31 March, 2020		Share in Total Comprehensive Income for the year ended 31 March, 2020	
	As a % of consolidated net assets	Amount	As a % of consolidated net profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidated Total Comprehensive Income	Amount
Orient Refractories Limited	98.61%	69,348.33	99.63%	13,537.82	100%	(107.76)	99.62%	13,430.06
Intermetal Engineers India Private Limited	1.39%	980.76	0.37%	50.71	0%	-	0.38%	50.71
<b>Total</b>	<b>100%</b>	<b>70,329.09</b>	<b>100%</b>	<b>13,588.53</b>	<b>100%</b>	<b>(107.76)</b>	<b>100%</b>	<b>13,480.77</b>

**Note 40:****Rounding of amounts**

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

**Note 41:****Previous year's figures**

Previous year's figures have also been regrouped / recasted, wherever necessary, to conform to the current year's presentation.

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

**Abhishek Rara**  
Partner  
Membership Number: 077779

**Place : Gurugram**  
**Date : 25 June, 2021**

For and on behalf of the Board of Directors of  
**ORIENT REFRACTORIES LIMITED**

**Dr. Vijay Sharma**  
Chairman  
(DIN-00880113)

**Sanjeev Bhardwaj**  
Chief Financial Officer

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

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

**Manoj Gupta**  
Vice President (F&A)





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