Independent Auditors' Report

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

Report on the audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of **RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited)** ("the Company"), which comprise the balance sheet as at March 31, 2023, the statement of profit and loss (including other comprehensive income), cash flow statement and the statement of changes in equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, as amended, ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

S S KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS *

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

e) On the basis of the written representations received from the directors as on March 31, 2023 & taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

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

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

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

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

S S KOTHARI MEHTA & COMPANY NEW DELHI

v. No dividend has been declared or paid during the year by the Company.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm's Registration No. 000756N

S S KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

Amit Goel

AMIT GOEL
Partner
Membership No. 500607

Place: New Delhi
Date: May 29, 2023
UDIN: 23500607BGURLL9859

Annexure A to the Independent Auditor's Report to the members of RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) dated May 29, 2023.

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

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

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

(b) The management of the Company has not conducted any physical verification of Property, Plant and Equipment during the year.

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

(d) The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2023.

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

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

(b) As disclosed in Note 51 to the Financial Statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are not in agreement with the books of accounts (refer note 51 of the financial statements) of the Company and the details are as follows;

S S KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Amount in lakhs

Quarter ending	Value per books of account	Value per quarterly return/statement	Discrepancy (give details)
For reportable total class of current asset and current liabilities (net)			
June 30, 2022	1,504.04	1,567.41	(63.37)
September 30, 2022	1,485.25	1,602.38	(117.13)
December 31, 2022	1,056.91	747.67	309.24
March 31, 2023	1,203.46	1,466.10	(262.64)

iii. (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

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

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

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

vii. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing its undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, as applicable, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, there are no dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.

S S KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS

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

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

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

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

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

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

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

x. (a) In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer and term loans. Hence, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

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

(b) In our opinion, and according to the information and explanations given to us, we report that during the year, a report under sub-section (12) of section 143 of the Companies Act, 2013, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors Rules), 2014 was not required to be filed with the Central Government. Hence, the requirement to report on clause 3(xi)(b) of the Order is not applicable to the Company.

(c) In our opinion, and according to the information and explanations given to us, no whistle blower complaints received by the Company during the year.

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

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

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

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

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

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

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

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

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

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

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

xix. On the basis of the financial ratios disclosed in note 49 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The provisions of section 135 of the Act are not applicable to the Company and accordingly the requirement to report on Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

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

For S S Kothari Mehta & Company
Chartered Accountants
Firm's Registration No. 000756N

Amit Goel

S S KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS

AMIT GOEL
Partner
Membership No. 500607

Place: New Delhi
Date: May 29, 2023
UDIN: UDIN: 23500607BGURLL9859

Annexure B to the Independent Auditor's Report to the Members of RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) on its financial statements dated May 29, 2023.

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

We have audited the internal financial controls over financial reporting of **RHI Magnesita Seven Refractories Limited (formerly know as Dalmia Seven Refractories Limited)** as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

S S KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

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

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

S S KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For S S Kothari Mehta & Company
Chartered Accountants
Firm's Registration No. 000756N

S S KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS *

Amit Goel

AMIT GOEL
Partner
Membership No. 500607

Place: New Delhi
Date: May 29, 2023
UDIN: 23500607BGURLL9859

RHI Magnesita Seven Refractories Limited
CIN:-U74999DL2016PLC309327

Audited Balance Sheet As at March 31, 2023

(₹ in lakh)

Particulars	Notes	As at March 31, 2023	As at 3/31/2022
Assets			
Non - current assets			
(a) Property, plant and equipment	3	2,052.52	2,267.07
(b) Right-of-use-assets	4	284.52	345.88
(c) Capital work - in - progress	5	149.77	1.99
(d) Other intangible assets	6	9.63	0.82
(e) Intengible Asset under Development	6A	-	1.75
(f) Financial assets			
(i) Other Financial Assets	7	12.40	107.29
(g) Other non-current assets	8	5.39	0.11
(h) Deferred tax assets (net)	9	-	158.98
Total non current assets		**2,514.23**	**2,883.89**
Current assets			
(a) Inventories	10	1,270.90	1,197.12
(b) Financial assets	11		
(i) Trade receivables		1,866.56	3,152.26
(ii) Cash and cash equivalents		68.21	0.10
(iii) Bank balances other than (ii) above		64.64	32.74
(iv) Other Financial Assets		14.62	11.93
(c) Current tax assets (net)	12	90.88	9.93
(d) Contract assets	13	-	77.21
(d) Other current assets	14	99.62	116.64
Total current assets		**3,475.43**	**4,597.93**
Total assets		**5,989.66**	**7,481.82**
Equity and liabilities			
Equity			
(a) Equity share capital	15	2,000.00	2,000.00
(b) Other equity	16	144.21	(519.48)
Total equity		**2,144.21**	**1,480.52**
Liabilities			
Non - current liabilities			
(a) Financial liabilities	17		
(i) Borrowings		869.96	1,307.23
(ii) Lease liabilities		269.70	326.68
(b) Deferred tax liabilities (net)	9	81.28	-
Total non current liabilties		**1,220.94**	**1,633.91**

SS KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

RHI Magnesita Seven Refractories Limited
CIN:-U74999DL2016PLC309327

Audited Balance Sheet As at March 31, 2023

(₹ in lakh)

Particulars	Notes	As at March 31, 2023	As at 3/31/2022
Current liabilities			
(a) Financial liabilities	18		
(i) Borrowings		440.00	997.14
(ii) Lease liabilities		59.07	56.95
(iii) Trade payables			
-Total oustanding dues of micro enterprises and small enterprises		725.40	704.35
-Total outstanding dues of creditors other than micro enterprises and small enterprises		1,208.60	2,426.11
(iv) Other financial liabilities		113.68	28.49
(b) Contract liabilities	19	2.26	113.20
(c) Employee benefit obligations	20	31.69	23.90
(d) Other current liabilities	21	43.81	17.25
Total current liabilties		**2,624.51**	**4,367.39**
Total Equity & Liabilities		**5,989.66**	**7,481.82**

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

Amit Goel

AMIT GOEL
Partner
Membership No. 500607

Place: New Delhi
Date: 29-MAY-2023

For and on behalf of
RHI Magnesita Seven Refractories Limited

Sagar

Parmod Sagar
Director
DIN: 06500871

Vijaya

Vijaya Gupta
Director
DIN: 06435747

RHI Magnesita Seven Refractories Limited
RHI MAGNESITA

Ayush Jain
Company Secretary
PAN: BBSPJ6018F

Sanat Ganguli
Manager
PAN: ANUPG6508L

SS KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

RHI Magnesita Seven Refractories Limited
CIN:-U74999DL2016PLC309327

Statement of Profit & Loss for the year ended March 31, 2023

(₹ in lakh)

	Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	22	12,568.71	10,010.44
II	Other income	23	16.58	12.44
III	**Total income**		**12,585.29**	**10,022.88**
IV	**Expenses**			
	Cost of materials consumed	24	8,034.02	6,961.92
	Purchases of stock in trade	25	763.98	300.15
	Changes in inventories of finished goods and work - in - progress	26	(79.23)	82.36
	Employee benefits expense	27	561.00	473.97
	Finance costs	28	176.06	204.83
	Depreciation and amortization expense	29	229.51	229.50
	Other expenses	30	1,996.56	1,396.21
	Total expenses		**11,681.90**	**9,648.94**
V	**Profit/(Loss) for the year before tax (III-IV)**		**903.39**	**373.94**
VI	Tax expense			
	- Current tax		-	-
	- Deferred tax	31	240.12	88.51
VII	**Net Profit/(Loss) for the year after tax (V - VI)**		**663.27**	**285.43**
VIII	Other Comprenshive income			
	- Re-measurement gains/ (losses) on defined benefit plans		0.56	0.11
	- Deferred tax relating to items that will not be reclassified to profit or loss		(0.14)	(0.03)
IX	**Total Comprenshive income and other comprehensive income for the year ended**		**663.69**	**285.51**
X	**Earnings per equity share-basic/diluted (Rs.)**	32	**3.32**	**1.43**
	Significant accounting policies	1&2		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

Amit Goel

AMIT GOEL
Partner
Membership No. 500607

Place: New Delhi
Date: 29-MAY-2023

For and on behalf of
RHI Magnesita Seven Refractories Limited

Parmod Sagar
Director
DIN: 06500871

Vijaya
Vijaya Gupta
Director
DIN: 06435747

Ayush Jain
Company Secretary
PAN: BBSPJ6018F

Sanat Ganguli
Manager
PAN: ANUPG6508L

RHI Magnesita Seven Refractories Limited RHI MAGNESITA

SS KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

RHI Magnesita Seven Refractories Limited
CIN:-U74999DL2016PLC309327

Audited Cash Flow Statement for the year ended March 31, 2023

(₹ in lakh)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A.	**Cash flow from operating activities**		
	Net Profit/ (Loss) before tax	903.39	373.94
	Adjustments for :		
	Add : depreciation	229.51	229.50
	Add : finance cost	176.06	204.83
	Add: bad debts written off	-	0.11
	Add: provision for doubtful debt	32.92	3.06
	Less : impact of lease modification	(0.37)	(9.45)
	Less : interest income	(8.61)	(2.29)
	Operating Profit before working capital changes	**1,332.90**	**799.70**
	Adjustments for working capital change:		
	Trade and other receivables(net)	1,252.78	(2,019.40)
	Other current financial and non financial assets	86.32	99.45
	Inventories	(73.78)	(453.67)
	Trade payable and other financial liabilites	(1,183.23)	1,234.68
	Provisions and other current liabilities	(85.79)	14.09
	Net Cash used in operations	**1,329.20**	**(325.15)**
	Net direct taxes paid	**(80.95)**	**(2.22)**
	Net cash used in operating activities	**1,248.25**	**(327.37)**
B.	**Cash flow from investing activities**		
	Interest income received	8.72	2.04
	Purchase of property, plant & equipment and CWIP	(147.06)	(174.38)
	Investment Promotion Assistance from MPIDC	113.00	66.67
	Investment in Fixed Deposits	62.81	(127.45)
	Net cash used in investing activities	**37.47**	**(233.12)**
C.	**Cash flow from financing activities**		
	Proceeds from / (Repayment of) short term borowings	(689.14)	96.51
	Proceeds from term loan borowings	(305.27)	(304.75)
	Finance cost	(166.30)	(204.83)
	Lease Payments	(56.90)	(42.14)
	Net cash generated from / (used in) financing activities	**(1,217.61)**	**(455.21)**
	Net Increase / (decrease) in cash and cash equivalents (A+B+C)	68.11	(1,015.70)
	Cash and cash equivalents at the beginning of the year	0.10	1,015.80
	Cash and cash equivalents at the end of the year	**68.21**	**0.10**
	Components of cash and cash equivalents		
	Cash on hand	-	-
	Balances with schedule banks	-	-
	on current accounts	68.21	0.10
		68.21	**0.10**

Note:-
1) Cash & cash equivalents are as per Note 11 (ii) of the Financial Statements
As per our report of even date

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

AMIT GOEL
Partner
Membership No. 500607

Place: New Delhi
Date: 29-MAY-2023

For and on behalf of
RHI Magnesita Seven Refractories Limited

Parmod Sagar
Director
DIN: 06500871

Vijaya Gupta
Director
DIN: 06435747

Ayush Jain
Company Secretary
PAN: BBSPJ6018F

Sanat Ganguli
Manager
PAN: ANUPG6508L

Statement of changes in equity for the year ended March 31, 2023

(₹ in lakh)

A Equity share capital*

Particulars	Balance as at April 01, 2021	Issued during the year	Balance as at March 31, 2022	Balance as at April 01, 2022	Issued during the year	Balance As at March 31, 2023
	Amount		Amount	Amount		Amount
Equity share capital	2,000.00	-	2,000.00	2,000.00	-	2,000.00

B Other equity*

Particulars	Reserves and surplus	Other comprehensive income - Reserve	Total
	Retained earnings		
Balance as at April 01, 2021	(807.17)	2.18	**(804.99)**
Profit / (Loss) for the year	285.43	0.08	285.51
Balance as at March 31, 2022	**(521.74)**	**2.27**	**(519.48)**
Balance as at April 01, 2022	(521.74)	2.27	**(519.48)**
Profit / (Loss) for the year	663.27	0.42	663.69
Balance As at March 31, 2023	**141.53**	**2.68**	**144.21**

*Refer note no. 15 & 16

As per our report of even date.

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

AMIT GOEL
Partner
Membership No. 500607

Place: New Delhi
Date: 29-MAY-2023

For and on behalf of
RHI Magnesita Seven Refractories Limited

Parmod Sagar
Director
DIN: 06500871

Vijaya Gupta
Director
DIN: 06435747

Ayush Jain
Company Secretary
PAN: BBSPJ6018F

Sanat Ganguli
Manager
PAN: ANUPG6508L

1. **Corporate Information**

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

These financial statements of the Company for the period ended March 31, 2023 were approved and adopted by board of directors of the Company in their meeting held on May 29, 2023.

2. **Significant accounting policies and critical accounting estimate and judgments:**

2.1 Basis of Preparation

(a) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013 ("the Act").

(b) Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the certain assets and liabilities which have been measured at fair value/amortised cost:

(c) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (`), which is the Company's functional and presentation currency. All values are rounded to the nearest lakh, except when otherwise indicated.

2.2 Critical accounting estimates and judgements

The presentation of financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

A. Property plant and equipment

The useful life and residual value of property plant and equipment are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

B. Intangible assets

The useful life and residual value of intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.
The useful life of computer software is estimated as 3 years and accordingly amortised over its useful life.

C. Fair value measurement of financial instruments

When the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market price in activate markets, their fair value is measures using valuation technique. The input to these models are taken from the observable market where possible, but this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to these assumption could affect the fair value of financial instrument.

SS KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

D. Provision

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

2.3 Significant Accounting policies

a. Property, plant and equipment

All items of Property plant and equipment are stated at historical cost net of tax/ duty credit availed which includes capitalised borrowing cost, less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

b. Depreciation methods, estimated useful lives and residual value:

Depreciation on Property plant and Equipment (PPE) and is provided over the useful life of assets as specified in schedule II to the Act. Property, Plant and Equipment which are added / disposed off during the year, deprecation is provided pro-rata basis with reference to the month of addition / deletion.

The following methods of depreciation are used for PPE :

Assets	Useful life
Leasehold land	Amortised over the period of lease
Plant & machinery	3 to 15 years
Computer	3 to 6 years
Buildings	30 years
Furniture & fixture	10 years
office equipment	5 years

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

c. Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as on transition measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

d. Impairment of Non-financial assets

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

e. Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

SS KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS *

f. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant lease hold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the balance sheet as a lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

g. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer and the Chief Financial Officer that makes strategic decisions.

h. Employee Benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

i. Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered

ii. Defined contribution plan

Retirement benefits in the form of provident fund , pension scheme and superannuation scheme and ESI are a defined contribution plan and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund

iii. Gratuity

Gratuity is computed as 15 days salary, for every completed year of service or part thereof and is payable on retirement/termination/resignation.

i. Inventories

(i.1) Inventories are valued at lower of historical cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when there has been a decline in the price of materials and it is estimated that the cost of the finished products will exceed net realizable value, the materials are written down to net realizable value. In such circumstances, the replacement cost of the material may be the best available measure of their net realizable value.

(i.2) Historical cost is determined on the basis of real time weighted average method.

(i.3) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j. Revenue recognition and other income:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer as per the terms of the contracts, usually on delivery of the goods, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

k. Sale of services

Revenues from sale of services are recognized as per the term of contract with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. Percentage-of-completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

l. Other operating income

Incentives on exports and other Government incentives related to operations are recognised in the statement of profit or loss after due consideration of certainty of utilization/receipt of such incentives.

m. Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

n. Foreign Currency Transactions

n.1 Initial recognition

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

n.2 Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

n.3 Exchange differences

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively). Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

o. Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

o.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

SS KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

o.2 Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

p. Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settled the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the notes in case of:

• 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.

• A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation

• A present obligation arises from the past event, when no reliable estimate is possible

• A present obligation arises from the past event, unless the probability of outflow are remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent assets

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised

q. Cash & Cash Equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

SS KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

2.4 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity.

a. Investment and other Financial Assets

Classification

The Company classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss) and

• those measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments in subsidiaries, the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures financial assets at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Equity investments

The Company subsequently measures all equity investments at fair value. The Company's management has elected to present fair value gains and losses on equity investments in OCI, and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of profit and loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets:

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

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

Derecognition of financial assets

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 the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity 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 entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity 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.

Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

SS KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

b. Financial Liabilities & Equity

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables: These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Those payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and other payables are subsequently measured at amortised cost using the effective interest rate method.

Offsetting of financial instrument

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Earnings per share

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

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

Standard not yet effective

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

SS KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS

Notes to the financial statements for the year ended March 31, 2023

(₹ in lakh)

3 Property, plant and equipment

Particulars	Land (Lease hold)	Plant & machinery	Computer	Buildings	Furniture & Fixtures	Office Equipment	Total
Cost							
As at March 31, 2021	**314.79**	**1,873.87**	**26.48**	**317.12**	**21.87**	**3.31**	**2,557.44**
Additions during the year	-	259.61	4.46	-	-	0.38	264.45
IP Assistance from MPIDC*	-	66.67	-	-	-	-	66.67
Disposals / Adjustment during the year	-	-	-	-	-	-	-
As at March 31, 2022	**314.79**	**2,066.81**	**30.94**	**317.12**	**21.87**	**3.69**	**2,755.22**
Additions during the year	-	57.60	6.00	-	0.15	0.11	63.86
IP Assistance from MPIDC*	-	113.00	-	-	-	-	113.00
Disposals / Adjustment during the year	-	-	-	-	-	-	-
As at March 31, 2023	**314.79**	**2,011.41**	**36.94**	**317.12**	**22.02**	**3.80**	**2,706.07**
Depreciation							
As at March 31, 2021	**47.28**	**238.18**	**9.99**	**22.58**	**3.61**	**1.03**	**322.68**
Charge for the year	14.97	132.20	5.11	10.46	2.08	0.64	165.46
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	**62.24**	**370.38**	**15.11**	**33.05**	**5.69**	**1.67**	**488.14**
Charge for the year	14.96	131.27	5.89	10.47	2.09	0.71	165.41
Disposals	-	-	-	-	-	-	-
As at March 31, 2023	**77.21**	**501.66**	**21.00**	**43.52**	**7.78**	**2.39**	**653.55**
Net Block							
As at March 31, 2022	**252.54**	**1,696.42**	**15.84**	**284.08**	**16.18**	**2.01**	**2,267.07**
As at March 31, 2023	**237.58**	**1,509.75**	**15.94**	**273.61**	**14.24**	**1.41**	**2,052.52**

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

The Company is eligible for Investment Promotion Assistance (IPA) under "Madhya Pradesh Nivesh Protsahan Yojna -2014 (MP Investment Promotion Assistance Scheme -2014)" for which registration has completed with MP Industrial Development Corporation (Government of Madhya Pradesh Undertaking), namely MPIDC. MPIDC has admitted permission for IPA vide his letter No. 183/MPIDC/FISCLE INCENTIVE/2020/6987 Dated 03-Novemenber 2020 on Investment in Plant and Machinery of Rs. 1980 Lakh are admisible Investment upon which Rs. 792 Lakh are Basic eligible IPA is claimable in next 7 years for period 09 May 2019 to 08 May 2026, subject to fulfillment of predefined terms and conditions as per MPIDC Scheme.

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

IPA received is adjusted from the Gross block of the Plant and Machinery in the current year and depreciation is calculated post adjsutment for IPA.

SS KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS

Notes to the financial statements for the year ended March 31, 2023

(₹ in lakh)

4 Right-of-use-asset

Particulars	Rs. in lakh
Cost	
As at March 31, 2021	**499.48**
Additions during the year	8.46
Disposals / Adjustment during the year	11.56
As at March 31, 2022	**496.37**
Additions during the year	4.07
Disposals / Adjustment during the year	8.13
As at March 31, 2023	**492.32**
Depreciation	
As at March 31, 2021	**94.75**
Charge for the year	63.32
Disposals	7.58
As at March 31, 2022	**150.49**
Charge for the year	63.77
Disposals	6.46
As at March 31, 2023	**207.80**
Net Block	
As at March 31, 2022	**345.88**
As at March 31, 2023	**284.52**

5 **Capital Work in Progress**

(₹ in lakh)

Cost		
As at March 31, 2021		93.81
Addition during the year		170.94
- Plant & Equipment	169.19	
- SAP	1.75	
Capitalized during the year		261.01
As at March 31, 2022		3.74
Addition during the year		218.89
- Plant & Equipment	200.15	
- Plant & Equipment Lab	4.90	
- Building	0.30	
- Furniture	0.15	
- Computer	6.00	
- SAP	7.39	
Capitalized during the year		72.86
As at March 31, 2023		149.77

Capital Work in Progress aging as per schedule III				
Particular	**0-1 Year**	**1-2 Years**	**2-3 Years**	**>3 Years**
Building	0.3			
Plant & Equipment	149.48	-	-	-
Intangible Asset under Development	-	-	-	-
Total	**149.78**	-	-	-

SS KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

(₹ in lakh)

6 Intangible Assets (Computer Software)

Particulars	Rs. in lakh
Cost	
As at March 31, 2021	**1.98**
Additions during the year	-
Disposals / Adjustment during the year	-
As at March 31, 2022	**1.98**
Additions during the year	9.14
Disposals / Adjustment during the year	-
As at March 31, 2023	**11.12**
Depreciation	
As at March 31, 2021	**0.83**
Charge for the year	0.33
Disposals	-
As at March 31, 2022	**1.16**
Charge for the year	0.33
Disposals	-
As at March 31, 2023	**1.49**
Net Block	
As at March 31, 2022	**0.82**
As at March 31, 2023	**9.63**

6A Intangible Asset under Development (₹ in lakh)

Cost	
As at March 31, 2022	-
Addition during the year	1.75
Capitalized during the year	-
As at March 31, 2023	1.75
Addition during the year	7.39
Capitalized during the year	9.14
Disposals / Adjustment during the year	-

SS KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

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

Trade Receivables Ageing Schedule March 31, 2022							
Particulars *		Outstanding for following periods from due date of payment					Total **
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,441.90	1,263.68	292.38	157.38	-	-	3,155.33
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	(2.67)	(0.40)	-	-	-	(3.07)
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**1,441.90**	**1,261.01**	**291.98**	**157.38**	**-**	**-**	**3,152.26**

Trade Payables Ageing Schedule March 31, 2023					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	725.40	-	-	-	725.40
(ii) Others	1,066.11	80.40	57.46	4.63	1,208.60
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
TOTAL	**1,791.51**	**80.40**	**57.46**	**4.63**	**1,934.00**

Trade Payables Ageing Schedule March 31, 2022					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	704.35	-	-	-	704.35
(ii) Others	2,270.08	149.34	3.03	3.66	2,426.11
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
TOTAL	**2,974.43**	**149.34**	**3.03**	**3.66**	**3,130.46**

SS KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Notes to the financial statements for the year ended March 31, 2023

(₹ in lakh)

Notes	Particulars	As at March 31, 2023	As at 3/31/2022
	Non - current assets:		
7	**Other Financial Assets**		
	Security deposit		
	- Unsecured & considered good	12.40	12.58
	Fixed deposits	-	94.71
		12.40	**107.29**
8	**Other non-current assets**		
	Prepaid expenses	5.39	0.11
		5.39	**0.11**
9	**Deferred tax: assets /(liability)**		
	Deferred tax assets on account of:		
	Unabsorbed depreciation & business losses	48.98	273.24
	Deferred tax liabilities on account of:		
	Impact of difference between written down value (WDV) as per books and WDV as per Income Tax Act, 1961.	130.26	114.27
	Net deferred tax assets/(liability)	**(81.28)**	**158.98**
	Current assets:		
10	**Inventories**		
	Raw materials	959.86	821.93
	Work - In - progress	26.77	35.17
	Finished goods	158.62	71.01
	Trading Stock	0.37	
	Stores and spares	125.28	130.38
	Loose tools	-	0.55
	Raw materials in Transit	-	121.04
	Stores in Transit	-	17.04
		1,270.90	**1,197.12**
11	**Current financial assets**		
	(i)Trade receivable		
	- Undisputed Trade Receivable - Considered good	1,902.54	3,155.32
	- Undisputed Trade Receivable - which have significant increase in credit risk	(35.98)	(3.06)
	- Undisputed Trade Receivable - credit impaired	-	-
	- Disputed Trade Receivable - Considered good	-	-
	- Disputed Trade Receivable - which have significant increase in credit risk	-	-
	- Disputed Trade Receivable - credit impaired	-	-
		1,866.56	**3,152.26**

SS KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Notes to the financial statements for the year ended March 31, 2023

(₹ in lakh)

Notes	Particulars	As at March 31, 2023	As at 3/31/2022

11 **Current financial assets** *(Continued)*

Trade Receivables Ageing Schedule March 31, 2023

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

Trade Receivables Ageing Schedule March 31, 2022

Particulars *		Outstanding for following periods from due date of payment					Total **
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,441.90	1,263.68	292.38	157.38	-	-	3,155.33
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	(2.67)	(0.40)	-	-	-	(3.07)
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**1,441.90**	**1,261.01**	**291.98**	**157.38**	**-**	**-**	**3,152.26**

Notes	Particulars	As at March 31, 2023	As at 3/31/2022
	(ii) Cash & cash equivalent		
	Balances with banks		
	-in Current accounts	68.21	0.10
	-Current maturity of fixed deposits	-	-
		68.21	**0.10**
	(iii) Bank balances other than (ii) above		
	-Fixed deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months	64.64	32.74
		64.64	**32.74**
	(iv) Other Financial Assets		
	-Security Deposits	11.67	11.67
	-Interest accrued on deposits	0.14	0.26
	-Loans and advances to employees	2.81	-
		14.62	**11.93**
12	**Income tax assets**		
	TDS receivable	12.88	9.93
	Advance Tax (2022-23)	78.00	-
		90.88	**9.93**
13	**Contract assets**		
	Unbilled Receivable	-	77.21
		-	**77.21**
14	**Other current assets:**		
	Prepaid expenses	8.60	4.39
	Balance with statutory authorities	52.31	39.81
	Other advances	38.71	72.44
		99.62	**116.64**

SS KOTHARI MEHTA & COMPANY ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

Notes to the financial statements for the year ended March 31, 2023

(₹ in lakh)

Notes	Particulars	As at March 31, 2023	As at 3/31/2022
15	**Equity share capital**		
	Authorised		
	2,00,00,000 (March 31, 2022 - 2,00,00,000) Equity shares of Rs. 10 each)	2,000.00	2,000.00
		2,000.00	**2,000.00**
	Issued, subscribed and paid up		
	2,00,00,000 (March 31, 2022 - 2,00,00,000) Equity shares of Rs. 10 each fully paid up)	2,000.00	2,000.00
		2,000.00	**2,000.00**

Notes:

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

	As at March 31, 2023		As at 3/31/2022	
	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year	2,00,00,000	2,000.00	2,00,00,000	2,000.00
Addition during the Year	-	-	-	-
At the end of the year	**2,00,00,000**	**2,000.00**	**2,00,00,000**	**2,000.00**

b. Terms/ rights attached to equity shares

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

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

c. Equity shares held by holding company

	As at March 31, 2023		As at 3/31/2022	
	No. of Shares	Rs.	No. of Shares	Rs.
Dalmia Bharat Refractories Limited (along with its Nominees)	-	-	1,02,00,000	51%
Dalmia OCL Limited (A wholly owned subsidiary of RHI Magnesita India Ltd)	1,02,00,000	51%	-	-

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

e. Shares held by Promoters/Promoter Group at the end of the year

As at March 31, 2023

Name of Promotors	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% change during the year
Dalmia OCL Limited (A wholly owned subsidiary of RHI Magnesita India Ltd)	-	1,02,00,000	1,02,00,000	100.00%
Seven Refractories GesmbH	98,00,000	-	98,00,000	-

As at 3/31/2022

Name of Promotors	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% change during the year
Dalmia Bharat Refractories Limited (along with its Nominees)	1,02,00,000	-	1,02,00,000	-
Seven Refractories GesmbH	98,00,000	-	98,00,000	-

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

Shareholders	As at March 31, 2023		As at 3/31/2022	
			No. of Shares	% holding
Dalmia Bharat Refractories Limited (along with its Nominees)	-	0%	1,02,00,000	51%
Dalmia OCL Limited (A wholly owned subsidiary of RHI Magnesita India Ltd) (along with its Nominees)	1,02,00,000	51%	-	0%
Seven Refractories GesmbH	98,00,000	100%	98,00,000	49%

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

SS KOTHARI MEHTA & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

Notes to the financial statements for the year ended March 31, 2023

(₹ in lakh)

Notes	Particulars	As at March 31, 2023	As at 3/31/2022
16	**Other equity**		
	(i) Retained Earnings		
	Balance at the beginning of the year	(521.74)	(807.17)
	Add: Profit for the Year	663.27	285.43
	Balance at the end of Year	**141.53**	**(521.74)**
	(ii) Comprehensive Income		
	Balance at the beginning of the year	2.26	2.18
	Addition during the year - Actuarial Gain & Losses on Defined Benefit Obligation	0.42	0.08
	Balance at the end of Year	**2.68**	**2.26**
		144.21	**(519.48)**
	Non - current liabilities		
17	**Financial liabilities**		
	(i) Borrowings		
	Secured at amortised Cost		
	Loan from banks		
	- Term Loan	1,312.97	1,620.97
	- Less : Current maturity of long term borrowings	(440.00)	(308.00)
	- IndAs Term loan FMV	(3.01)	(5.74)
		869.96	**1,307.23**

Term Loan

Loans of Rs 1312.97 Lakh (1620.97 Lakh in PY 2021-22) is secured by equitable mortgage of factory Land & Building and Plant & Machinery. It is further secured by first charge over movable and Immovable fixed assets of the company. It is repayable in quarterly instalment or ranging from Rs. 66 Lakh to Rs 132 Lakh. Due to COVID-19, a pandemic caused by novel coronavirus, RBI notified a moratorium for 6 month interest amounting Rs. 80.97 Lakh in FY 2020-21 which has been added to principal amount. It carried interest rate of one year MCLR plus spread of 70bps p.a. to be reset annually. Total Instalment payable/paid for FY 2022-23 is Rs 440 Lakh (PY 2021-22 Rs 308 Lakh).

Notes	Particulars	As at March 31, 2023	As at 3/31/2022
	(ii) Lease liabilities	269.70	326.68
		269.70	**326.68**
	Current liabilities		
18	**Financial liabilities**		
	(i) Borrowings		
	- from bank Cash Credit	-	689.14
	- Current maturity of long term borrowings	440.00	308.00
		440.00	**997.14**

Cash credit

Cash Credit is secured by hypothecation of stocks of raw material, semi finished goods, finished goods, store & spares, book debts and movable assets of the company. Undrawn borrowing limit as on 31 March 2023 is 1200 lakh.

SS KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

(₹ in lakh)

Notes	Particulars	As at March 31, 2023	As at 3/31/2022
18	**Financial liabilities (Continued)**		
	(ii) Lease liabilities	59.07	56.95
		59.07	**56.95**
	(iii) Trade Payables		
	-Total outstanding dues of micro enterprises and small enterprises	725.40	704.35
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	1,208.60	2,426.11
		1,934.00	**3,130.46**

Trade Payables Ageing Schedule March 31, 2023

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

Trade Payables Ageing Schedule March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	704.35	-	-	-	704.35
(ii) Others	2,270.08	149.34	3.03	3.66	2,426.11
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
TOTAL	**2,974.43**	**149.34**	**3.03**	**3.66**	**3,130.46**

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

Notes	Particulars	As at March 31, 2023	As at 3/31/2022
	(iv) Other financial liabilities		
	- Liability for capital assets	79.41	7.44
	- Employee's benefits payable	21.47	19.48
	- Interest payable on term loan	9.76	-
	- Security deposits from customers	3.04	1.57
		113.68	**28.49**
19	**Contract liabilities**		
	Advances from Customers	2.26	113.20
		2.26	**113.20**
20	**Employee benefit obligations**		
	Provision of Gratuity (refer note no. 43)	21.73	17.05
	Provision of Leave Encashment (refer note no. 43)	9.96	6.85
		31.69	**23.90**
21	**Other current liabilities**		
	Statutory Liabilities	43.43	17.25
	Other Payable	0.38	-
		43.81	**17.25**

SS KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

Notes to the financial statements for the year ended March 31, 2023

(₹ in lakh)

Notes	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
22	**Revenue from operations**		
	Revenue from operation	12,568.71	10,010.44
		12,568.71	**10,010.44**

22.1 Disaggregated revenue information

Sale of products		
Refractories	10,900.39	9,201.09
Traded goods	878.62	359.75
	11,779.01	**9,560.84**
Sale of Services	781.48	448.08
	781.48	**448.08**
Other Operating Revenue		
Export Incentives	8.22	1.52
	8.22	**1.52**
	12,568.71	**10,010.44**
Timing of revenue recognition		
Goods transferred at a point in time	12,568.71	10,010.44
Total Revenue from contract with customers	**12,568.71**	**10,010.44**

22.2 Contract balances

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

	As at March 31, 2023	As at March 31, 2022
Contract assets		
Trade receivables	1,902.54	3,155.32
Contract liabilities		
Advances from customer	2.26	113.20

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operation	12,568.71	10,010.44
Adjustment:		
Significant financing component	-	-
Sales return	-	-
Rebate and Discount	-	-
	12,568.71	**10,010.44**

22.4 The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2023 are as follows:

	As at March 31, 2023	As at March 31, 2022
Advances from customer	2.26	113.20
	2.26	**113.20**

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

SS KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

Notes to the financial statements for the year ended March 31, 2023

(₹ in lakh)

Notes	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
23	**Other income**		
	Interest income from bank/others		
	- on bank deposits	5.32	1.86
	- on others	0.63	0.44
	- Income tax	2.67	-
	Provision/Liabilities no longer required written back	-	3.85
	Scrap Sales & Others	6.67	6.29
	Miscellaneous income	1.29	-
		16.58	**12.44**
24	**Cost of Material consumed**		
	Opening stock	821.93	476.99
	Add:Purchase	8,171.95	7,306.86
	Less: Closing Stock	959.86	821.93
	Consumption	**8,034.02**	**6,961.92**
25	**Cost of traded goods sold**		
	Opening stock	-	-
	Add:Purchase	763.98	300.15
	Less: Closing Stock	0.37	-
	Consumption	**763.61**	**300.15**
26	**Changes in inventories of finished goods and work - in - progress**		
	Opening Stock		
	-Work in Progress	35.17	25.62
	-Finished Goods	70.99	162.90
		106.16	188.52
	Closing Stock		
	-Work in Progress	26.77	35.17
	-Finished Goods	158.62	70.99
		185.39	**106.16**
	Change in Inventories	**(79.23)**	**82.36**
27	**Employee benefits expense**		
	Salaries, Wages, Allowances & Commission	522.37	449.92
	Contribution to Provident & Other funds	17.11	14.90
	Gratuity & Leave Encashment	6.38	5.47
	Staff welfare expenses	15.14	3.68
		561.00	**473.97**
28	**Finance costs**		
	Interest on		
	(i) Term Loans	125.71	135.00
	(ii) Cash Credits	17.05	23.81
	(iii) Bills discounting	0.12	7.93
	Interest expenses on lease liabilities	33.18	38.09
		176.06	**204.83**
29	**Depreciation and amortization expense**		
	Depreciation on tangible assets	165.41	165.45
	Depreciation on Rights to use assets	63.77	63.72
	Amortization on intangible assets	0.33	0.33
		229.51	**229.50**

SS KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Notes to the financial statements for the year ended March 31, 2023

(₹ in lakh)

Notes	Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
30	**Other expenses**			
	Consumption of stores & spare parts		11.88	16.97
	Power and fuel		150.00	154.57
	Packing freight & transport		481.60	375.28
	Rent		-	3.42
	Repairs to buildings		1.68	3.41
	Repairs to machinery		46.30	35.18
	Repairs others		-	5.10
	Insurance		7.71	6.35
	Rates and taxes		5.40	4.14
	Payment to the auditors			
	- Statutory Audit fees		4.25	4.20
	- Limited Review fees		3.75	3.20
	- Tax Audit Fees		0.75	0.75
	- Other Services		3.40	0.90
	- for reimbursement of expenses		0.55	0.10
	Advertisement & publicity		2.45	0.30
	Foreign Exchange Fluctuations		82.77	7.90
	Travelling & Conveyance		105.73	66.76
	Professional & Legal Fees		27.96	21.58
	Application Services Expenses		725.78	376.49
	Royalty Expenses		45.71	44.25
	Commission		196.71	215.08
	Bad Debts Written off		-	0.11
	Provision for Doubtful Debt		32.92	3.06
	Miscellaneous expenses		59.26	47.11
			1,996.56	**1,396.21**
31	**Tax expense**			
	Current tax		-	-
	Deferred tax		240.12	88.51
			240.12	**88.51**
	Tax reconciliation			
	Profit / (Loss) as per statement of profit and loss		903.39	373.94
	Enacted tax rate		25.17%	25.17%
	Tax should be		227.37	94.11
	Reconciliation item			
	Permanent disallowance of the expenditure			
	Change in rate of tax		-	-
	Previous year tax actualisation		12.75	(5.61)
			227.37	**88.51**
32	**Earning per share**			
		Unit of Measurement		
	Profit / (Loss) after Tax	Rupees in lakh	663.69	285.51
	Weighted average of number of equity shares	Number	2,00,00,000	2,00,00,000
	Nominal value of Equity Share (Rs)	Rupees	10	10
	Basic and Diluted earning per share (Rs.)	Rupees	3.32	1.43

SS KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Notes to the financial statements for the year ended March 31, 2023

(₹ in lakh)

33 Contingent liabilities:

	As at March 31, 2023	As at 3/31/2022
Claim against Company not acknowledged as debt	-	-
Bank Gurantee	807.47	365.64
	807.47	**365.64**

34 Capital & other commitments

	As at March 31, 2023	As at 3/31/2022
Estimated amount of Contract remaining to be executed on capital account and not provided for	88.47	5.13
	88.47	**5.13**

35 Auditor's remuneration (Exclusive of tax)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Quarterly Limited Review fees	3.75	3.20
Statutory audit fee (including Other services)	7.65	4.55
Tax audit fee	0.75	0.75
	12.15	**8.50**

SS KOTHARI MEHTA & COMPANY * NEW DELHI * CHARTERED ACCOUNTANTS

(₹ in lakh)

36 Segment Information

Operating Segments

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

Entity wide disclosures

Product

	2022-23	2021-22
Domestic	12,455.15	9,873.36
Rest of the World	113.56	141.85
Total	12,568.71	10,015.21

There is 1 customer in FY 2022-23 (1 customer in FY 2021-22) where revenue from that customer aggregating to Rs. 2,239.90 lakh (FY 2021-22: Rs. 3,169.57 lakh) exceeds 10 per cent or more from each customer of Group's revenues during the current period.

37 Impairment Review

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

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

(i) Operating margins (Earnings before interest and taxes),

(ii) Discount Rate

(iii) Growth Rates and

(iv) Capital Expenditure

38 Events occurring After the Balance Sheet date

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

39 Expenditure incurred on Corporate Social Responsibilities

Pursuant to section 135 of the Companies Act, 2013, regarding the Corporate Social Responsibility, the same is not applicable to the Company for the Financial year 2022-23.

40 Disclosures as required by Indian Accounting Standard (Ind AS) 37:- Provisions, Contingent liabilities and Contingent assets :

There are no present obligations requiring provision in accordance with the guiding principles as enunciated in IND AS -37, as it is not probable that an outflow of resources embodying economic benefits will be required.

SS KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

(₹ in lakh)

41 Lease related disclosures

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. The Company has leases for Plant and Equipment, building, warehouses and related facilities. We have added leased cars to employee facilitation.

The following is the movement in lease liabilities and corresponding Right to use asset for leases classified under lease arrangements during the year ended March 31, 2023 :

Right to use Asset Movement

Building	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Right to use assets-opening balance	-	-
Addition during the year	-	-
Depreciation during the year	-	-
Right to use assets-closing balance	-	-

Lease obligation Movement

	For the year ended 31 March 2023	**For the year ended 31 March 2022**
Lease obligation-Opening balance	383.63	431.13
Addition to lease obligation	4.07	8.07
Impact of Lease termination	(2.03)	(13.43)
Payment of lease	(90.03)	(71.07)
Addition as interest	33.14	28.93
Lease obligation-Closing balance	**328.78**	**383.63**

The following is the break-up of current and non-current lease liabilities as at March 31, 2023 :

Lease Liabilities	**As at 31 March 2023**	**As at 31 March 2022**
Current	59.07	56.95
Non Current	269.70	326.68
Total	**328.77**	**383.63**

The table below provides details regarding contractual maturities of lease liabilities of non cancellable contractual commitments on undiscounted basis.

As at 31 March 2023

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

As at 31 March 2022

	Lease Payments	**Interest expense**	**Net Present value**
Less than one year	90.10	33.15	56.95
One to five years	407.71	81.03	326.68
More than five years	-	-	-
Total			**383.63**

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

	For the year ended 31 March 2023	**For the year ended 31 March 2022**
Depreciation on Right to use assets	63.77	63.72
Interest expense on lease liability (included in finance cost)	33.14	28.93
Total	**96.91**	**92.65**

SS KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

(₹ in lakh)

42 Related party transactions

A) List of related parties along with nature and volume of transaction is given below

(i) Parent and ultimate controlling party:-

RHI Magnesita India Ltd and RHI Magnesita N.V., Austria (from 05th January 2023) Ulitmate holding company
Dalmia Bharat Refractories Limited (upto 04th January 2023) (51% holding)
Dalmia OCL Limited (A wholly owned subsidiary of RHI Magnesita India Ltd) (from 05th January 2023) (51% holding)

(ii) Promoters of the Company:-

Dalmia Bharat Refractories Limited (upto 04th January 2023)
Dalmia OCL Limited (A wholly owned subsidiary of RHI Magnesita India Ltd) (from 05th January 2023)
Seven Refractories GesmbH

(iii) Directors of the Company:

a. Mr. Sameer Nagpal (up to 05th January 2023)
b. Mr. Erik Zobec
c. Mr. C.N. Maheshwari (up to 05th January 2023)
d. Mr. Roman Cheglov
e. Mr. Parmod Sagar (from 05th January 2023)
f. Mrs. Vijaya Gupta (from 05th January 2023)

(iv) Key Managerial Person:-

a. Mr. Sanat Ganguli – Manager (wef 01.06.2021)
b. Mr. Binayak Kumar Shah – Chief Financial Officer (up to 31.12.2022)
c. Mr. Ayush Jain – Company Secretary (wef 01.12.2020)

(v) Enterprises controlled by the Promoters of the Company:-

Dalmia GSB Refractories Germany GmbH (upto 04th January 2023),
Seven Refractories d.o.o, Seven Refractories ooo (Russia), Seven Refractories S.r.l. (Italy), Seven Refractories Deutschland Gmbh, Seven Asia, Kazakstan, Seven Refractories Ukraine ooo (Ukraine)
Intermetal Engineers (India) Private Limited- W.e.f. 5th January, 2023

(vi) Related Parties of the Holding Company with whom the transactions has taken place during the year

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

B.The following transactions were carried out with the related parties in the ordinary course of business:

Description of Related Party	Name of Related Party	Nature of transactions	For the Year ended March 31, 2023	For the year ended March 31, 2022
Promoters	Dalmia Bharat Refractories Limited	Purchase of material	146.65	270.80
		Availment of leasing / rental services	59.72	79.63
		Sale of refractory goods & services	2,150.65	826.04
		Reimbursement of expenses	-	0.25
		Interest on Inter-co Loan	-	0.67
		Royalty Expense	1.50	2.00
		Management services	47.44	41.84
		Commission on Sales	100.67	211.04
	Dalmia OCL	Availment of leasing / rental services	19.91	-
		Royalty Expense	0.50	-
		Management services	15.81	-
		Commission on Sales	32.92	
		Purchase of material	49.77	-
	Seven Refractories GesmbH	Issue of equity share	-	-
		Royalty payable	43.71	42.25

(₹ in lakh)

42 Related party transactions *(Continued)*

Description of Related Party	Name of Related Party	Nature of transactions	For the Year ended March 31, 2023	For the year ended March 31, 2022
Related parties of the Holding Companies	Dalmia Cement (Bharat) Ltd	Sale of refractory goods & services	683.96	268.11
	Govan Travels, (Prop. Dalmia Bharat Sugar & Industries Ltd)	Availing /rendering of services of resources	28.54	14.84
	Dalmia DSP Limited	Sale of refractory goods & services	176.32	-
	Calcom Cement Ltd.	Sale of refractory goods & services	-	23.98
	Dalmia Bharat Limited	Availment of Management Services	-	0.17
	Murli Industries Limited	Sale of refractory goods & services	-	13.07
Enterprise controlled by Promoters	Seven Refractories D.O.O.	Purchase of material	258.85	14.64
		Purchase of capital items	-	-
Key Management Personnel	Mr. Sheikh Bashir Mohammed - Manager	Salary & perquisite	-	7.01
	Mr. Sanat Ganguli - Manager	Salary & perquisite	73.73	37.14
	Mr. Binayak Kumar Shah - CFO	Salary & perquisite	21.92	27.31
	Mr. Ayush Jain - CS	Salary & perquisite	7.23	5.49

C) Balance outstanding at the year end

Description of Related Party	Name of Related Party	Outstanding Balance at year end	As at March 31, 2023	As at March 31, 2022
Promoters	Dalmia Bharat Refractories Limited / Dalmia OCL Limited	Amount receivable	-	85.03
Related parties of the Holding Companies	Dalmia Cement (Bharat) Limited	Amount receivable	150.87	10.08
	Dalmia DSP Limited	Amount receivable	111.74	-
Promoters	Dalmia Bharat Refractories Limited / Dalmia OCL Limited	Amount payable	77.86	585.87
	Seven Refractories GesmbH	Amount payable royalty	125.08	75.94
Enterprise controlled by Promoters	Seven Refractories D.O.O.	Amount Payable Capex	79.42	-
	Seven Refractories D.O.O.	Amount Payable Non Capex	32.63	30.82
	RHI Magnesita GMBH	Gurantee given to Bank	13.00	-
Related parties of the Holding Companies	Govan Travels, (Prop. Dalmia Bharat Sugar & Industries Ltd)	Amount Payable	0.11	4.65

SS KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

(₹ in lakh)

43 (i) Compensated absences

The leave obligations cover the Company's liability for sick and earned leaves. The amount of provision of ₹ 2.1 Lakh 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 take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current.

(ii) Disclosure of gratuity (non-funded)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

	As at March 31, 2023		As at March 31, 2022	
	Gratuity (un funded)	Leave Encashment	Gratuity (un funded)	Leave Encashment
(iii) Change in benefit obligation				
Present value of obligation as at the beginning of the period	17.05	6.85	11.65	7.04
Acquisition adjustment	-	-	-	-
Interest cost	1.22	0.49	0.81	0.49
Past service cost	-	-	-	-
Current service cost	5.15	2.92	4.70	2.66
Curtailment cost/(Credit)	-	-	-	-
Settlement cost/(Credit)	-	-	-	-
Benefits paid	(1.14)	-	-	(0.15)
Actuarial (gain)/loss on obligation	(0.56)	(0.30)	(0.11)	(3.19)
Present value of obligation as at the end of period	**21.72**	**9.96**	**17.05**	**6.85**
(iv) Actuarial Gain/Loss on plan assets				
Expected return on plan assets	-	-	-	-
Actual return on plan assets	-	-	-	-
Actuarial gain/(loss) on plan assets	-	-	-	-
Actuarial gain / loss recognized	-	-	-	-
(v) Actuarial Gain/Loss recognised				
Actuarial gain / (loss) for the period- obligation	0.56	0.30	0.11	3.19
Actuarial (gain) / loss for the period - plan assets	-	-	-	-
Total (gain) / loss for the period	(0.56)	(0.30)	(0.11)	(3.19)
Actuarial (gain) / loss recognized in the period	(0.56)	(0.30)	(0.11)	(3.19)
Unrecognized actuarial (gains) / losses at the end of period	-	-	-	-
(vi) The amounts to be recognized in balance sheet and related analysis				
Present value of obligation as at the end of the period	21.72	9.96	17.05	6.85
Fair value of plan assets as at the end of the period	-	-	-	-
Funded status / Difference	(21.72)	(9.96)	(17.05)	(6.85)
Excess of actual over estimated	-	-	-	-
Unrecognized actuarial (gains) / losses	-	-	-	-
Net asset / (liability)recognized in balance sheet	**(21.72)**	**9.96**	**17.05**	**6.85**

SS KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

	As at March 31, 2023		As at March 31, 2022	
	Gratuity (un funded)	Leave Encashment	Gratuity (un funded)	Leave Encashment
(vii)Expense recognized in the statement of profit and loss				
Current service cost	5.15	2.92	4.70	2.66
Past service cost	-	-	-	-
Interest cost	1.22	0.49	0.81	0.49
Expected return on plan assets	-	-	-	-
Curtailment cost / (Credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Net actuarial (gain) / loss recognized in the period	(0.56)	(0.30)	(0.11)	(3.19)
Expenses recognized in the statement of profit & losses	**5.82**	**3.11**	**5.40**	**(0.05)**
(viii) Reconciliation statement of expense in the statement of profit and loss				
Present value of obligation as at the end of period	21.72	9.96	17.05	6.85
Present value of obligation as at the beginning of the period	17.05	6.85	11.65	7.04
Benefits paid	1.14	-	-	0.15
Actual return on plan assets	-	-	-	-
Acquisition adjustment	-	-	-	-
Expenses recognized in the statement of profit & losses	**5.82**	**3.11**	**5.40**	**(0.05)**
(ix) Amounts for the current period				
Present value of obligation as at the end of period	21.72	9.96	17.05	6.85
Fair value of plan assets at the end of the period	-	-	-	-
Surplus / (Deficit)	(21.72)	(9.96)	(17.05)	(6.85)
Experience adjustment on plan liabilities (loss) / gain	0.10	0.06	(0.34)	3.14
Experience adjustment on plan Assets (loss) / gain	-	-	-	-
(x) Movement in the liability recognized in the balance sheet				
Opening liability	17.05	6.85	11.65	7.04
Expenses as above	5.82	3.11	5.40	(0.05)
Benefits paid	(1.14)	-	-	(0.15)
Actual return on plan assets	-	-	-	-
Acquisition adjustment	-	-	-	-
Closing liability	**21.73**	**9.96**	**17.05**	**6.85**
(xi) Bifurcation of PBO at the end of year as per schedule III to the companies act, 2013.				
Current Liability	4.65	2.10	0.11	1.18
Non-current Liability	17.08	7.86	16.94	5.67
Total PBO at the end of year	**21.73**	**9.96**	**17.05**	**6.85**
(xii) Impact of the change in discount rate				
Present Value of Obligation at the end of the period	21.73	9.96	17.05	6.85
Impact due to Increase of 0.50%	(1.11)	(0.55)	(0.86)	(0.38)
Impact due to decrease of 0.50 %	1.21	0.60	0.94	0.42
(xiii) Impact of the change in salary increase				
Present Value of Obligation at the end of the period	21.73	9.96	17.05	6.85
Impact due to increase of 0.50%	1.21	0.60	0.93	0.42
Impact due to decrease of 0.50 %	(1.12)	(0.56)	(0.86)	(0.38)

SS KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

(₹ in lakh)

44 Financial Risk Management

Financial instruments by category

	As at March 31, 2023			As at 3/31/2022		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Cash and bank balances	-	-	132.85	-	-	32.84
Trade Receivable	-	-	1,866.56	-	-	3,152.26
Other			27.02			107.29
Total financial assets	-	-	**2,026.43**	-	-	**3,292.39**
Financial liabilities						
Borrowings			1,309.96			2,304.37
Trade Payables			1,934.00			3,130.46
Other			113.68			28.49
Total financial liabilities	-	-	**3,357.64**	-	-	**5,463.32**

Financial risk management objectives and policies

(i) Financial risk factors

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

(ii) Credit risk management

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

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

Particulars	As at March 31, 2023		As at 3/31/2022	
	Upto 6 months	More than 6 months	Upto 6 months	More than 6 months
Gross carrying amount (A)	1,341.05	525.51	2,702.90	449.36
Expected Credit Losses (B)	-	-	-	-
Net Carrying Amount (A-B)	1,341.05	525.51	2,702.90	449.36

SS KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

(₹ in lakh)

44 Financial Risk Management *(Continued)*

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022.

45 Liquidity risk management

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

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

Particulars	Payable on Demand	Less than 1 year	More than 1 year	Total
As at March 31, 2023				
Borrowing	-	440.00	869.96	1,309.96
Other financial liabilities	-	113.68	-	113.68
Trade payable & Other Payable	-	1,934.00	-	1,934.00
Total	-	**2,487.68**	**869.96**	**3,357.64**
As at 3/31/2022				
Borrowing	689.14	308.00	1,307.23	2,304.37
Other financial liabilities	-	28.49	-	28.49
Trade payable & Other Payable	-	3,130.46	-	3,130.46
Total	**689.14**	**3,466.95**	**1,307.23**	**5,463.32**

SS KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

(₹ in lakh)

46 **Market Risk:**

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

(i) Interest Rate Risk

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

Particulars	Fixed Rate Borrowing	Variable Rate Borrowing	Total Rate Borrowing
As at March 31, 2023	1,309.96	-	1,309.96
As at 3/31/2022	1,615.23	689.14	2,304.37

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

Sensitivity on variable rate borrowings	Impact on Profit & Loss Account	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest rate increase by 0.25%	-	(1.72)
Interest rate decrease by 0.25%	-	1.72

(ii) Foreign Currency Risk :

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

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

Particulars	FY 2022-23		FY 2021-22	
	FC in Lakh	₹ in Lakh	FC in Lakh	₹ in Lakh
Unhedged Foreign Currency				
Other Payables	2.65	237.11	5.40	420.79
Receivable				
Trade Receivable	0.05	3.75	0.25	20.37

Rate Sensitivity

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

Particulars	Increase / Decrease in basis points	Statement of profit and loss	
		For the year ended March 31, 2023	For the year ended March 31, 2022
Euro Sensitivity	+ 50 basis	1.19	0.67
	- 50 basis	(1.19)	(0.67)
Dollar Sensitivity	+ 50 basis	0.02	1.54
	- 50 basis	(0.02)	(1.54)

SS KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

(₹ in lakh)

47 Financial Instrument - Disclosure

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

Sl.No	Particulars	Note	Fair value hierarchy	As at March 31, 2023		As at 3/31/2022	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial assets designated at fair value through profit and loss**						
	Current						
	- Investment in mutual funds and others	A	Level-1	-	-	-	-
2	**Financial assets designated at fair value through other comprehensive**						
3	**Financial assets designated at amortised cost**	B					
	Non Current						
	Others			12.40	12.40	107.29	107.29
	Current						
a)	Trade receivables *			1,866.56	1,866.56	3,152.26	3,152.26
b)	Cash & bank balances *			68.21	68.21	0.10	0.10
c)	Others			14.62	14.62	11.93	11.93
				1,961.79	**1,961.79**	**3,271.58**	**3,271.58**

Financial Liabilities

Sl.No	Particulars		Fair value hierarchy	As at March 31, 2023		As at 3/31/2022	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial liability designated at amortised cost**	B					
	Non Current						
	- Borrowings			869.96	869.96	1,307.23	1,307.23
	Current						
	Borrowings*			440.00	440.00	997.14	997.14
	Trade payables*			1,934.00	1,934.00	3,130.46	3,130.46
	Other financial liabilities*			113.68	113.68	28.49	28.49
				3,357.64	**3,357.64**	**5,463.32**	**5,463.32**

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

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

Fair value hierarchy

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

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

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

SS KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

Notes to the financial statements for the year ended March 31, 2023

(₹ in lakh)

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

	As at March 31, 2023	As at 3/31/2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	725.40	704.35
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprises (Development) Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-
Total	-	-

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

51 Reconciliation Of Quarterly Bank Returns

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly returns	Amount of Difference
HDFC Bank	Inventory	31-March-2023	1,270.90	1,270.92	(0.02)
	Debtors	31-March-2023	1,866.56	1,750.44	116.12
	Creditors	31-March-2023	(1,934.00)	(1,555.26)	(378.74)
	Net Total	**31-March-2023**	**1,203.46**	**1,466.10**	**(262.64)**
	Inventory	31-December-2022	1,139.16	1,139.19	(0.03)
	Debtors	31-December-2022	2,844.33	2,012.33	832.00
	Creditors	31-December-2022	(2,926.58)	(2,403.85)	(522.73)
	Net Total	**31-December-2022**	**1,056.91**	**747.67**	**309.24**
	Inventory	30-September-2022	1,831.67	1,828.46	3.21
	Debtors	30-September-2022	2,153.87	1,914.66	239.21
	Creditors	30-September-2022	(2,500.29)	(2,140.74)	(359.55)
	Net Total	**30-September-2022**	**1,485.25**	**1,602.38**	**(117.13)**
	Inventory	30-June-2022	1,340.31	1,339.84	0.47
	Debtors	30-June-2022	3,112.12	2,240.93	871.19
	Creditors	30-June-2022	(2,948.39)	(2,013.36)	(935.03)
	Net Total	**30-June-2022**	**1,504.04**	**1,567.41**	**(63.37)**

Note for discripencies:

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

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

SS KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

52 Other Statutory Information

i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
ii)The Company does not have any transactions with companies struck off Company.
iii)The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
iv)The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
v) The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.
vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

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

As per our report of even date

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

AMIT GOEL
Partner
Membership No. 500607

Place: New Delhi
Date: 29-MAY-2023

For and on behalf of
RHI Magnesita Seven Refractories Limited

Parmod Sagar
Director
DIN: 06500871

Vijaya Gupta
Director
DIN: 06435747

Ayush Jain
Company Secretary
PAN: BBSPJ6018F

Sanat Ganguli
Manager
PAN: ANUPG6508L