

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of RHI Magnesita India Limited

Report on the Audit of Standalone Financial Results

Opinion

1. We have audited the Standalone Financial Results of RHI Magnesita India Limited (hereinafter referred to as the 'Company') for the year ended March 31, 2024 and the Standalone Statement of Assets and Liabilities and the Standalone Statement of Cash Flows as at and for the year ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations') which has been initialled by us for identification purposes.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of Loss after tax and Other Comprehensive Income and other financial information of the Company for the year ended March 31, 2024 and the Standalone Statement of Assets and Liabilities and the Standalone Statement of Cash Flows as at and for the year ended on that date.

Basis for Opinion

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



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

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4. These Standalone Financial Results have been prepared on the basis of the Standalone Financial Statements. The Company's Board of Directors are responsible for the preparation and presentation of these Standalone Financial Results that give a true and fair view of the Loss after tax and Other Comprehensive Income and other financial information of the Company and the Standalone Statement of Assets and Liabilities and the Standalone Statement of Cash Flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Standalone Financial Results by the Directors of the Company, as aforesaid.

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

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

8. 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 Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 11 below).
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of RHI Magnesita India Limited
Report on the Standalone Financial Results

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- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance of the Company 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.

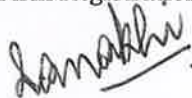
Other Matters

10. The Standalone Financial Results include the results for the quarter ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.
11. The Standalone Financial Results dealt with by this report has been prepared for the express purpose of filing with BSE Limited and National Stock Exchange of India Limited. These results are based on and should be read with the audited Standalone Financial Statements of the Company for the year ended March 31, 2024 on which we issued an unmodified audit opinion vide our report dated May 29, 2024.

Our opinion is not modified in respect of the above matters.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016



Abhishek Rara

Partner

Membership Number: 077779

UDIN: 24077779BK EHV49966

Place: GURUGRAM

Date: May 29, 2024

RHI MAGNESITA INDIA LIMITED

CIN : L28113MH2010PLC312871

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

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Audited Standalone Financial Results for the Quarter and Year ended March 31, 2024



Particulars	Quarter ended March 31, 2024	Quarter ended December 31, 2023	Quarter ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
	(Audited)*	(Unaudited)	(Audited)*	(Audited)	(Audited)
Income					
Revenue from operations	73,623.29	69,241.16	64,028.24	282,409.45	248,836.87
Other income	244.36	119.54	520.53	742.89	1,303.98
Total income	73,867.65	69,360.70	64,548.77	283,152.34	250,140.85
Expenses					
Cost of raw materials and components consumed	23,893.48	21,549.48	24,153.61	99,328.07	90,061.71
Purchases of stock-in-trade (traded goods)	10,184.18	15,141.64	17,811.97	64,491.48	70,205.85
Changes in inventories of finished goods, work-in-progress and stock-in-trade (traded goods)	9,955.61	6,562.13	(77.05)	11,072.11	(2,462.77)
Employee benefits expense	5,849.51	6,475.70	5,279.56	23,059.01	17,069.48
Finance costs	509.96	302.41	1,481.14	1,603.10	2,060.72
Depreciation and amortisation expense	1,728.39	1,866.87	1,340.90	6,814.85	4,177.88
Other expenses	10,970.12	10,549.53	11,472.31	42,406.30	37,444.28
Total expenses	63,091.25	62,447.76	61,462.44	248,774.92	218,557.15
Profit before exceptional items and tax	10,776.40	6,912.94	3,086.33	34,377.42	31,583.70
Exceptional item					
Impairment of investment in a subsidiary (refer note 9)	30,936.00	-	66,068.22	30,936.00	66,068.22
(Loss)/Profit before tax	(20,159.60)	6,912.94	(62,981.89)	3,441.42	(34,484.52)
Income tax expense:					
- Current tax	2,463.81	1,929.07	242.65	8,790.66	7,760.47
- Deferred tax	509.78	(153.43)	631.06	319.55	347.34
- (Excess) / Short provision for tax relating to prior years	(131.27)	-	-	(131.27)	86.66
Total tax expense	2,842.32	1,775.64	873.71	8,978.94	8,194.47
(Loss)/Profit for the period/year	(23,001.92)	5,137.30	(63,855.60)	(5,537.52)	(42,678.99)
Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
- Remeasurement of the defined benefit plans	(53.82)	110.30	(176.63)	(7.64)	(54.86)
- Income tax relating to the above	13.54	(27.76)	44.46	1.92	13.81
Other comprehensive (loss)/income for the period/year, net of tax	(40.28)	82.54	(132.19)	(5.72)	(41.05)
Total comprehensive (loss)/income for the period/year	(23,042.20)	5,219.84	(63,987.79)	(5,543.24)	(42,720.04)
Paid up equity share capital (Face Value of Re. 1 per share)	2,065.01	2,065.01	1,879.96	2,065.01	1,879.96
Basic (loss)/earning per equity share (Face value of Re 1 each share) (Rs.)	(11.14)	2.49	(34.18)	(2.69)	(25.50)
Diluted (loss)/earning per equity share (Face value of Re 1 each share) (Rs.)	(11.14)	2.49	(34.18)	(2.69)	(25.50)

* Refer note 2



RHI MAGNESITA INDIA LIMITED

CIN : L28113MH2010PLC312871

Audited Standalone Statement of Assets and Liabilities as at March 31, 2024

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

Particulars	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	39,842.37	41,420.84
Right-of-use assets	10,928.96	8,233.95
Capital work-in-progress	3,402.34	2,746.85
Goodwill	31,091.69	36,724.63
Other intangible assets	20,236.31	16,621.48
Financial assets		
(i) Investments	186,491.63	171,789.27
(ii) Other financial assets	745.21	543.63
Other non-current assets	2,570.12	2,896.19
Total non-current assets	295,308.63	280,976.84
Current assets		
Inventories	61,943.15	63,389.81
Financial assets		
(i) Trade receivables	70,140.98	51,124.50
(ii) Cash and cash equivalents	3,215.62	11,949.34
(iii) Bank balances other than (ii) above	246.80	290.38
(iv) Other financial assets	1,278.07	44.54
Contract assets	20,995.38	26,821.82
Other current assets	9,145.08	9,020.05
Total current assets	166,965.08	162,640.44
Total assets	462,273.71	443,617.28
Equity and liabilities		
Equity		
Equity share capital	2,065.01	1,879.96
Other equity	388,094.44	290,955.40
Equity attributable to the owners of RHI Magnesita India Limited	390,159.45	292,835.36
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	3,835.16	983.28
Deferred tax liabilities (net)	1,709.49	2,590.17
Other non-current liabilities	190.77	158.08
Total non-current liabilities	5,735.42	3,731.53
Current liabilities		
Financial liabilities		
(i) Borrowings	7,085.31	60,655.04
(ii) Lease liabilities	194.45	159.29
(iii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	5,592.43	6,571.16
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	43,885.47	57,925.52
(iv) Other financial liabilities	4,019.83	17,679.44
Contract liabilities	315.96	728.38
Provisions	37.98	233.55
Employee benefit obligations	2,294.99	1,793.91
Other current liabilities	2,952.42	1,304.10
Total current liabilities	66,378.84	147,050.39
Total liabilities	72,114.26	150,781.92
Total equity and liabilities	462,273.71	443,617.28



RHI MAGNESITA INDIA LIMITED
CIN : L28113MH2010PLC312871
Audited Standalone Statement of Cash Flows for the Year ended March 31, 2024

Particulars	(All amount in Rs. Lacs, unless otherwise stated)	
	Year ended 31 March, 2024	Year ended 31 March, 2023
A. Cash flow from operating activities		
Profit/(Loss) before tax	3,441.42	(34,484.52)
Adjustments for:		
Depreciation and amortisation expense	6,814.85	4,177.88
Interest income	(255.22)	(433.05)
Net gain on retirement of right-of-use asset (refer note 3(b))	(96.28)	-
Allowance/(writeback) for doubtful export incentives receivable (Net)	11.53	-
Allowance for doubtful debts - trade receivables (Net)	440.58	(56.34)
Allowance for doubtful debts - contract assets (Net)	504.13	(19.06)
Impairment of investment in a subsidiary	30,936.00	66,068.22
Liabilities / provisions no longer required written back	-	(108.56)
Bad debts written off	593.22	1,020.36
Finance costs	1,603.10	2,060.72
Loss on property, plant and equipment sold / scrapped (Net)	736.54	120.90
Net unrealised foreign exchange (loss)	312.98	366.89
Impairment loss /(reversal) on capital work-in-progress	110.67	(81.75)
Operating profit before working capital changes	45,153.52	38,631.69
Changes in operating assets and liabilities		
Decrease in inventories	1,594.62	4,179.57
(Increase) / Decrease in trade receivables	(19,970.06)	4,829.94
(Increase) / Decrease in other financial assets - current	(1,225.87)	4.38
(Increase) in other current assets	(139.12)	(2,714.84)
Decrease / (Increase) in contract assets	5,322.31	(13,038.49)
(Increase) / Decrease in other other financial assets-non-current	(376.80)	87.01
Decrease in other non-current assets	(115.13)	420.39
(Decrease) / Increase in trade payables	(15,442.36)	10,939.55
Increase in other financial liabilities	686.17	631.42
Increase in employee benefit obligations	493.44	459.88
Increase in other non current liabilities	32.69	10.92
(Decrease) / Increase in contract liabilities	(412.42)	101.74
Increase in other current liabilities	1,648.32	227.57
(Decrease) in provisions	(195.57)	(57.53)
Cash generated from operations	17,053.74	44,713.20
Income tax paid (Net)	(8,361.62)	(9,611.71)
Net cash inflow from operating activities (A)	8,692.12	35,101.49
B. Cash flows from investing activities		
Investment in National Saving Certificate	-	(0.52)
Payment for acquisition of business (Refer note 40)	(14,588.00)	(73,407.01)
Investment in Subsidiary	(45,638.36)	-
Decrease / in other bank balances	174.92	806.23
Capital expenditure on property, plant and equipment and intangible assets	(5,274.91)	(4,755.68)
Proceeds from sale of property, plant and equipment and intangible assets	52.50	79.72
Interest received	248.78	436.85
Net cash outflow from investing activities (B)	(65,025.07)	(76,840.41)
C. Cash flows from financing activities		
Dividend paid on equity shares	(5,162.54)	(4,024.91)
Proceeds from Issue of Shares net of expenses and short term interest income	108,029.87	-
Proceeds from current borrowings	748.73	60,975.00
Repayment of current borrowings	(54,300.73)	(7,000.00)
Principal payment of lease liabilities	(125.65)	(146.25)
Interest payment of lease liabilities	(125.56)	(72.65)
Interest paid	(1,464.89)	(1,607.37)
Net cash inflow from financing activities (C)	47,599.23	48,123.82
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(8,733.72)	6,384.90
Cash and cash equivalents at the beginning of the year	11,949.34	5,564.44
Cash and cash equivalents at the end of the year	3,215.62	11,949.34
Non Cash investing activities		
- Acquisition of right-of-use-assets	3,878.05	731.87
- Shares issued under share swap agreement with Dalmia Bharat Refractories Limited	-	236,844.00



RHI MAGNESITA INDIA LIMITED
CIN : L28113MH2010PLC312871
Audited Standalone Statement of Cash Flows for the Year ended March 31, 2024

Particulars	(All amount in Rs. Lacs, unless otherwise stated)	
	Year ended 31 March, 2024	Year ended 31 March, 2023
Cash and cash equivalent included in the cash flow statement comprise of the following:		
Balances with banks		
- in current accounts	2,213.06	7,945.88
Deposits with original maturity of less than three months	1,000.00	4,000.00
Cash on hand	2.56	3.46
	3,215.62	11,949.34



1. The above Audited Standalone Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 29, 2024.

2. These Audited Standalone Financial Results include the results for the quarter ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year and the unaudited year to date figures up to the third quarter of the current financial year.

3. On October 18, 2022, the Board of Directors of the Company approved the acquisition of the refractory business of Hi-Tech Chemicals Limited by way of a slump sale on a going concern basis and executed the Business Transfer Agreement (BTA). The Company has completed the acquisition of the refractory business on January 31, 2023 for a cash consideration of Rs. 88,414.51 lacs. Acquired business primarily engaged in manufacturing and supply refractories, isostatically pressed ceramics, slide gate plates and other allied products and has manufacturing facility in Jamshedpur, Jharkhand. The previous period figures are accordingly not comparable.

This transaction has been accounted for as per acquisition method specified in Ind AS 103 and accordingly, the difference of Rs. 31,091.69 lacs between the purchase consideration of Rs. 88,414.51 lacs and fair value of net assets of Rs. 57,322.82 has been recognised as goodwill. Acquisition-related costs are expensed as incurred. The goodwill is attributable to the workforce and capability of the business to economies of scale expected from combining the operations resulting in increase in profitability of the acquired business. It will not be deductible for tax purpose.

4. On November 19, 2022, Dalmia Bharat Refractories Limited ('DBRL') entered into a business transfer agreement (BTA) with RHI Magnesita India Refractories Limited (formerly known as Dalmia OCI Limited) ('RHIMIRL') to transfer the entire Indian refractory business of DBRL to RHIMIRL. On November 19, 2022, the Company entered into a Share Swap Agreement with RHIMIRL and DBRL to acquire all outstanding shares of RHIMIRL. On January 04, 2023, the business transfer between DBRL and RHIMIRL was completed as per the terms and conditions of BTA. As per the share swap agreement, on January 05, 2023, the Company completed the purchase of 100% shareholding in RHIMIRL. The Company has discharged the consideration by issuance and allotment of 27,000,000 fresh equity shares of the Company to DBRL amounting to Rs. 236,844.00 lacs. The shares have been issued by the Company at the market rate of January 05, 2023 of Rs. 877.20 per share. The issuance of equity shares has resulted in increase in equity share capital by Rs. 270 lacs consisting of 27,000,000 equity shares of Re. 1 each. The difference between the consideration and the increase in equity share capital is recorded as securities premium of Rs. 236,574.00 lacs.

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

As part of this acquisition the Company has also acquired indirectly 51% share holding in RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) ('RHIMSRL'). Also refer note 9 below.

5. On April 21, 2023, the Company's 100% subsidiary, RHIMIRL executed a Share Purchase Agreement (SPA) with Seven Refractories GMBH, Vienna for purchase of 49% paid up equity shares of its existing subsidiary RHIMSRL. On July 24, 2023, RHIMIRL has completed the purchase of 49% i.e. 98,00,000 equity shares having face value of Rs. 10/- each of RHIMSRL for a consideration amounting to Rs. 6,184.75 lacs. Consequently, RHIMSRL has become a 100% wholly owned subsidiary of RHIMIRL.

5. On May 08, 2023 and August 11, 2023, the Company has made further investment in RHIMIRL, a wholly owned subsidiary of the Company, by way of subscription of 16,975,051 and 5,072,464 equity shares of RHIMIRL, respectively, having face value of Rs. 10 each at a premium of Rs. 45,638.36 lacs on right issue basis. The purpose of subscription of equity shares of RHIMIRL by the Company was for repayment or pre-payment in full or in part of certain borrowings availed by RHIMIRL and investment in RHIMIRL's subsidiary i.e. RHIMSRIL.

7. On March 13, 2023, the shareholders of the Company approved the offering of equity shares of the Company pursuant to Qualified Institutional Placement in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (the 'Offering'). Pursuant to the Offering, on April 06, 2023, the Company has issued and allotted 5,715,034 equity shares of face value Re. 1 each at a issue price of Rs. 572.70 per equity share including a premium of Rs. 571.70 per equity share aggregating to Rs. 90,000 lacs. The Company has utilised the net proceeds from the Offering for the purpose of repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by the Company, investment into one of the Subsidiaries, RHIMIRL, for repayment or pre-payment, in full or in part, of certain borrowings availed by RHIMIRL and general corporate purposes.

3. On April 01, 2023, the Board of Directors approved a proposal to raise funds upto Rs. 20,000 lacs through issuance of Equity Shares on preferential basis to Dutch US Holding B.V., promoter of the Company, subject to the approval from Shareholders. On June 21, 2023, the Company has issued and allotted 2,790,061 equity shares of face value Re. 1 each at a issue price of Rs. 716.83 per equity share including a premium of Rs. 715.83 per equity share aggregating to Rs. 20,000 lacs. The Company has utilised the proceeds for repayment/ prepayment in full or in part of certain outstanding borrowings availed by the Company and interest thereupon, investment in one of its Subsidiary i.e. RHIMIRL and general corporate purposes.



Notes to Audited Standalone Financial Results:

9. During the quarter ended March 31, 2024, the Company basis its assessment of future business projections of its subsidiary i.e. RHIMIRL has recognised an exceptional item representing provision for impairment in the carrying value of its investments of Rs. 30,936 lacs (March 31, 2023: Rs. 66,068.22 lacs). The impairment loss has been calculated based on the cash flow projections determined using the discounted cash flow method. The management has computed the recoverable value by considering a discount rate of 12.30% (March 31, 2023: 13.5%) and terminal growth rate used in extrapolating cash flows beyond the planning period is 5% (March 31, 2023: 5%).
10. The Company is primarily engaged in the business of manufacturing refractories and monolithics. Based on the information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirement of Indian Accounting Standard (Ind AS) 108 on 'Operating Segment Reporting' notified under the Companies (Indian Accounting Standard) Rules, 2015.
11. The Board of Directors have proposed a dividend of Rs. 2.50 per share (250% on equity share of par value of Re 1) in the meeting held on May 29, 2024, which is subject to approval of the members of the Company in the Annual General Meeting.

Place : Gurugram
Date: May 29, 2024



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


Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of RHI Magnesita India Limited

Report on the Audit of Consolidated Financial Results

Opinion

1. We have audited the Consolidated Financial Results of RHI Magnesita India Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") (Refer note 2 to the Consolidated Annual Financial Results) for the year ended March 31, 2024 and the Consolidated Statement of Assets and Liabilities and the Consolidated Statement of Cash Flows as at and for the year ended on that date, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') which has been initialled by us for identification purposes.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries, the aforesaid Consolidated Financial Results:
 - (i) include the annual financial results of the following entities:
 - International Engineers (India) Private Limited
 - RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited)
 - RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited)
 - (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - (iii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of Loss after tax and Other Comprehensive Income and other financial information of the Group for the year ended March 31, 2024 and the Consolidated Statement of Assets and Liabilities and the Consolidated Statement of Cash Flows as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (Sas) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Results' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph 11 below, is sufficient and appropriate to provide a basis for our opinion.



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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of RHI Magnesita India Limited
Report on the Consolidated Financial Results

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Board of Directors' Responsibilities for the Consolidated Financial Results

4. These Consolidated Financial Results have been prepared on the basis of the Consolidated Financial Statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Results that give a true and fair view of the Loss after tax and Other Comprehensive Income and other financial information of the Group and the Consolidated Statement of Assets and Liabilities and the Consolidated Statement of Cash Flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial results by the Directors of the Holding Company, as aforesaid.
5. In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

7. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Results.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Consolidated Financial Results, 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.



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of RHI Magnesita India Limited

Report on the Consolidated Financial Results

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 13 below).
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
9. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. 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.
10. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

11. We did not audit the financial results of two subsidiaries included in the Consolidated Financial Results, whose financial results reflect Total Assets of Rs. 7,222.43 lacs and net assets of Rs. 4,244.10 lacs as at March 31, 2024, total revenues of Rs. 10,761.84 lacs, total net profit after tax of Rs. 759.65, and total comprehensive income of Rs. 753.11 lacs for the for the year ended March 31, 2024, and cash flows (net) of Rs. 57.70 lacs for the year ended March 31, 2024, as considered in the Consolidated Financial Results. These financial results have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 10 above.



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of RHI Magnesita India Limited

Report on the Consolidated Financial Results

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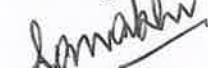
Our opinion on the Consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results certified by the Board of Directors.

12. The Consolidated Financial Results include the results for the quarter ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.
13. The Consolidated Financial Results dealt with by this report have been prepared for the express purpose of filing with BSE Limited and National Stock Exchange of India Limited. These results are based on and should be read with the audited Consolidated Financial Statements of the Group for the year ended March 31, 2024 on which we have issued an unmodified audit opinion vide our report dated May 29, 2024.

Our opinion is not modified in respect of the above matters.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016


Abhishek Rara

Partner

Membership Number: 077779

UDIN: 24077779BKEHVH3592

Place: Gurugram

Date: May 29, 2024

RHI MAGNESITA INDIA LIMITED

CIN : L28113MH2010PLC312871

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

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Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2024

Particulars	(All amount in Rs. Lacs, unless otherwise stated)			
	Quarter ended March 31, 2024 (Audited)*	Quarter ended December 31, 2023 (Unaudited)	Quarter ended March 31, 2023 (Audited)*	Year ended March 31, 2023 (Audited)
Income				
Revenue from operations	94,329.37	92,294.24	87,478.43	272,626.65
Other income	418.58	138.79	650.80	1,487.62
Total income	94,747.95	92,433.03	88,129.23	274,114.27
Expenses				
Cost of raw materials and components consumed	32,114.98	32,338.12	37,156.49	103,269.24
Purchases of stock-in-trade (traded goods)	11,595.28	15,204.74	18,806.26	71,200.15
Changes in inventories of finished goods, work-in-progress and stock-in-trade (traded)	10,223.83	7,734.60	(1,372.45)	(3,776.14)
Employee benefits expense	9,332.11	9,965.58	8,552.54	20,379.59
Finance costs	1,345.80	1,613.38	3,367.16	3,946.74
Depreciation and amortisation expense	4,427.55	4,815.67	4,239.20	7,090.06
Other expenses	16,232.45	15,372.50	19,636.36	45,566.37
Total expenses	85,272.00	87,044.59	90,385.56	247,676.01
Profit/(Loss) before exceptional items and tax	9,475.95	5,388.44	(2,256.33)	26,438.26
Exceptional item				
Impairment loss of Goodwill (refer note 10)	32,577.63	-	66,068.22	66,068.22
(Loss) / Profit before tax	(23,101.68)	5,388.44	(68,324.55)	(39,629.96)
Income tax expense:				
- Current tax	2,532.30	1,969.93	256.97	7,857.69
- Deferred tax	278.51	(516.63)	(690.64)	(1,007.50)
- (Excess)/Short provision for tax relating to prior years	(122.51)	(3.33)	-	85.07
Total tax expense	2,688.30	1,449.97	(433.67)	6,935.26
(Loss)/Profit for the period/year	(25,789.98)	3,938.47	(67,890.88)	(46,565.22)
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
- Remeasurement of the defined benefit plans	(214.87)	39.93	(146.77)	(25.75)
- Income tax relating to the above	54.07	(10.04)	36.95	6.49
Other comprehensive (loss)/income for the period/year, net of tax	(160.80)	29.89	(109.82)	(19.26)
Total comprehensive (loss)/income for the period/year	(25,950.78)	3,968.36	(68,000.70)	(46,584.48)
(Loss)/Profit attributable to:				
Owner of the parent	(25,789.98)	3,938.47	(67,936.20)	(46,610.54)
Non-Controlling Interest	-	-	45.32	45.32
Other Comprehensive Income/(Loss) attributable to:				
Owner of the parent	(160.80)	29.89	(110.00)	(19.44)
Non-Controlling Interest	-	-	0.18	0.18
Total comprehensive Income/(Loss) attributable to:				
Owner of the parent	(25,950.78)	3,968.36	(68,046.20)	(46,629.98)
Non-Controlling Interest	-	-	45.50	45.50
Paid up equity share capital (Face Value of Re. 1 per share)	2,065.01	2,065.01	1,879.96	1,879.96
Basic (loss)/earnings per equity share (Face value of Re. 1 each share)	(12.49)	1.92	(36.37)	(27.85)
Diluted (loss)/earnings per equity share (Face value of Re. 1 each share)	(12.49)	1.92	(36.37)	(27.85)

* Refer note 3



RHI MAGNESITA INDIA LIMITED

CIN : L28113MH2010PLC312871

Audited Consolidated Statement of Assets and Liabilities as at March 31, 2024

Particulars	(All amount in Rs. Lacs, unless otherwise stated)	
	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	65,062.70	68,797.13
Right-of-use assets	21,955.51	19,591.54
Capital work-in-progress	4,875.94	3,933.93
Goodwill	86,717.12	128,350.94
Intangible assets	106,777.57	109,079.86
Financial assets		
(i) Investments	0.97	0.97
(ii) Other financial assets	1,132.39	556.12
Deferred tax assets (net)	2,159.25	-
Other non-current assets	3,055.39	3,253.71
Total non-current assets	291,736.84	333,564.20
Current assets		
Inventories	90,531.84	95,619.88
Financial assets		
(i) Trade receivables	81,690.50	75,560.10
(ii) Cash and cash equivalents	5,003.29	32,241.96
(iii) Bank balances other than (ii) above	322.71	366.69
(iv) Other financial assets	169.54	734.48
Contract assets	25,219.68	28,904.37
Other current assets	16,879.31	21,063.06
Total current assets	219,816.87	254,490.54
Total assets	511,553.71	588,054.74
Equity and liabilities		
Equity		
Equity share capital	2,065.01	1,879.96
Other equity	382,507.07	287,223.50
Equity attributable to the owners of RHI Magnesita India Limited	384,572.08	289,103.46
Non Controlling interest	-	8,935.50
Total equity	384,572.08	298,038.96
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	23,707.56	24,192.82
(ii) Lease liabilities	11,491.22	8,628.63
Provisions	286.46	281.07
Employee benefit obligations	1,045.29	871.46
Deferred tax liabilities (net)	1,813.04	5,126.90
Other non-current liabilities	190.77	158.08
Total non-current liabilities	38,534.34	39,258.96
Current liabilities		
Financial liabilities		
(i) Borrowings	12,550.91	125,072.71
(ii) Lease liabilities	915.95	1,036.20
(iii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	8,441.60	9,457.46
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	49,840.04	74,922.75
(iv) Other financial liabilities	6,374.75	30,086.98
Contract liabilities	797.72	3,146.75
Provisions	38.77	233.55
Employee benefit obligations	2,673.53	1,992.07
Current tax liabilities	2.65	-
Other current liabilities	6,811.37	4,808.35
Total current liabilities	88,447.29	250,756.82
Total liabilities	126,981.63	290,015.78
Total equity and liabilities	511,553.71	588,054.74



RHI MAGNESITA INDIA LIMITED
CIN : L28113MH2010PLC312871
Audited Consolidated Statement of Cash Flows for the year ended March 31, 2024

Particulars	(All amount in Rs. Lacs, unless otherwise stated)	
	Year ended March 31, 2024	Year ended March 31, 2023
	(Audited)	(Audited)
Cash flow from operating activities		
(Loss) before tax	(1,550.59)	(39,629.96)
Adjustments for:		
Depreciation and amortisation expense	18,248.56	7,090.06
Interest income	(407.86)	(521.59)
Gain on retirement of right-of-use asset	(96.28)	-
Allowance for doubtful debts - trade receivables (Net)	685.54	96.03
Allowance for doubtful debts - contract assets (Net)	504.13	(19.07)
Allowance for doubtful export incentives receivable (Net)	11.53	-
Amortisation of mines	1,118.92	-
Impairment of goodwill	32,577.63	66,068.22
Liabilities/ provisions no longer required written back	(134.19)	(108.76)
Bad debts written off	975.71	1,020.35
Finance costs	6,415.32	3,946.74
Loss on property, plant and equipment sold / scrapped (Net)	730.21	45.21
Net unrealised foreign exchange (loss)	404.94	9.01
Impairment loss / (reversal) on capital work-in-progress	110.67	(81.75)
Operating profit before working capital changes	59,594.24	37,914.49
Changes in operating assets and liabilities		
Decrease in inventories	5,236.00	8,772.42
(Increase) / Decrease in trade receivables	(7,711.43)	12,276.66
Decrease / (Increase) in other financial assets - current	544.35	(9,281.41)
Decrease / (Increase) in other current assets	1,850.74	(3,442.32)
Decrease / (Increase) in contract assets	3,180.56	(18,902.22)
(Increase) in other financial assets - non-current	(577.49)	(272.76)
(Increase) in other non-current assets	(85.12)	(60.23)
(Decrease) in trade payables	(26,387.96)	(7,960.16)
(Decrease) / Increase in other financial liabilities - current	(227.77)	12,779.72
Increase in employee benefit obligations	678.21	1,523.70
Increase in other liabilities - non current	32.69	10.92
(Decrease) / Increase in contract liabilities	(2,107.42)	2,500.22
Increase / (Decrease) in other current liabilities	1,761.41	20.31
(Decrease) in provisions	(189.39)	(2,212.10)
Cash generated from operations	35,591.62	33,667.24
Income tax paid (Net)	(8,531.64)	(9,840.83)
Net cash inflow from operating activities (A)	27,059.98	23,826.41
Cash flows from investing activities		
Investment in National Saving Certificate	-	(0.52)
Payment for acquisition of business	(23,668.00)	(112,430.31)
Decrease in other bank balances	0.40	1,183.69
Capital expenditure on property, plant and equipment and intangible assets	(8,214.39)	(4,516.73)
Proceeds from sale of property, plant and equipment and intangible assets	210.06	289.71
Interest received	428.15	475.64
Net cash outflow from investing activities (B)	(31,243.78)	(114,998.52)
Cash flows from financing activities		
Dividend paid on equity shares	(5,162.54)	(4,024.91)
Proceeds from Issue of Shares net of expenses and short term interest income	108,029.87	-
Proceeds from borrowings	748.73	132,438.37
Repayment of current borrowings	(114,870.39)	(7,131.39)
Purchase of Minority Interest in RHI Magnesita Seven Refractories Limited (Subsidiary Company)	(6,184.75)	-
Principal payment of lease liabilities	(233.26)	(621.92)
Interest payment of lease liabilities	(763.80)	(229.10)
Interest paid	(4,618.73)	(3,238.00)
Net cash (outflow) / inflow from financing activities (C)	(23,054.87)	117,193.05
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(27,238.67)	26,020.94
Cash and cash equivalents at the beginning of the year	32,241.96	6,221.02
Cash and cash equivalents at the end of the year	5,003.29	32,241.96



RHI MAGNESITA INDIA LIMITED
CIN : L28113MH2010PLC312871
Audited Consolidated Statement of Cash Flows for the year ended March 31, 2024

Particulars	(All amount in Rs. Lacs, unless otherwise stated)	
	Year ended March 31, 2024	Year ended March 31, 2023
	(Audited)	(Audited)
Non Cash investing activities		
- Acquisition of right-of-use-assets	3,881.71	1,250.88
- Shares issued under share swap agreement with Dalmia Bharat	-	236,844.00
Cash and cash equivalent included in the cash flow statement		
Balances with banks		
- in current accounts	2,900.60	8,257.97
Deposits with original maturity of less than three months	2,100.00	23,980.00
Cash on hand	2.69	3.79
Gold coins/ Silver Coins/ Stamps	-	0.20
	5,003.29	32,241.96



Notes to Audited Consolidated Financial Results:

1. The above Audited Consolidated Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 29, 2024.
2. The audited Consolidated Financial Results includes financial results of RHI Magnesita India Private Limited" (the 'IEIPL'), RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited) ('RHIMIRL'), RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) ('RHIMSRL') together referred as "the Group". The Company has completed the acquisition of the refractory business of Hi-Tech Chemicals Limited on January 05, 2023. Accordingly, the previous period figures are not comparable.
3. These Audited Consolidated Financial Results include the results for the quarter ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year and the unaudited year to date figures up to the third quarter of the current financial year.
4. On October 18, 2022, the Board of Directors of the Company approved the acquisition of the refractory business of Hi-Tech Chemicals Limited by way of a slump sale on a going concern basis and executed the Business Transfer Agreement (BTA). The Company has completed the acquisition of the refractory business on January 31, 2023 for a cash consideration of Rs. 88,414.51 lacs. Acquired business primarily engaged in manufacturing and supply refractories, isostatically pressed ceramics, slide gate plates and other allied products and has manufacturing facility in Jamshedpur, Jharkhand. Accordingly, the previous period figures are accordingly not comparable.

This transaction has been accounted for as per acquisition method specified in Ind AS 103 and accordingly, the difference of Rs. 31,091.69 lacs between the purchase consideration of Rs. 88,414.51 lacs and fair value of net assets of Rs. 57,322.82 lacs has been recognised as goodwill. Acquisition-related costs are expensed as incurred. The goodwill is attributable to the workforce and capability of the business to economies of scale expected from combining the operations resulting in increase in profitability of the acquired business. It will not be deductible for tax purpose.
5. On November 19, 2022, Dalmia Bharat Refractories Limited ('DBRL') entered into a business transfer agreement (BTA) with RHIMIRL to transfer the entire Indian refractory business of DBRL to RHIMIRL. On November 19, 2022, the Company entered into a Share Swap Agreement with RHIMIRL and DBRL to acquire all outstanding shares of RHIMIRL. On January 04, 2023, the business transfer between DBRL and RHIMIRL was completed as per the terms and conditions of BTA. As per the share swap agreement, on January 05, 2023, the Company completed the purchase of 100% shareholding in RHIMIRL. The Company has discharged the consideration by issuance and allotment of 27,000,000 fresh equity shares of the Company to DBRL amounting to Rs. 236,844.00 lacs. The shares have been issued by the Company at the market rate of January 05, 2023 of Rs. 877.20 per share. The issuance of equity shares has resulted in increase in equity share capital by Rs. 270 lacs consisting of 27,000,000 equity shares of Re. 1 each. The difference between the consideration and the increase in equity share capital is recorded as securities premium of Rs. 236,574.00 lacs. As part of this acquisition the Company has also acquired indirectly 51% share holding in RHIMSRL.
- Acquired business primarily engaged in manufacturing and supply of Castables, pre-cast shapes like lances, snorkels, other refractory products and supplying to core industries namely cement, steel and others and have five manufacturing facilities.

This transaction has been accounted for as per the acquisition method specified in Ind AS 103 and accordingly, the difference of Rs. 154,271.28 lacs between the purchase consideration of Rs. 285,253.22 lacs and fair value of net assets of Rs. 130,981.94 lacs has been recognised as goodwill. Acquisition-related costs are expensed as incurred. The goodwill is attributable to the workforce and capability of the business to economies of scale expected from combining the operations resulting in increase in profitability of the acquired business. It will not be deductible for tax purpose. Also refer note 10 below.
6. On April 21, 2023, the Company's 100% subsidiary, RHIMIRL executed a Share Purchase Agreement (SPA) with Seven Refractories GMBH, Vienna for purchase of 49% paid up equity shares of its existing subsidiary RHIMSRL. On July 24, 2023, RHIMIRL has completed the purchase of 49% i.e. 98,00,000 equity shares having face value of Rs. 10/- each of RHIMSRL for a consideration amounting to Rs. 6,184.75 lacs. Consequently, RHIMSRL has become the 100% wholly owned subsidiary of RHIMIRL.
7. On May 08, 2023 and August 11, 2023, the Company has made further investment in RHIMIRL, a wholly owned subsidiary of the Company, by way of subscription of 16,975,051 and 5,072,464 equity shares of RHIMIRL, respectively, having face value of Rs. 10 each at a premium of Rs. 197 each for an amount aggregating to Rs. 45,638.36 lacs on right issue basis. The purpose of subscription of equity shares of RHIMIRL by the Company was for repayment or pre-payment in full or in part of certain borrowings availed by RHIMIRL and further investment in its subsidiary, RHIMSRL.
8. On March 13, 2023, the shareholders of the Company approved the offering of equity shares of the Company pursuant to Qualified Institutional Placement in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (the 'Offering'). Pursuant to the Offering, on April 06, 2023, the Company has issued and allotted 15,715,034 equity shares of face value Re. 1 each at a issue price of Rs. 572.70 per equity share including a premium of Rs. 571.70 per equity share aggregating to Rs. 90,000 lacs. The Company has utilised the net proceeds from the Offering for the purpose of repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by the Company, investment into one of its Subsidiaries, RHIMIRL, for repayment or pre-payment, in full or in part, of certain borrowings availed by RHIMIRL and general corporate purposes.



Notes to Audited Consolidated Financial Results:

9. On April 01, 2023, the Board of Directors approved a proposal to raise funds upto Rs. 20,000 lacs through issuance of Equity Shares on preferential basis to Dutch US Holding B.V., promoter of the Company, subject to the approval from Shareholders. On June 21, 2023, the Company has issued and allotted 2,790,061 equity shares of face value Re. 1 each at a issue price of Rs. 716.83 per equity share aggregating to Rs. 20,000 lacs. The Company has utilised the proceeds for repayment/ prepayment in full or in part of certain outstanding borrowings availed by the Company and interest thereupon, investment in one of its Subsidiary i.e. RHIMIRL and general corporate purposes.

10. During the quarter ended March 31, 2024, the Company basis its assessment of future business projections of its subsidiary i.e. RHIMIRL and RHIMSRL has recognised an exceptional item representing provision for impairment in the carrying value of its goodwill of Rs. 32,577.63 lacs (March 31, 2023: Rs. 66,068.22 lacs). The impairment loss has been calculated based on the cash flow projections determined using the discounted cash flow method. The management has computed the recoverable value by considering a discount rate of 12.30% (March 31, 2023: 13.5%) and terminal growth rate used in extrapolating cash flows beyond the planning period is 5% (March 31, 2023: 5%).

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

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


This does not have any material impact on the Audited Consolidated Financial Results.

12. The Group is primarily engaged in the business of manufacturing refractories and monolithics. Based on the information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirement of Indian Accounting Standard (Ind AS) 108 on 'Operating Segment Reporting' notified under the Companies (Indian Accounting Standard) Rules, 2015.

13. The Board of Directors have proposed a dividend of Rs. 2.50 per share (250% on equity share of par value of Re 1) in the meeting held on May 29, 2024, which is subject to approval of the members of the Company in the Annual General Meeting.

**Place : Gurugram
Date: May 29, 2024**

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


Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

