RHI MAGNESITA

Resilient Growth

Annual Report 2023-24
RHI Magnesita India Limited

Resilient growth

In the dynamic landscape of today's world, the theme of resilient growth is more pertinent than ever. This annual report highlights how our organisation has not only navigated through challenges but has also emerged stronger and more innovative.

For RHI Magnesita India, resilient growth is about delivering returns on a sustainable basis by our ability to adapt and innovate. As a market leader in the refractory industry, our commitment to create value has remained steadfast irrespective of the market conditions and unprecedented global events.

Our journey over the past year is a testament to the strength and determination of our team. We have embraced change, leveraged new opportunities, and continued to deliver value to our stakeholders.

At RHI Magnesita India, we will continue to invest in our people, processes, and technologies to continue our upwards growth journey.

By adapting to the external environment, formulating strategies and learning from every experience, we have built a robust foundation that will support our future endeavours.

Together, we RISE and continue to create value for our shareholders, customers, partners, and communities we work with, and build a resilient and prosperous future.

We have embraced change, leveraged new opportunities, and continued to deliver value to our stakeholders.

Corporate Information

BOARD OF DIRECTORS
(as on 14 August 2024)

Independent Directors
Dr. Vijay Sharma, Chairman
Mr. Nazim Sheikh
Ms. Sonu Chadha
Mr. Kamal Sarda

Non-Executive Directors
Mr. Gustavo Lucio Goncalves Franco
Ms. Ticiana Kobel
Mr. Erwin Jankovits

Executive Director
Mr. Parmod Sagar, Managing Director & CEO

CHIEF FINANCIAL OFFICER
Ms. Vijaya Gupta (upto 30 April 2024)
Mr. Azim Syed (w.e.f. 1 May 2024)

COMPANY SECRETARY
Mr. Sanjay Kumar

STATUTORY AUDITORS
M/s. Price Waterhouse Chartered Accountants LLP

SECRETARIAL AUDITORS
M/s. Naresh Verma & Associates

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

INTERNAL AUDITORS
M/s. Chaturvedi & Partners

REGISTERED OFFICE
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Lodha Supremus,
Kanjurmarg Village Road,
Kanjurmarg (East),
Mumbai,
Maharashtra-400042
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E: corporate.india@RHIMagnesita.com
W: www.rhimagnesitaindia.com

CORPORATE IDENTITY NUMBER (CIN)
L28113MH2010PLC312871

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)
INE743M01012

BSE Limited
Stock Code: 534076

National Stock Exchange of India Limited
Stock Code: RHIM

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

WORKS

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

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

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

Jamshedpur Plant
M-20 (P), Vith Phase, Industrial
Area, Gamharia, Jamshedpur,
Jharkhand-832108

SHARE REGISTRAR AND TRANSFER AGENT
Skyline Financial Services Pvt. Ltd.
D-153 A, 1st Floor, Okhla Industrial Area,
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Chairman's Message

"It was a year of progress with attractive growth and resilient returns for RHI Magnesita India, as we remained committed to creating long-term value for our shareholders, customers, employees, and the communities we work with."

Dear Shareholders,

As we reflect on the past year, it is with great pride that I share with you the progress and achievements of RHI Magnesita India Limited (**"the Company"** or **"RHIM"** or **"RHIM India"**). Our journey has been marked by significant milestones and an unwavering commitment to excellence, even in the face of challenging market conditions. This annual report not only highlights our financial performance but also delves into the strategies and initiatives that drive our success. While the macro-economic outlook for the year 2023 remained subdued, it was a year of progress with attractive growth and resilient returns for RHIM India, as we remained committed to creating long-term value for our shareholders, customers, employees, and the communities at large.

Safety First — Our Core Value

RHIM India, this year has emphasized on creating a 'Safety First' culture across the organization — including manufacturing plants, customer locations, and employees working across various locations in India and the region. The objective has been three-fold - to review **incident and accident reporting standards**, followed by training for better reporting; to establish **machine safety standards** to reduce accidents; and to introduce **automation** in processes to reduce direct exposure of employees to hazards.

Your Company has taken various initiatives to engage all employees with the objective of imbibing the '**safety first**' culture. All employees are advised to proactively start any meeting, whether internal or external with a 'safety first' moment or thought.

We are confident that such initiatives, along with the proactive support from all employees will help in achieving the objective of ensuring a safe environment.

Attractive Growth & Resilient Returns

RHIM India's leading market presence and comprehensive product portfolio with core competence in Total Refractory Management and Services ensured sustained growth in the medium-term. Overall, the fiscal Year saw strong marketing condition in India, but global demand for refractories was subdued with a consequent impact on global pricing levels.

The successful integration of acquisitions of Dalmia OCL and Hi-Tech Chemicals resulted in the development of strong synergies that are reflected in our operations, as production and shipments grew year-on-year due to the contribution from acquired assets.

In the year ended 31 March 2024, your Company's revenue grew 38% year-on-year with consolidated income of ₹ 379,207 lacs, while adjusted EBITDA before one time and exceptional item stood at ₹ 57,825 lacs at 15.3 %.

The overall performance of your Company has been consistent with the expectations demonstrating a level of efficiency that is aligned with the strategic planning and operational aspirations.

New Business Vertical — Leveraging Synergies and Internal Expertise

The year 2023 also saw RHIM India setting up a new business vertical to service the iron-making industry. The new business vertical will support the industry through strategic partnerships to jointly address key challenges faced by the industry such as decarbonization, domestic refractory supply reliability and, productivity and performance improvement of the iron making plants.

The new vertical will enhance your Company's growth journey by leveraging synergies from acquisitions and, entering targeted areas where we are still underrepresented, such as iron making, DRI, pellets, and more. This vertical provides your Company with a wider product offering across all segments and enables cross-selling opportunities.

Doing Business Responsibly

As your Company continues its growth journey in the region, we have established a robust internal control system tailored to our business and industry. This system has supported in safeguarding the assets. Our RHIM Code of Conduct emphasizes ethical standards, and we train employees accordingly. Any reported ethical concerns undergo thorough investigation by our Internal Audit, Risk & Compliance team, ensuring that RHIM India continues to do business in a responsible and ethical manner.

Sustainability and Serving Our Communities at Large

As part of our commitment to environmental and social responsibility, we acknowledge the impact of our operations. To mitigate any risks, we have proactively implemented initiatives aimed at reducing our carbon footprint, optimizing resource utilization, and promoting social responsibility. We are pushing ahead to reach our recycling rate while maintaining value for our customers.

RHIM India strongly believes in the upliftment of the communities we live and work with. Your Company is committed to supporting vulnerable and underprivileged communities at large with a focus on their inclusive growth and empowerment. We operate a comprehensive community investment program in most of our key operational areas with each project aimed at bringing long-lasting social improvements.

It gives me immense pleasure to inform you that our CSR initiatives in FY24 have directly impacted the lives of more than 11,000 people with 20 major projects and approximately ₹ 587.77 lacs CSR spend during the year.

Thank you

I take this opportunity to express heartfelt gratitude to our shareholders, customers, employees, and partners for their unwavering support and commitment to our business. Additionally, I appreciate the valuable guidance and leadership provided by our Board of Directors.

I am confident that our business operations and fundamentals will continue to bring success to your organization including all employees, customers, and communities at large.

Dr. Vijay Sharma
Chairman

Managing Director & CEO's Message

"We have been well-positioned to capitalise on the anticipated growth trends in our key customer segments — steel & cement. To further enhance this growth, we have leveraged synergies from our recent acquisitions and strategically entered areas."

Dear Shareholders,

It is with great pride that I share with you the achievements and progress, marked by an attractive growth and resilient returns in the year 2023.

RHI Magnesita India Limited (**"the Company"** or **"RHIM"** or **"RHIM India"**) has demonstrated resilience and adaptability last year. Our strategic focus on innovation, sustainability, and operational excellence has positioned us as a leader in the industry. By leveraging our extensive expertise and cutting-edge technology, we have navigated market fluctuations and continued to deliver superior value to our stakeholders

Year of Integration & Industry Scenario

Year 2023 was a year of integration, during which we enhanced our foundation and streamlined business operations, resulting in attractive growth and resilient returns. Although demand in our export geographies remained subdued this quarter, our year-on-year growth was strong.

As per India Steel Industry Trend Report 2023, India experienced a healthy growth rate of 7.3% in steel production during 2023, outperforming the global growth rate of 2.3%. Cement production witnessed a 1.3% increase in December'2023 over the same month in 2022, contributing to the sector's growth. These positive trends reflect the resilience and potential of both sectors, driven by factors such as government investments, urbanization, and rising consumer demand.

We have been well-positioned to capitalize on the anticipated growth trends in our key customer segments — steel & cement. To further enhance this growth, we have leveraged synergies from our recent acquisitions and strategically entered areas where we are currently underrepresented, such as iron making, Direct Reduced Iron **(DRI)**, and pellets. RHIM India now has a compelling local - for - local market offer for blast furnace and coke oven projects. The vast majority of blast furnace and coke oven projects are facilitated by global OEMs with whom we have established relationships locally and globally. Our share is steadily increasing in DRI and pellets by leveraging our full-service solution package.

Our year-on-year shipment growth has been fueled by contributions from the acquired assets, resulting in a higher top line. Additionally, margins at RHI Magnesita India Refractories Limited (formerly Dalmia OCL Limited) have significantly improved, reflecting operational efficiency.

Our resilient performance last year is based on our strong fundamentals: market leadership position; local-for-local manufacturing strategy — (Make in India); recent acquisitions that create a balanced portfolio of refractory products and a strong platform for growth; India being a highest growth market globally for refractories; strong cash generation with access to capital for further growth and expansion; opportunity to increase regional exports from the India manufacturing hub and the backing of RHI Magnesita Group which provides technology, R&D, a global product range, raw material purchasing benefits and supply security integration.

As part of our strategic macro view, to enhance our market share in the industrial and iron-making sectors by diversifying our product offerings and leveraging synergies from recent acquisitions, we are proactively consolidating our operations to improve internal efficiency. Additionally, this year we have strategically combined organic and inorganic growth initiatives, resulting in higher production, increased shipments, and a more diverse product portfolio.

Whilst India market is growing, the macro-economic environment globally is contracting — the steel and cement production over the last few years have been declining and this has impacted our exports. Furthermore, decision to step away of our business in the sanctioned jurisdiction restricted our potential to realize some of our business case in the acquired business.

Committed to Safety, Sustainability & Diversity

"Safety first" has been a key focus area for RHIM India, and our steadfast commitment to safety has not only been validated but celebrated by our customers. The Company is proud to have been recognized for its safety practices by its valued customers. This esteemed recognition underscores our unwavering commitment to safety, quality and customer satisfaction.

As a responsible manufacturing Company, we are committed to the circular economy and our recycling rate of raw materials is at 14%. We continue to leverage Group R&D and investments in sustainable technologies, such as proprietary technology to utilize recycled refractory material which significantly reduces emissions, and we are confident that this will increase further underlining our efforts.

Your Company remains steadfast in investing in people and culture, with a focus on enhancing diversity within the organization. We believe that investing in people and culture especially increasing participation of women in the workforce will be long-term growth drivers for the organization. We remain committed to achieving our goal of achieving a 15% representation of women in the workforce by 2025. We continue to attract best talent who will contribute towards achieving the organization's objectives.

RHIM India's commitment towards Corporate Social Responsibility **(CSR)** continued in 2023. This year, we implemented unique and impactful interventions that focused on creating sustainable social benefits in communities around RHIM operations and broader regions, collaborating with local leaders, governments, and NGOs. Our CSR projects focused on creating positive impact for communities in education, skill development, rural transformation, health, women empowerment and the environment.

Leveraging Technology & Creating Value for Customers.

At RHIM India, we remain committed to using technology for our organization but also to create value for our customers.

Your Company has started offering robotics technology to our Indian steel industry customers. This includes the latest generation SX3 slide gate, EMLI Ladle Slag sensors as well as robotic cells on the CCM for ladle shroud handling and tundish sampling and probing. This underscores our commitment to innovation and technological leadership to create value for our customers.

For the cement industry and our customers, we have introduced the Lining Evaluation Scan **(LES)**. This method of lining evaluation during cement kiln shutdowns substitutes traditional methods like drilling, offering a fast, precise, and consolidated platform for all real kiln pictures, Leftover Thickness (LOT), and kiln profile information. This innovation strongly supports customers in decision-making, thereby creating significant value.

Resilient End to 2023

The strategic rationale behind our M&A remains intact, and we continue to benefit from a broader product portfolio in both flow control applications and the cement sectors. We are confident to deliver further operational improvements and better utilization of the installed capacity.

Overall, we are meeting expectations in leveraging our strong market share and production capabilities. Our focus on a local strategy aligns with the ethos of 'Make-in-India'.

I am pleased to inform that we have successfully navigated through challenging market conditions while effectively integrated our M&A activities to close our fiscal year on a positive note with resilient margins.

I take this opportunity to thank our Board of Directors for their continuous guidance, shareholders, customers, employees, and partners for being part of the organization's growth journey.

Parmod Sagar
Managing Director & CEO

Chief Financial Officer's Message

Our ability to adapt swiftly to changing circumstances allowed us to weather global headwinds. We reevaluated our strategies, optimised costs, and prioritised investments aimed at driving sustainable growth.

Dear Shareholders,

As we reflect on the year 2023, I am proud to report that, RHI Magnesita India Limited ("the Company" or "RHIM" or "RHIM India") has demonstrated remarkable resilience and achieved substantial growth especially when the global economy experienced turbulence. Your Company's strong fundamentals helped navigate global headwinds and we ended the year in a positive note and positive outlook for the coming year.

Embracing Opportunities

Our ability to adapt swiftly to changing circumstances allowed us to weather global headwinds. Our strategies around cost optimization, and investment prioritization delivered sustainable growth. Our commitment to innovation and agility has positioned us well in an ever-evolving landscape.

Financial Performance

I am pleased to share that our financial performance remained robust. For the full year, we achieved a 38% year-on-year increase in income, reaching ₹ 379,207 lacs. This growth was driven by increased shipments and M&As, despite headwinds from product mix effects and global commodity driven pricing pressure. Adjusted EBITDA for the full year stood at ₹ 57,825 lacs, marking a remarkable 32% growth with improvement in profitability, led by operational efficiency and healthy margin expansion in RHI Magnesita India Refractories Limited (formerly Dalmia OCL Limited) business.

Our cost management initiatives yielded significant savings, contributing to a healthy bottom line. Moreover, our liquidity position remains solid, ensuring our ability to seize growth opportunities.

We have achieved better operational excellence compared to acquired businesses resulting in double digit EBITDA margins at 11.3%. This has been achieved without capital infusion, demonstrating improvements in productivity, efficiencies and reduction in scrap rates and, rejections. We are confident that this will further improve in near future.

Further, technology transfer from our global center's has supported our 'local for local' strategy, making our production suited for domestic and regional market requirements.

Due to prevailing weaker market environment in the export geographies, stepping away from sanctioned jurisdictions and re-baselining to a more conservative medium term margin expectations in the prevailing market dynamics, we decided to take a non-cash impairment of good will of ₹ 32,578 lacs on our acquisitions.

Investing in Our People

One of our greatest assets is our talented workforce. We understand the fast-paced nature of our industry and prioritize investing in our people's development to equip them for success. Last year, we implemented a robust set of programs and initiatives for skill development through the RHIM Academy to address evolving industry needs. We also invest heavily in young talent through targeted programs, fostering a culture of collaboration and shared purpose through "One Strong RHIM Team" initiatives. Here, one such initiative involves regular cross-departmental mentoring programs, allowing experienced employees to share knowledge and build connections with future leaders.

Sustainable Practices

As a market leader in the refractory industry, we continued our commitment to sustainability practices and focusing on implementing a circular economy practice, achieving the recycling rate of 14% for our raw materials. Our Environmental, Social, and Governance (ESG) initiatives align with our growth strategy, ensuring a positive impact on the society. Our Corporate Social Responsibility (CSR) initiatives have directly impacted more than 11,000 people with twenty (20) major projects, covering education, skill development, rural transformation, health, women empowerment and environment.

Creating Value for Shareholders and Customers: Consistency in Inconsistent Conditions

At your Company, value creation is at the heart of the business strategy and our ethos to creating value for our shareholders and customer remained steadfast.

Shareholders: Our commitment to shareholders centers around consistent financial performance. We aim to deliver attractive returns on the capital investment by achieving consistent revenue growth and maintaining healthy profit margins through innovative strategies to navigate the market conditions.

Customers: Meeting and exceeding customer expectations are of top priority for RHIM India, as this drives loyalty and positive endorsements. We strive to create value for our customers by delivering high-quality products and services enabled by innovation, and our team's reliability and responsiveness.

The conspicuous infrastructure push in India has provided a fillip to industries like steel and cement. Your Company is well positioned to leverage this opportunity by continuously providing innovative solutions to our customers, contributing not only to their growth but also nation's economic growth.

Looking Ahead

We will leverage our strengths to deliver sustained value, especially through our strategic initiative in iron making, DRI and pellet businesses on top of the already attractive growth prospects in steel, cement, non-ferrous metals and other industrial applications.

Our resolve is unwavering, and we will continue to invest in innovation, diversify revenue streams, and foster partnerships that drive growth. Together, we will build value creation efforts aimed at benefitting shareholders, customers, employees and communities, reinforcing our position as a market leader in the refractory industry and deliver sustainable growth and better returns.

Azim Syed
Chief Financial Officer & Chief Investor Relations Officer

RHI MAGNESITA

Board of Directors

Dr. Vijay Sharma
Chairman,
Independent,
Non-Executive Director

Dr. Vijay Sharma is a Metallurgist with over Forty Seven years of rich experience in Special Steel Manufacturing, Project management and as Business Head. He had worked in some of the large steel making companies like BMM Ispat Ltd. (Managing Director), Usha Martin Ltd. (Joint Managing Director), JSW Steel Ltd. (Joint Managing Director), Hospet Steels Ltd. (Executive Director). Dr. Sharma has put up a number of prestigious Special Steel Projects in long products. He received "National Metallurgist Award" from the Government of India in 1988 and the "Eminent Engineers Award" from the Institute of Engineers, Jharkhand in 2010. Dr. Sharma is a Metallurgical Engineering Graduate from Indian Institute of Technology (IIT) Kharagpur (1977), Master of Science from Rensselaer Polytechnic Institute, Troy, NY, USA (1980), Master of Business Administration from XLRI, Jamshedpur (1984) and PhD holder from Anna University (Chennai) in EOF Steel Manufacturing Technology (2010). He has twenty three publications to his credit. Dr Sharma has served as Board of Dirctors in several organizations.

Mr. Nazim Sheikh
Independent,
Non-Executive Director

Mr. Nazim Sheikh is a metallurgical engineer with over 44 years of varied experience in Ferroalloys, Manganese and Iron Ore mining operations, procurement, and raw materials management. Mr. Sheikh served as the Managing Director of Sandur Manganese & Iron Ores Ltd. (SMIORE) before he retired in 2020. He played a key role in strategizing mining operations for the company along with setting up of a new 32 MW thermal power plant. He led the efficient implementation of a Coke Oven Plant to produce 4 mn ton of Metallurgical Coke, with a WHR Boiler Unit to provide alternate free fuel for the 32 MW Power Plant. Mr. Sheikh had also been involved in the direct administration of the company's Corporate Social Responsibility (CSR) activities in Sandur and neighboring villages. He is a Bachelor of Engineering in Metallurgy from National Institute of Technology, Surathkal (1976).

Ms. Sonu Chadha
Independent,
Non-Executive Director

Ms. Sonu Chadha is an entrepreneur with an extensive experience of more than 25 years in managing all aspects of business operations. Ms. Chadha is the Founder Director of Impressions Services Pvt. Ltd. She has been responsible for expanding the company's geographic service footprint to over 45 cities and towns throughout the country. She has also facilitated the establishment of a single-window procurement experience as a Partner at Wildflower Mercantile. In addition, Ms. Chadha serves as a principal advisor to the founder of Cartellagroup.com, an HR technology start-up. She is associated with Unnayan Foundation as its Trustee and is committed to the cause of clean, Open Defecation Free India and promoting dignity of women. She is a Bachelor of Arts degree holder from University of Delhi (1992). She has a diploma in Interior Design from South Delhi Polytechnic (1993) and has a CPSS Certification from British Institute of Cleaning Science (2011).

Mr. Kamal Sarda
Independent,
Non-Executive Director

Kamal Sarda is a prominent figure in the manufacturing industry, with approximately 35 years of professional experience. He has been with a leading refractory company for nearly 26 years, driving the company's growth through various leadership roles, including Chief Financial Officer, Chief Operating Officer, Chief Executive Officer, and Director. In addition to his extensive experience in the refractory industry, Kamal has worked as an independent financial consultant and has been associated with Shristi Infrastructure Development Corporation Limited, Stone India Limited, and Incab Industries Limited. He has also served as the Chairman of the Indian Refractory Makers Association for two terms, further solidifying his influence in the industry. Kamal is a Fellow of the Institute of Chartered Accountants of India, a law graduate, and holds a B.Com. (Hons.) degree from Calcutta University. Currently, he serves as the CEO of Alumina Industrial Company LLC in Abu Dhabi, a greenfield project dedicated to manufacturing alumina-based raw materials for the refractory industry..

Mr. Gustavo Franco
Non-Independent,
Non-Executive Director

Gustavo Franco joined Magnesita in 2001 after finishing his bachelor's degree in Mechanical Engineering at the Federal University of Minas Gerais and since then has developed his career in the refractory industry.

During the first years of his career, he progressed through various technical and sales managerial roles in South and North America, until he became part of the Executive Committee of Magnesita in 2014 as Global Sales VP. In 2017 he led the go to market integration of RHI and Magnesita whilst completing the Senior Executive Programme with the London Business School. After the merger, Gustavo was appointed Chief Sales Officer of RHI Magnesita. His role in the Executive Management Team of the company has evolved and since 2022 he holds the recently created position of Chief Customer Officer, being responsible for the overall business performance of the company.

During his 22 years in the company, Gustavo has had an active role in the merger, acquisition and integration of more than 10 companies, shaping RHI Magnesita as the Global leader in heat management solutions. Over the years he has also accumulated a vast international experience living in Brazil, United States, Germany, Netherlands and in Austria, visiting more than 60 countries and doing business in more than 100.

Ms. Ticiana Kobel
Non-Independent,
Non-Executive Director

Ms. Ticiana Kobel is an Executive Vice President Legal & Digital Transformation in RHI Magnesita N.V. She has extensive legal experience in a wide range of global businesses, such as SR Technics Group and Buhler Group, leading legal departments in manufacturing, aviation, technology, the service sector and engineering industries. In those roles, she was in charge of crucial projects pertaining to varied matters, such as complex strategic procurement, spin-offs, sales and acquisitions and corporate governance issues and assisted with the design and implementation of compliance functions, merger and acquisitions and partnerships. Ms. Ticiana has a law degree with an emphasis in corporate law from the Federal University of Minas Gerais and an LLM in International Economic Law and European Law at the University of Geneva.

Mr. Erwin Jankovits
Non-Independent,
Non-Executive Director

Mr. Erwin Jankovits was appointed as the Senior Vice President, Head of Global Recycling in RHI Magnesita group in 2024, prior to that he was Vice President Corporate Development, Merger & Acquisitions (M&A) from 2020 to 2024, prior to that he was Senior Vice President responsible for sales, service, technical marketing and the company's office structure in the Africa, CIS and Asia region. He joined RHI Magnesita in 1999 as the Sales Director after working in one of the leading steel making companies in Austria from 1995 to 1999. He is a graduate in Material Sciences from Montanuniversität Leoben. In 1994, he completed his Master Thesis at Hüttenwerken Krupp Mannesmann/Duisburg in Controlling, Quality Management and Corporate Planning department.

Mr. Parmod Sagar
Managing Director & CEO

Parmod comes with more than three decades of extensive experience of serving the steel and refractory industry. A mechanical engineer, Parmod started his career in the steel industry and worked in the sector for over seven years gaining valuable insights. Thereafter, he transitioned to the refractories business joining Orient Refractories Limited (ORL) as a Manager -Technical Marketing in 1992. In 2013, after RHI AG acquired ORL, he was appointed in the role of Managing Director & CEO of ORL. He currently holds the position of the Managing Director and CEO of the RHI Magnesita India Ltd. and the Regional President of India, West Asia, Africa Business Unit. Additionally, he has recently been appointed as the President of the World Refractories Association.

Consolidated Financial Highlights

Revenue

₹ 37,811 Mn.

39%

Adjusted EBITDA

₹ 5,782.5 Mn.

32%

CAPEX

₹ 800 Mn.

89%

Cash Returned to Shareholders

₹ 516 Mn.

28%

EPS

₹ 12.0

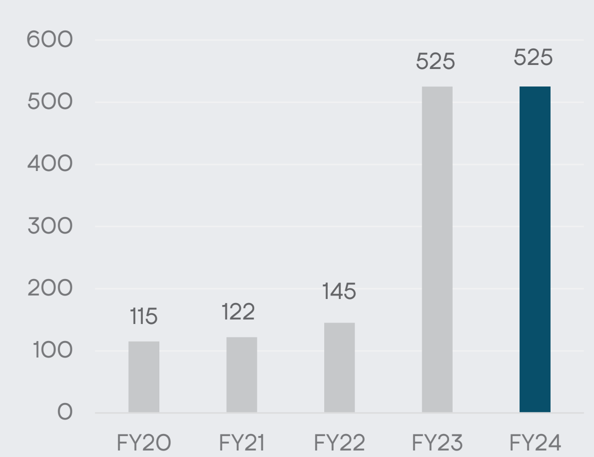
(17%)

Adjusted EBITDA Margin

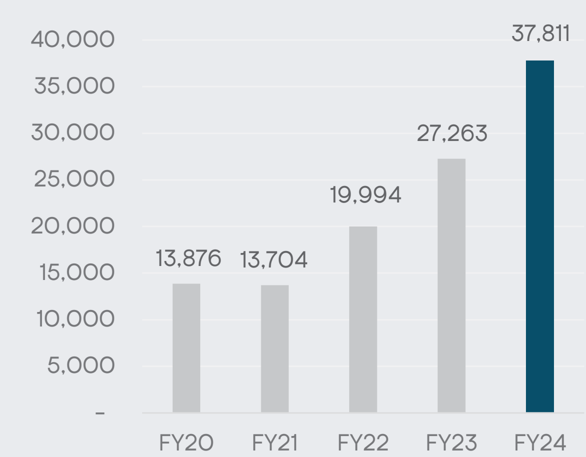
15.30%

(5%)

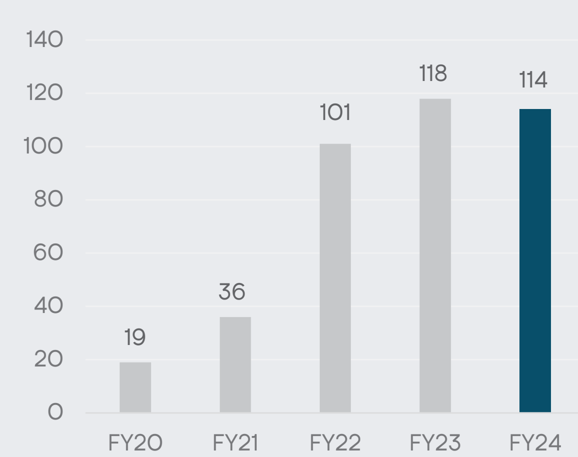
Capacity (kt)



Revenue (₹ in Mn.)



Market Capitalization (₹ in Bn.)



Adjusted EPS (in ₹)

Safety First: An Unwavering Commitment to Achieve 100% Safety

RHI Magnesita India (RHIM India) believes that a safe workplace is a fundamental right of all employees. Safety isn't just about rules and regulations; it's about creating a culture where every employee feels responsible for their own safety and for the safety of their colleagues. With proactive initiatives, RHIM India is determined to achieve the highest safety standards and fulfill the mission of 100 percent safety at work.

Initiatives

For RHIM India, safety isn't just a checklist; it's a mindset. Across plants and sites, a series of proactive measures to enhance safety awareness have been implemented. From displaying clear safety signage to incorporating safety discussions into daily meetings, no stone is being left unturned in the pursuit of excellence in safety and imbibing a culture of 'safety first'.

Scan Me: Digital Emergency Response System

Executing the culture of innovation, RHIM India's team has introduced a QR code system to enhance employee safety, providing quick access to essential information during any incident. By scanning the QR code, employees can retrieve details such as emergency contacts, blood group, training information, and employment location. This system, initially developed for helmets, ensures that helpers have immediate access to vital information in case of any safety incident.

First Aid Training

RHIM India recognizes the critical importance of equipping employees with essential first-aid skills and has thus undertaken comprehensive first-aid training sessions at sites. These sessions are designed to ensure that employees are prepared to respond effectively to medical emergencies, thereby enhancing workplace safety and potentially saving lives.

Cross-functional Safety Audit at Sites

This audit aims to identify gaps, inefficiencies, or safety concerns across different sites. By leveraging the expertise of diverse teams, the audit ensures a thorough evaluation of processes, promoting a culture of continuous improvement. The insights gained from these audits help in streamlining operations, enhancing productivity, and ensuring compliance with industry standards.

Awards and Accolades

RHIM India's unwavering commitment to safety and excellence in the industry continues to be acknowledged by its valued customers. These prestigious awards and recognitions underscore the unwavering commitment to safety and dedication to maintaining the highest safety standards across all operations. Here's a glimpse of our recent achievements:

- **Received 5-Star rating** in the external audit of Contractor Safety Management (CSM) from a major customer, as the **first-ever refractory partner across their plants to attain this highest rating.**
- Awarded the prestigious title of **"Safe Contractor of the Year 2024"** by a major customer, marking a first win in four years! Additionally, honored as the **"Best Safety Performer for 2023"** for the fourth consecutive time by the same customer.
- Teams at customer sites have been recognized for their outstanding contributions in the past years by **World Refractory Association** under its Safety Recognition Scheme Year 2023. Key assessment criteria included maintaining a Lost Time Injury (LTI) free workplace and being top performers in Health, Safety, and Environment (HSE) leading indicators.

Forging New Frontiers

DRI & Pellet Business Vertical

Continuing its strategy of leveraging untapped markets that provide potential for market growth, RHIM India set up a new business vertical to service the Indian iron making industry. The new business vertical aims to support the iron making industry through strategic partnerships to jointly work on key challenges faced by the industry such as decarbonization, domestic refractory supply reliability, productivity and performance improvement of the iron making plants.

India is the world's largest DRI producer and is growing further. The Indian pellet making industry has seen almost 18% capacity addition in last one to two years and is expected to grow exponentially. This is well in line with the growth of crude steel production in India, with our country emerging as the second largest steel producer globally. The Government of India's Aatmanirbhar Bharat initiative is further propelling this growth. However, the industry faces challenges like those of productivity improvement and decarbonization. As a critical input provider to the industry and global leader in

Refractories, the new business vertical will dedicatedly service the Indian iron making industry.

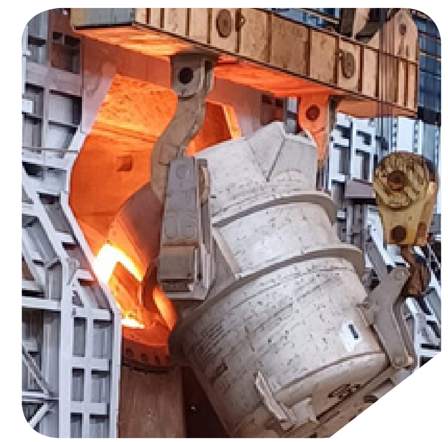
Refractory partner to the latest steel plant in India

RHIM India is proud to be the trusted refractory partner to a major Public Sector Undertaking (PSU) Steel Plant. This plant is a greenfield project of 3 million tons — having two Basic Oxygen Furnace (BOF), two Ladle Refining Furnace (LHF), one RH Degasser and two Thin Slab Casters.

Refractories, worth ₹ 6,600 lacs, for the Hot Metal Charging Ladles, BOF, Steel Teeming Ladles, Ladle Slide Gate Refractories, Ladle Bottom Purging Refractories, RH Degasser Refractories, HMDS and Argon Lances have been supplied for this project. Commissioning of the 2nd Basic Oxygen Furnace (BOF), 2nd Ladle Refining Furnace (LHF) and RH Degasser will be taken forward progressively and gradually.

We are also proud to share that the supervision of refractory installations was conducted in consultation with our Refractory Services Team. All the scope of work was completed within the stipulated time schedules, as per safety protocols and standard operating procedures.

Refractory partner to the latest steel plant in India



Commitment to Sustainability

RHIM India's commitment to sustainability is steadfast and continued during the year. RHIM India has taken significant strides to support its user industries' transition to low emission production processes. Commitment to green refractories for Steel, Cement and other user industries is part of the broader sustainability agenda.

RHIM India is actively investing in research and development to continue improving recycling, moving to energy efficient refractories and reducing the overall environmental impact of products. By providing sustainable and innovative refractory solutions, RHIM India is enabling its customers to meet their sustainability targets while maintaining the highest standards of quality and performance.

Energy Saving Campaign across plants

In 2023, RHIM India focused on small-scale energy saving behaviors. In collaboration with the global team, a 15-day long Lean campaign — "Be Energy SMART: Small actions can have a big impact when we take them together" was initiated. Beginning each day with a "Tip of the Day", the Plant managers during the morning meetings and respective supervisors during the daily shift handover meetings recommended and discussed some of the individual actions to save energy and reduce energy wasting behaviors. In addition, posters and checklists with energy saving tips along with a set of stickers at designated locations as a reminder of actions to be taken before leaving that space were collectively displayed and discussed among the colleagues. Employees also participated in Energy Conservation Competition where they shared innovative ideas to save energy in their respective work areas.

Building Capabilities and Driving Success

RHIM India focus on 'capability building' for driving sustainable success is moving forward with a rapid pace.

Elevating Service Standards: Global Shared Service center set up is continuing to provide a comprehensive range of services in four key processes — Attract to Grow (ATG), Procure to Pay (PTP), Order to Cash (OTC), and Record to Report (RTR). Establishing GSS in Gurugram represents a significant milestone for RHIM India. GSS is enabling RHIM India to enhance operational efficiencies and provide world-class support to local and global operations.

Powering IT Excellence: Aims to develop India as a robust IT service hub to support operations not only locally but also to strengthen the foothold in the broader region, driving efficiency and innovation.

RHIM India successfully completed Project Mitra, integrating SAP S/4 HANA into our Jamshedpur operations and seamlessly connecting them with our existing systems across India. Building on the foundation of Project Sangam, launched in November 2019 to unify our ERP under SAP S/4 HANA, this accomplishment has already begun delivering significant improvements in operational efficiency, ROI, and forecasting capabilities, alongside other key business benefits.

The company successfully completed Project Samanvaya, marking a major milestone in the India business integration project. This initiative, celebrated as a key step in modernizing and streamlining our operations, involved the migration from SAP S/4 HANA Green to Orange. The transition promises to enhance efficiency, reduce maintenance costs, ensure data consistency, and deliver reporting benefits.

Project Samanvaya focused on integrating the business operations of RHIM India and RHIM India Refractories (formerly Dalmia OCL), completing the efforts initiated with the 2023 acquisition. By consolidating the two S/4 instances in India, the project unified business processes and enabled a comprehensive reevaluation across departments, presenting a cohesive front to our external partners.

Creating Value for Customers Through Technology & Innovation

RHIM India always strives for creating value for its customers. Creating value for customers is essential because it increases brand reputation, profits, and long-term success. When businesses provide valuable goods and services, it boosts customers' confidence and trust in the company's offerings. Moreover, prioritizing customer value helps organizations meet market demands, integrate profitable strategies, and maintain lasting relationships with their customers.

By collaborating closely with customers to define meaningful metrics and regularly measuring progress, companies can ensure that they deliver real, measurable value at every interaction. Whether it is improving support escalations, or addressing specific customer needs, focusing on customer value is key to being authentically customer-centric.

Strategic Partner for refractory performance improvement and decarbonization

As a testament to our value creation commitment, RHIM India has been selected as a strategic partner by one of the leading integrated steel plants, to jointly work on multiple projects related to refractory performance improvement including decarbonization. This is a part of the Supplier Relationship Management Program (SRM) of the valued customer. The joint teams consisting of specialists have been formed to identify and execute the projects under the program.

Following the successful kickoff of the strategic partnership, project teams, and experts from both organizations were brought together in Vishakhapatnam. This provided an opportunity to delve into innovative ideas and strategies with detailed discussions on performance improvement and value addition. This was followed by a visit to the production facilities in the plant.

Innovation in Bottom Purging issues

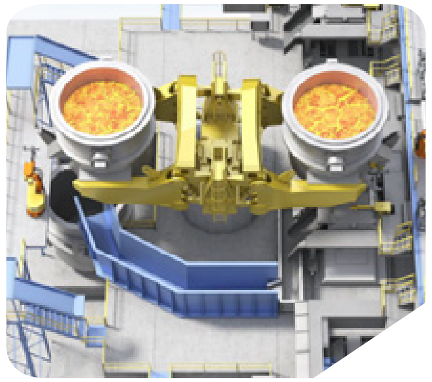
In a remarkable stride towards enhancing customer satisfaction, RHIM India developed an innovative solution for customers facing low purging life in the mini-steel segment. One of the valued customers was facing severe Bottom Purging issues (low purging life of 14 heats) since last 3-4 years. Acknowledging the challenges faced by the customer, RHIM India redesigned the Purge Plug & Seating Block (400 mm height Seating Block and 410 mm Plug) which helped resolve the issue while enhancing the life to more than 55 heats. Understanding the value of the redesign, four customers of RHIM India have opted for the new solution.

First Laser Evaluation Scan (LES)

RHIM India achieved a significant milestone by successfully performing its first Laser Evaluation Scan (LES) for a cement customer in India. This cutting-edge technique marks a major advancement in kiln evaluation, offering a superior alternative to traditional methods such as drilling.

This method of evaluation during the cement kiln shutdown substitutes the traditional ones, like drilling. It is fast, precise and consolidates all the information (Kiln's panoramic pictures, 3D Kiln navigation in the software, Leftover Thickness (LOT), customer specific Heatmap Thresholds) in a single platform. This strongly supports customers in the decision-making.

During the customer's cement kiln shutdown, the team employed this innovative method, providing an interactive presentation of the results on the LES platform along with a detailed report. This comprehensive approach offers a clear and precise overview of the kiln's status, facilitating informed decision-making for the customer.



Revolutionizing Steel Production with robotics

RHIM India has now started offering robotics technology to the Indian Steel customers and industry. This includes the latest generation SX3 slide gate, EMLI LadleSlag sensors as well as robotic cells on the CCM for ladle shroud handling and tundish sampling This achievement not only marks company's first robotics installation in an Indian Steel plant but also underscores the commitment to innovation and technological leadership.

The introduction of these advanced digital solutions in the Indian Steel industry not only establishes the technical leadership but also reaffirms the focus on innovation and customer-centric values.

Delivering Excellence Through Exceptional Customer Service

At the core of RHI Magnesita's culture is prioritizing customer needs and preferences and is committed to continuous improvement, ensuring products and services align with customer expectations.

Proud to share exceptional customer service deliveries executed by team across various customer sites.

Increased market share due to improved performance

Post the successful transition of the business to Full Line Solutions (FLS) contract with our valued customer, RHIM India has been able to increase its share from two Electric Arc Furnace (EAF) (50% allotment) to three EAF (75% allotment) in total refractory management based on customer's performance review. This underscores customer's confidence and supports our growth journey.

Record-breaking customer service deliveries

RHIM India's collaborative approach between teams have been pivotal in improved customer confidence and is supporting business growth and objectives. Refractory services team in collaboration with Sales, Marketing & Solutions team, has been able to achieve record-breaking performances at customer sites.

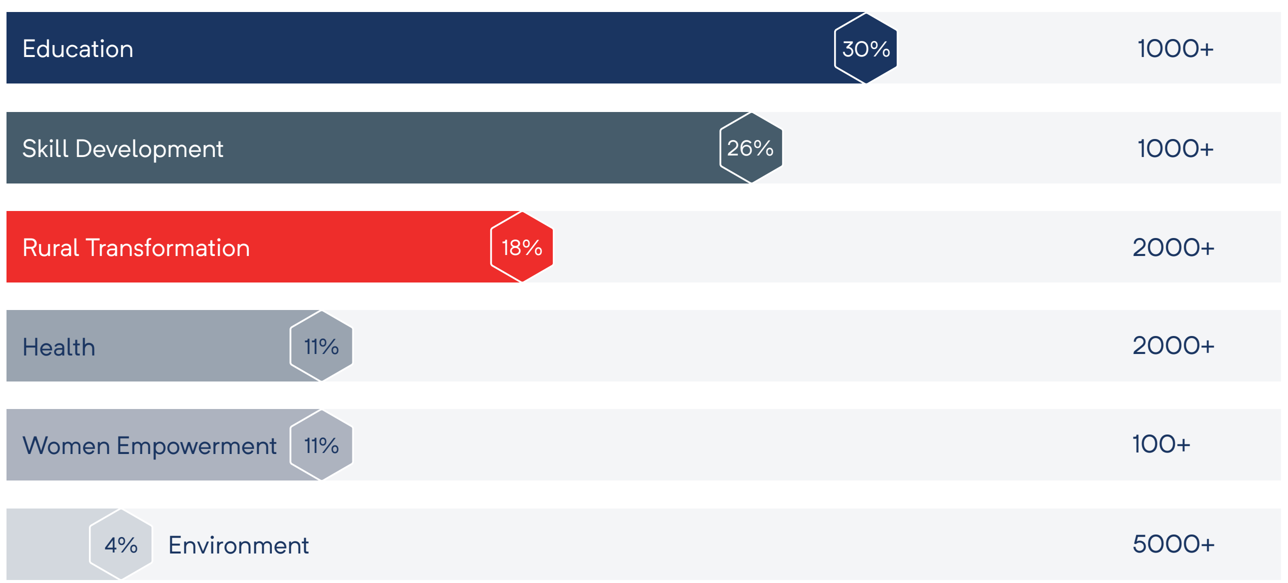
- Achieved 263 heats in Transfer Ladle (1st ladle of our Total Refractory Management contract) supplied by our Cuttack plant. This record beats the previous highest of 251 heats.
- After successfully delivering on Mission 680+, the team took up the challenge of achieving 700+ heats and has been able to accomplish an impressive 706 heats in DRI furnace (EAF #1), marking the highest-ever operational life achieved at the customer site surpassing previous highest of 682 heats.
- Successful trial of Non-Swirling Composite Tundish nozzles with highest-ever heat at CCM-1 and CCM-2 helped enhance production efficiency and effectiveness, overcoming the production loss with the previously deployed Metering Tundish nozzle.
- Achieved highest-ever life of 902 heats with 01 cold repair in EAF-III, surpassing the previous records (824 heats with 01 hot repair and 818 heats with 01 cold repair).

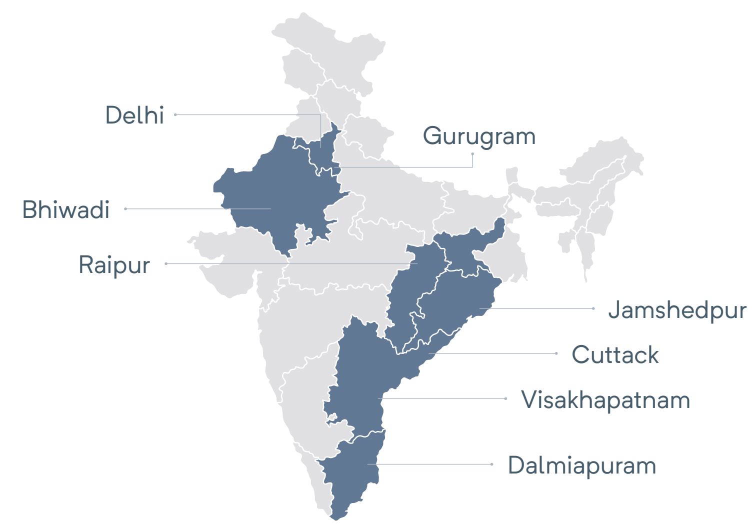
Fostering Community Engagement

RHIM India recognizes the pivotal role of community engagement in fostering a positive local impact. For RHIM India, genuine community engagement goes beyond corporate social responsibility it involves active participation and support for local communities, leading to a positive impact on social, economic, and environmental transformation. RHIM India operates a comprehensive community investment program in most of its key operational areas, with each project aimed at bringing long-lasting social improvements.

RHIM India is proud to share that our engagement programs have directly impacted the lives of more than 11,000 people through 20 major projects with an approximate CSR spend of ₹ 587.77 lacs in FY23-24.

2023 — 24 Budget distribution per project category





Directly impacts lives of more than 11,000 people with 20 major projects and approx. ₹ 587.77 lacs in FY23-24

Unique and impactful interventions that focus on creating sustainable social benefits in communities around RHIM operations and broader regions, collaborating with localleaders, governments, and NGOs.

In India, Corporate Social Responsibility (CSR) regulations are quite stringent. The Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014 govern CSR in India. Companies are required to spend at least 2% of their average net profit for the directly preceding 3 financial years on CSR activities.

Focus Area: Education

Concept: Restoration and maintenance of five government schools to improve infrastructure and provide a pleasant learning environment for children. Distribution of educational materials and necessary school supplies enabling students to access essential educational resources.

Location: Bhiwadi, Alwar, Rajasthan, Vizag, and Odisha

Impact: Improved learning environment, strengthened community-school ties, nurtured physical, mental, and emotional well-being of children, increase in the number of students - an indication of improvement in standards of education in the area.

Khanpur School Upgradation Project

Impact

Infrastructure Improvement and Enhancement: The project involved significant upgrades to the government school infrastructure, including boundary wall extension, roof repairs, wall plastering, kitchen and Anganwadi rooms renovation, construction of a new toilet block, new furniture and main gate renovation. Students were equipped with essentials like school bags, shoes, etc.

Culture Events and Awareness programs: Conducted dynamic workshops like sports day, safety day, drawing competition and Good Touch Bad Touch awareness sessions.

Focus Area: Health Care Services

Concept: Provided support and funds to three hospitals/clinics across various locations, where over 2000 patients underwent various medical treatments. Provision of essential medical equipment and infrastructure to these hospitals and frontline workers, supporting the daily livelihood requirements of the poor and needy.

Location: Bhiwadi, Vizag, Jaipur, and Gurugram

Impact:

- Enhanced access to essential medical services for marginalized population around RHIM India operations (plants & offices)
- Strengthened healthcare infrastructure and resources for better patient care.
- Increased capacity to respond to public health emergencies and crises
- Access to quality healthcare, promoting overall well-being and societal progress.

Focus Area: Skill Development

Concept: Professional qualification for young and unemployed in the local community by offering technical training and make them fit for the market. The initiative focuses on short-term skill training, spanning three to four months, and subsequent job placement for underprivileged youth.

Location: Bhiwadi, Jamshedpur, Delhi and Raipur

Impact: Don Bosco Training Centre: 547 students trained, out of which 267 have so far been employed in different industries, 178 students are currently undergoing training.

Impact: Chahat Beautician Centre: Out of 34 girls who got trained, 22 have started their own venture and 10 are engaged in employment.

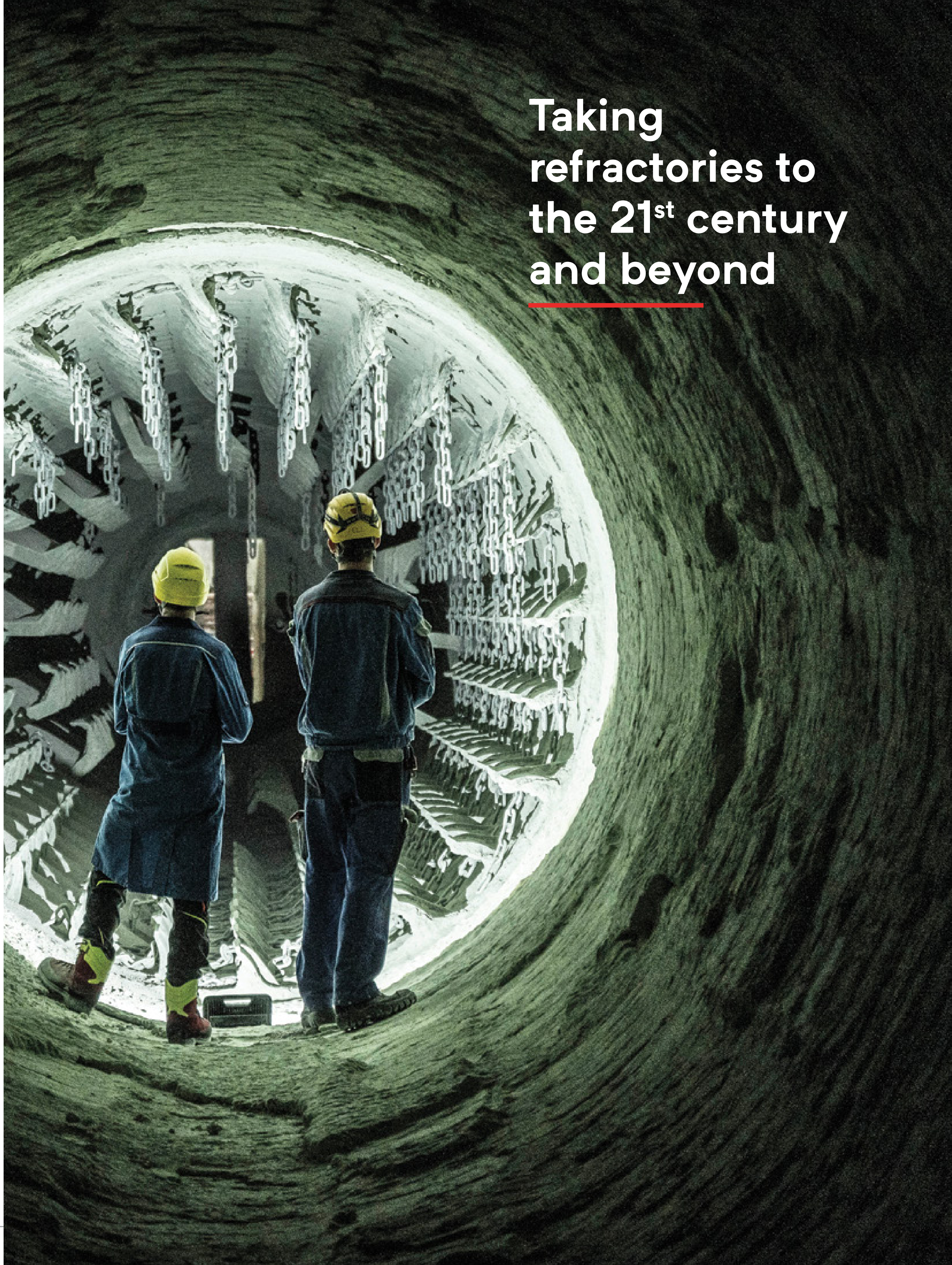
Focus Area: Rural Transformation

Concept: Implementation of infrastructure and construction projects in the communities around RHIM India's operations to improve accessibility of services, and proper utilization of resources to increase the living standards of people in these communities. Construction and repair work of the roads in villages surrounding RHIM's operations, the renovation of old buildings and community centers, bus shelters, burial grounds, drinking water facilities, etc. which are commonly used by the communities at large.

Location: Bhiwadi, Vizag, and Odisha

Impact: Empowers communities for sustainable livelihoods, enhance the overall well-being of rural residents & strengthening community structures.

Taking refractories to the 21st century and beyond



Thought Leadership in Action

As a market leader in refractory industry, RHIM India actively participates in events and exhibitions, providing thought leadership on various subjects while increasing brand awareness.

6th India International DRI Summit 2024

Themed "Multi Pathways for Mitigation of Carbon Footprints", RHIM India participated in the 6th India International DRI Summit 2024 and highlighted the critical role of refractories in Direct Reduced Iron (DRI) addressing future challenges. Participation in industry summits aligns with RHIM India's objective to venture into new market segments and underscores the commitment to achieve significant growth in the new market segments.

International Conference on Refractories (ICRJ) 2024

Underscoring the commitment to advancing industry knowledge and innovation, RHIM India participated in the 8th edition of the International Conference on Refractories (ICRJ) in Jamshedpur. The participating team demonstrated expertise through dynamic panel discussions and compelling technical presentations to industry leaders, manufacturers, researchers, and end-users.

IFEX India 2024

RHIM India participated in the 20th International Exhibition on Foundry Technology, Equipment, Supplies and Services concurrent with 72nd Indian Foundry Congress — IFEX 2024 at Bangalore, engaging with over 100 industrial professionals at the booth. This was an opportunity to showcase the RHIM India's refractory portfolio, featuring solutions for various furnaces, ladles, AOD converters, and tundish materials. The event featured insightful discussions and a deep understanding of customers' pain points, highlighting the commitment to addressing their needs.

International Stainless Steel Expo 2023

The Indian stainless steel industry continues on its growth trajectory, poised to intensify its expansion. As a market leader in the refractory industry, RHIM India is committed to being a key enabler in this journey by offering the most advanced and widest range of refractory products and solutions to the stainless steel makers.

At the International stainless steel expo, RHIM India showcased new age products and digital solutions designed to help stainless steel producers manage heat more efficiently. The participating team engaged with the customers at the booth for three days facilitating thought provoking and insightful conversations on refractories for stainless steel manufacturing.

RHIM in Media

बिज़नेस स्टैंडर्ड

RHI Magnesita India का अगले चार साल में बाजार हिस्सेदारी 40% बढ़ाने का लक्ष्य

The Economic Times | Industry

RHI Magnesita India aims to garner 40% refractories market share in four years backed by acquisitions, fresh capex

RHI MAGNESITA Q4 EBITDA SURGES 218%

Nifty Breaches 22,600

CONSTRUCTION TIMES

DIGITAL TECHNOLOGIES AND AUTOMATION BOOST PRODUCTIVITY AND EFFICIENCY

ETHRWorld.com From The Economic Times

Green industry boom: Is it the next big hub for massive jobs?

Current landscape of green skill jobs in India

On the same, KT Rao, Head - People & Culture, RHI Magnesita India, West Asia & Africa Region, mentions that the green skill landscape in India is burgeoning, with immense potential driven by policy tailwinds and growing investor interest.

However, according to Rao, the talent pool lags behind demand, particularly for niche specialisations like renewable energy project management, green hydrogen engineering, recycling of heavy industrial material.

"While upskilling the existing workforce is crucial, it is also important that we close the gap through robust industry-academia partnerships," Rao says.

NEWS18

India's Industries Champion Women's Empowerment; A Look At Initiatives

Breaking Barriers in Male-Dominated Sectors

From solar milestones to green cement: India's diverse sectors align for net-zero future this World Environment Day

Green Cement Revolutionizing Manufacturing

mint

RHI Magnesita India raises ₹900 cr through QIP

BW BUSINESSWORLD

BUDGET SPECIAL | COLUMN

Focus On Infrastructure And Sustainability Vital For Economic Growth

In the emerging new world order, India must capitalise by creating opportunities for critical sectors for sustained infrastructure growth

By Parmod Sagar

Manufacturing Today

RHI Magnesita India records impressive 43 per cent YoY revenue surge in Q3 FY2023-24

With revenue reaching Rs 922.9 crore, up from Rs 644.8 crore in the previous year's quarter, RHI Magnesita India's growth trajectory remains strong.

IBC24

आरएचआई मैग्नेसिटा को चौथी तिमाही में 679 करोड़ रुपये का घाटा

BREAKING

व्यापार जगत की अबतक की बड़ी खबर

RHI MAGNESITA TO CNBC-TV18

Expect India Market Share To Move To 40%

Acquired Assets Are At 60% Utilisation Levels & Will Move To 75-80% In Next 3 Years

PRESS TRUST OF INDIA

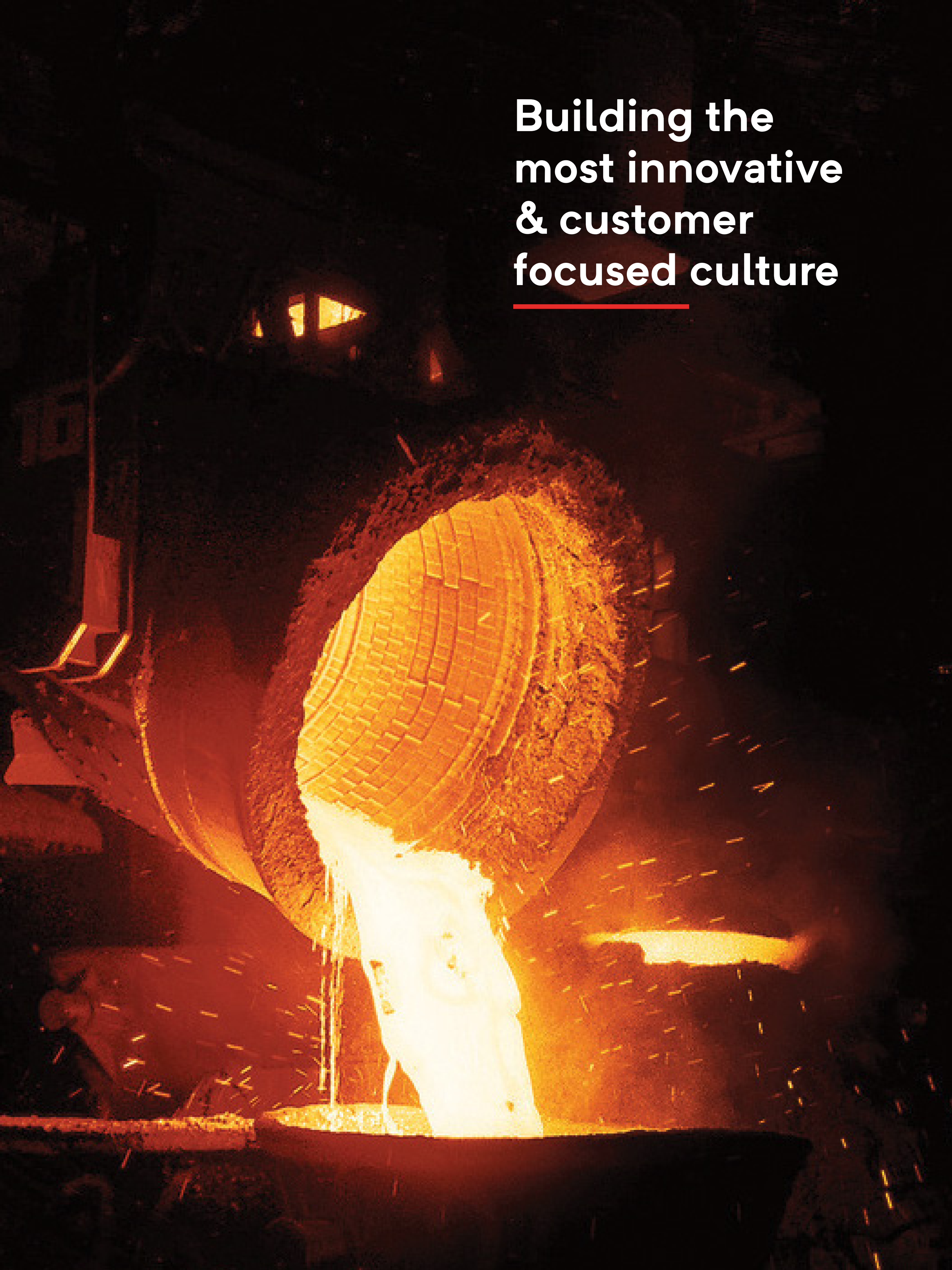
RHI Magnesita India raises Rs 900 cr via QIP

Manufacturing Today

Challenges and opportunities abound in India's thriving refractory industry

Despite volatile commodity pricing and raw material imports, the refractory industry is prepared to capitalise on end-use sector growth.

Building the most innovative & customer focused culture



Notice

(PURSUANT TO SECTION 101 OF THE COMPANIES ACT, 2013)

Dear Members,

NOTICE is hereby given that the Fourteenth Annual General Meeting of RHI Magnesita India Limited ('**the Company**') will be held on **Friday, 27 September 2024 at 11:30 a.m. (IST**) through Video Conferencing/ Other Audio Visual Means ('**VC/OAVM**') to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended 31 March 2024 together with the Reports of the Board of Directors and the Auditors thereon and, in this regard, to consider and if thought fit, to pass, with or without modification (s), the following resolution as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended 31 March 2024, together with the Reports of the Board of Directors and the Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended 31 March 2024 together with the Report of the Auditors thereon and, in this regard, to consider and if thought fit, to pass, with or without modification (s), the following resolution as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended 31 March 2024, together with the Report of the Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

3. To declare a dividend on equity shares for the financial year ended 31 March 2024, and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** a dividend at the rate of ₹ 2.50/- (Rupees Two and Paise Fifty only) per equity share of face value of ₹ 1/- (Rupee One) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended 31 March 2024."

4. To appoint Mr. Gustavo Lucio Goncalves Franco (DIN- 08754857), who retires by rotation as a Director and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Gustavo Lucio Goncalves Franco (DIN- 08754857), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

SPECIAL BUSINESS

5. **Appointment of Mr. Kamal Sarda (DIN: 03151258) as a Director and as an Independent Director**

   To consider and, if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION:**

   "**RESOLVED THAT** Mr. Kamal Sarda (DIN: 03151258), who was appointed as an Additional Director of the Company with effect from 14 August 2024 by the Board of Directors, based on recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 **('the Act')** (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, who is eligible for appointment and consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17, 25 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, the appointment of Mr. Kamal Sarda, who had submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years, *i.e.*, from 14 August 2024 to 13 August 2029 (both days inclusive), be and is hereby approved."

6. **Ratification of Cost Auditor's Remuneration**

   To consider and, if thought fit, to pass the following Resolution as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 75,000/- (Rupees Seventy five thousand only) plus applicable taxes, travel and out-of-pocket and other expenses incurred in connection with the audit, as approved by the Board of Directors, payable to M/s. K G Goyal & Associates, Cost Accountants (Firm Registration No. 000024) who are appointed as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending 31 March 2025."

By Order of the Board of Directors

Sanjay Kumar
Company Secretary
Membership No. A17021

Gurugram, 14 August 2024

Registered Office:
Unit No. 705, 7th Floor, Lodha Supremus
Kanjurmarg Village Road, Kanjurmarg (East)
Mumbai - 400042
CIN: L28113MH2010PLC312871
Tel: 91 22 66090600
E-mail: corporate.india@RHIMagnesita.com
Website: *www.rhimagnesitaindia.com*

Notes:

1. Pursuant to the General Circular Nos. 14/2020 dated 8 April 2020 and 17/2020 dated 13 April 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013", General Circular Nos. 20/2020 dated 5 May 2020, 10/2022 dated 28 December 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated 25 September 2023 in relation to "Clarification on holding of Annual General Meeting ('**AGM**') through Video Conferencing (**VC**) or Other Audio Visual Means (**OAVM**)", (collectively referred to as "**MCA Circulars**") the Company is convening the 14th AGM through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('**SEBI**'), vide its Circulars dated 12 May 2020, 15 January 2021, 13 May 2022, 5 January 2023 and 7 October 2023 ('**SEBI Circulars**') and other applicable circulars issued in this regard, has provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**').

   In compliance with the provisions of the Companies Act, 2013 ('**the Act**'), the Listing Regulations and MCA Circulars, the 14th AGM of the Company is being held through VC/OAVM on **Friday, 27 September 2024 at 11:30 a.m. IST**. The deemed venue for the AGM will be the Registered Office of the Company, *i.e.,* Unit No. 705, 7th Floor, Lodha Supremus, Kanjurmarg Village Road, Kanjurmarg (East), Mumbai - 400042.

2. The Explanatory Statement pursuant to Section 102 of the Act in respect of the business under Item nos. 5 and 6 set out above and relevant details in respect of the Directors seeking appointment/re-appointment at this AGM as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ('**Secretarial Standard**') are annexed hereto. Requisite declarations have been received from the Directors seeking appointment/re-appointment.

3. As per the provisions of clause 3.A.II. of the General Circular No. 20/2020 dated 5 May 2020, issued by the MCA, the matters of Special Business as appearing at Item nos. 5 and 6 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.

4. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

5. Institutional Members/Corporate Members (*i.e.,* other than individuals, HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG format) of their respective Board or governing body Resolution, Authorization, etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting. The said Resolution / Authorization shall be sent to the Scrutinizer by e-mail to RHIM.scrutinizer@gmail.com with a copy marked to evoting@nsdl.com. Institutional Members/Corporate Members can also upload their Board Resolution/Power of Attorney/Authority Letter, by clicking on "Upload Board Resolution/Authority letter", etc. displayed under 'e-Voting' tab in their Login.

6. Only registered Members of the Company may attend and vote at the AGM through VC/OAVM facility.

7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote at the AGM.

8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoter/Promoter Group, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit

Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. The Members will be able to view the proceedings on National Securities Depository Limited's ('**NSDL**') e-Voting website at *www.evoting.nsdl.com*.

10. In line with the MCA Circulars and the SEBI Circulars, the Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/NSDL and Central Depositories Services (India) Limited ('**CDSL**'), (collectively '**Depositories**')/Skyline Financial Services Private Limited, Registrar & Transfer Agent ('**RTA**') of the Company, unless any Member has requested for a physical copy of the same. The Notice of AGM and Annual Report for the Financial Year 2023-24 are available on the Company's website at *https://www.rhimagnesitaindia.com/investors/financials-reports/annual-reports* and may also be accessed from the relevant section of the websites of the Stock Exchanges *i.e.,* BSE Limited and National Stock Exchange of India Limited at *www.bseindia.com* and *www.nseindia.com* respectively. The AGM Notice is also available on the website of NSDL at *www.evoting.nsdl.com*.

11. Electronic copies of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be made available for inspection. During the 14th AGM, Members may access the scanned copy of the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act; the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at investors.india@rhimagnesita.com

12. The Company has fixed book closure date **from Friday, 6 September 2024 to Friday, 13 September 2024 (both days inclusive)** for determining entitlement of Members to final dividend for the financial year ended 31 March 2024, if approved at the AGM.

13. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made by **Saturday, 26 October 2024** as under:

    i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the Depositories as of end of day on **Thursday, 5 September 2024**;

    ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on **Thursday, 5 September 2024**.

    SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated 3 November 2021 (subsequently amended by Circular Nos. SEBI/ HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/687 dated 14 December 2021, SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2023/37 dated 16 March 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated 17 November 2023) has mandated that with effect from 1 April 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

    Further, relevant FAQs published by SEBI on its website can be viewed at the following link: *https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf*. According to the Finance Act, 2020, dividend income will be taxable in the hands of the Members w.e.f. 1 April 2020, and the Company is required to deduct from the dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('**the IT Act**'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN and Category as per the IT Act with their Depository Participants ('**DPs**') or in case shares are held in physical form, with the Company by sending documents by **Sunday, 15 September 2024** to enable the Company to determine the appropriate TDS/withholding tax rate applicable, verify the documents and provide exemption. Documents to the sent on following e-mail address, to enable the Company to determine the appropriate TDS/withholding tax rate applicable:

Resident & Non-resident shareholders	**Investors.india@rhimagnesita.com**

    Any communication on the tax determination/deduction received after **Sunday, 15 September 2024**, shall not be considered. Documents sent to any other email IDs may lead to non-submission of documents and attract TDS as per the provisions of the Act.

    It may be further noted that in case the tax on said dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

    No claim shall lie against the Company for such taxes deducted.

    For the detailed process, please refer to the email sent to members in this regard and to download relevant forms please visit the website of the Company at *https://www.rhimagnesitaindia.com/investors/shareholder-information/form-download.*

    Members will be able to download Form 26AS from the Income Tax Department's website https:// incometaxindia.gov.in/Pages/default.aspx.

14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

15. Non-Resident Indian Members are requested to inform the Company's RTA immediately of:

    (a) Change in their residential status on return to India for permanent settlement.

    (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

16. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, mandates, nomination, power of attorney, bank details, bank account number, MICR code, IFSC, etc.:

    (a) For shares held in electronic form: to their DPs.

    (b) **For shares held in physical form:** The following details/ documents should be sent to the Company's RTA latest by **Sunday, 15 September 2024**.

        (i) Form ISR-1 along with supporting documents. The said form is available on the website of the Company at *https://www.rhimagnesitaindia.com/investors/shareholder-information/form-download* and on the website of the RTA at *https://www.skylinerta.com/downloads_page.php*

        (ii) Cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held jointly.

        (iii) Bank attested legible copy of the first page of the Bank Passbook/Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and full address of the bank branch.

        (iv) Self-attested copy of the PAN Card of all the holders; and

        (v) Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.

    To mitigate unintended challenges on account of freezing of folios, SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/ CIR/2023/181 dated 17 November 2023, has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details.

    Further, Members are requested to refer to process detailed on *https://www.skylinerta.com/index.php* and proceed accordingly.

    Shares held in electronic form: Members holding shares in electronic form may please note that their bank details as furnished by the respective DPs to the Company will be considered for remittance of dividend as per the applicable regulations of the DPs and the Company will not be able to accede to any direct request from such Members for change/addition/ deletion in such bank details. Accordingly, Members holding shares in electronic form are requested to ensure that their Electronic Bank Mandate is updated with their respective DPs by **Sunday,15 September 2024**.

17. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests *viz.,* Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at *https://www.rhimagnesitaindia.com/investors/shareholder-information/form-download* and on the website of the Company's RTA's at *https://www.skylinerta.com/index.php.* It may be noted that any service request can be processed only after the folio is KYC Compliant.

18. SEBI vide its notification dated 24 January 2022 has amended Regulation 40 of the SEBI Listing Regulations and has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or the Company's RTA, for assistance in this regard.

19. **SEBI HAS MANDATED SUBMISSION OF PAN BY EVERY PARTICIPANT IN THE SECURITIES MARKET. MEMBERS HOLDING SHARES IN ELECTRONIC FORM ARE, THEREFORE, REQUESTED TO SUBMIT THEIR PAN DETAILS TO THEIR DEPOSITORY PARTICIPANTS. MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO SUBMIT THEIR PAN DETAILS TO THE COMPANY'S RTA.**

20. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates alongwith the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

21. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in ISR-3 or SH-14 as the case may be. The said forms can be downloaded from our website at *https://www.rhimagnesitaindia.com/investors/shareholder-information/form-download* and website of the Registrar *https://www.skylinerta.com/downloads_page.php.* Members are requested to submit the said details to their DPs in case the shares are held by them in dematerialized form and to the Company's RTA in case the shares are held by them in physical form, quoting their folio number.

22. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated 31 July 2023, and SEBI/HO/OIAE/ OIAE_IAD-1/P/CIR/2023/135 dated 4 August 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD- 1/P/ CIR/2023/145 dated 31 July 2023 (updated as on 11 August 2023), has established a common Online Dispute Resolution Portal ('**ODR Portal**') for resolution of disputes arising in the Indian Securities Market.

    Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA / Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at https://smartodr.in/login.

23. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years of the Company, are liable to be transferred to the Investor Education and Protection Fund ('**IEPF**'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

24. The Members whose unclaimed dividends and/or shares have been transferred to IEPF, may contact the Company or RTA and submit the required documents for issue of Entitlement Letter. The Members can attach the Entitlement Letter and other required documents and file the Form no. IEPF-5, which is available on *www.iepf.gov.in*, for claiming the dividend and/or shares.

25. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company's RTA in case the shares are held by them in physical form.

26. (i) Eligible Members whose email addresses are not registered with the Company/DPs are requested to register the same with the RTA on or before **Sunday, 15 September 2024** pursuant to which, any Member may receive on the email address provided by the Member the Notice of this AGM along with the Annual Report 2023-24 and the procedure for remote e-Voting along with the login ID and password for remote e-Voting.

    (ii) Registration of email address permanently with RTA/DP: Members are requested to register the email address with their concerned DPs, in respect of shares held in demat mode and with RTA, in respect of shares held in physical mode, by writing to them at investors@skylinerta.com.

    (iii) Alternatively, those Members who have not registered their email addresses are required to send an email request to evoting@nsdl.com along with the following documents for procuring user id and password for e-Voting for the resolutions set out in this Notice:

        (a) In case shares are held in physical mode, please provide Folio No., Name of Member, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.

        (b) In case shares are held in demat mode, please provide DPID-Client ID (8 digit DPID + 8 digit Client ID or 16 digit beneficiary ID), Name, client master list or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.

27. Those Members who have already registered their email IDs are requested to keep the same validated with their DP/RTA to enable serving of notices/documents/Annual Reports and other communications electronically to their email ID in future.

28. **VOTING BY MEMBERS:**

    (a) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI Listing Regulations (as amended), MCA Circulars and the SEBI Circulars, the Company is providing its Members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means (by using the electronic voting system provided by NSDL) either by (i) remote e-Voting prior to the AGM (as explained at para 'g' herein below or (ii) remote e-Voting during the AGM (as explained at 'para h' below). Instructions for Members for attending the AGM through VC/OAVM are explained in 'para i' below.

    (b) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

    (c) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on **Friday, 20 September 2024 ('cut-off date')** shall be entitled to vote in respect of the shares held, by availing the facility of remote e-Voting prior to the AGM or remote e- voting during the AGM.

    (d) **Members of the Company holding shares either in physical form or electronic form, as on the cut-off date of Friday,20 September 2024, may cast their vote by remote e-Voting. The remote e-Voting period commences on Tuesday,24 September 2024 at 9:00 a.m. (IST) and ends on Thursday, 26 September 2024 at 5:00 p.m. (IST).** The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

    (e) The Members can opt for only one mode of remote e-Voting i.e., either prior to the AGM or during the AGM. The Members present at the Meeting through VC/OAVM who have not already cast their vote by remote e-Voting prior to the Meeting shall be able to exercise their right to cast their vote by remote e-Voting during the Meeting. The Members who have cast their vote by remote e-Voting prior to the AGM are eligible to attend the Meeting but shall not be entitled to cast their vote again.

(f) The Board of Directors has appointed Mr. Naresh Verma (Membership No. FCS : 5403) of M/s. Naresh Verma & Associates, Company Secretaries as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(g) **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) **Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode**

In terms of SEBI circular dated 9 December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual Members holding securities in demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL *viz.,* https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider** *i.e.,* **NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: *https://www.evoting.nsdl.com/* either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (*i.e.,* your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider** *i.e.,* **NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of Members	Login Method
Individual Members holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website *www.cdslindia.com* and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website *www.cdslindia.com* and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on *www.cdslindia.com* home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Members (holding securities in demat mode) login through their DPs	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider *i.e.,* NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Help desk for Individual Members holding securities in demat mode in case of any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Help desk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia. com or contact at toll free no. 1800 22 55 33

B) **Login Method for e-Voting and joining virtual meeting for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode.**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: *https://www.evoting.nsdl.com/* either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-Services *i.e.*, IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 *i.e.*, Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares *i.e.*, Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, for Members holding equity Shares, if folio number is 001*** and EVEN is 128573 then user ID is 128573001***.

5. Password details for Members other than Individual Members are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment *i.e.*, a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those Members whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/ Password**?" (If you are holding shares in your demat account with NSDL or CDSL) option available on *www.evoting.nsdl.com*.

   b) Click on "**Physical User Reset Password**?"

      (If you are holding shares in physical mode) option available on *www.evoting.nsdl.com.*

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting". **EVEN for Equity Shares is 129986.**

3. Cast your vote by selecting appropriate options *i.e.*, assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

4. Upon confirmation, the message "Vote cast successfully" will be displayed.

5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

General Guidelines for Members

1. Institutional Members (*i.e.,* other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to RHIM.scrutinizer@gmail.com with a copy marked to evoting@nsdl.com. Institutional Members (*i.e.,* other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on *www.evoting.nsdl.com* to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions ('FAQs') for Members and e-Voting user manual for Members available at the download section of *www.evoting.nsdl.com* or call on.: 022 - 4886 7000 or send a request at evoting@nsdl.com.

Process for those Members whose email IDs are not registered with the depositories for procuring user id and password and registration of email ids for e-Voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of Members, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investors.india@Rhimagnesita.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), Aadhar Card (self-attested scanned copy of Aadhar Card) to investors.india@Rhimagnesita.com. If you are an Individual Members holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A)** *i.e.,* **Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode**.

3. Alternatively, Members may send a request to evoting@nsdl.com for procuring user id and password for e-Voting by providing above mentioned documents.

4. In terms of SEBI circular dated 9 December 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

(h) **THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.

2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

(i) **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops/Desktops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop or through Desktop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matters to be placed at the AGM, from their

registered email ID, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email ID at investors.india@Rhimagnesita.com **before 5:00 p.m. (IST) on Friday, 20 September 2024**.

6. Members who would like to express their views/ ask questions as a Speaker at the AGM may preregister themselves by sending a request from their registered email ID mentioning their names, DP ID and Client ID/folio number, PAN and mobile number to investors.india@Rhimagnesita.com **between Monday, 16 September 2024 (9:00 a.m. IST) and Friday, 20 September 2024 (5:00 p.m. IST)**. Only those Members who have pre-registered themselves as Speakers will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

29. Any person holding shares in physical form and non-individual Members, who acquire shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, *i.e.,* Friday, 20 September 2024, may obtain the login ID and password by sending a request at evoting@nsdl.com or the Company/RTA. However, if the person is already registered with NSDL for remote e-Voting, then the existing user ID and password of the said person can be used for casting vote. If the person forgot his/her password, the same can be reset by using 'Forgot User Details/ Password' or 'Physical User Reset Password' option available at *www.evoting.nsdl.com* or by calling on 022 4886 7000.

    In case of Individual Members holding securities in Demat mode who acquire shares of the Company and becomes a Member of the Company after sending the Notice and holding shares as of the cut-off date *i.e.,* Friday, 20 September 2024, may follow steps mentioned in the notes to Notice under 'Access to NSDL e-Voting system'.

31. **DECLARATION OF RESULTS ON THE RESOLUTIONS**:

    - The Scrutinizer shall, immediately after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes cast through remote e-Voting), within 2 working days from the conclusion of the AGM, submit a consolidated Scrutinizer's report of the total votes cast in favour and against the Resolution(s), invalid votes, if any, and whether the Resolution(s) has/have been carried or not, to the Chairman or a person authorized by him in writing.

    - The result declared along with the Scrutinizer's Report shall be placed on the Company's website *www.rhimagnesitaindia.com* and on the website of NSDL *www.evoting.nsdl.com* immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the securities of the Company are listed.

    - Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e.,27 September 2024.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND / OR REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Item no. 5

Based on the recommendations of the Nomination and Remuneration Committee (the "**NRC**"), the Board of Directors has appointed Mr. Kamal Sarda (DIN: 03151258) as an Additional and Independent Director of the Company under Section 161 of the Companies Act, 2013 (the "**Act**") read with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and Articles of Association of the Company with effect from 14 August 2024 for a first term of 5 (five) consecutive years, subject to the approval of Members of the Company.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members of the Company. Further, in terms of amendment in the Listing Regulations effective from 1 January 2022, a listed entity shall ensure that approval of Shareholders for appointment of a person in the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Mr. Kamal Sarda would require approval of Members of the Company on or before 27 September 2024.

The Company has received a Notice under Section 160 of the Act from a Member in writing proposing the candidature of Mr. Kamal Sarda for appointment as an Independent Director of the Company. Mr. Kamal Sarda has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

In the opinion of the Board, Mr. Kamal Sarda fulfils the conditions specified in the Act, Rules made thereunder and Listing Regulations for appointment as an Independent Director and he is independent of management. The Board recommends his appointment as an Independent Director for five (5) consecutive years with effect from 14 August 2024.

Further, Mr. Kamal Sarda has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company. Mr. Kamal Sarda has also confirmed that he is not debarred from holding the office of a Director by virtue of any Order passed by SEBI or any such authority. Mr. Kamal Sarda is not disqualified from being appointed as a Director in terms of Section 164 of the Act. He has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('**IICA**').

A brief profile of Mr. Kamal Sarda the nature of his expertise in specific functional areas, disclosure of relationship between Directors, inter-se, names of Companies in which he holds Directorship, Committee Memberships / Chairmanships, his shareholding etc. are provided herein.

Brief profile of Mr. Kamal Sarda (Independent Director)

A copy of the draft letter of appointment as an Independent Director stating the terms and conditions is available for inspection by Members at the Registered Office of the Company between 11.00 a.m. and 01.00 p.m. on all working days of the Company from the date of dispatch of this Notice till Friday, 27 September 2024 and the same is also available on the website of the Company at the link *https://www.rhimagnesitaindia.com*.

As required under Regulation 36 of the SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standard-2, other requisite information is annexed hereto, and forms a part of this Notice.

Except Mr. Kamal Sarda and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in anyway concerned or interested, financially or otherwise, in the Resolution set out in this Notice.

The Board of Directors recommends the resolution given in the Notice for approval of Members of the Company as a Special Resolution.

The Board recommends the resolution set forth at Item no. 5 for the approval of the Members.

Item no. 6

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to have audit of its cost accounts relating to such products manufactured by the Company covered under Central Excise Tariff Act, 1985, as prescribed under Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014, conducted by a Cost Accountant.

Based on the recommendation of the Audit Committee, the Board had at its meeting held on 29 May 2024, approved the re-appointment of M/s. K G Goyal & Associates, Cost Accountants (Firm Registration No. 000024) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company, pertaining to the relevant products, for FY2024-25 at a remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand only) plus applicable taxes, out-of pocket and other expenses.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, ratification for the remuneration payable to the Cost Auditors to audit the cost records of the Company for the said financial year by way of an Ordinary Resolution is being sought from the Members as set out at Item no. 6 of the Notice.

M/s. K G Goyal & Associates have furnished a certificate dated 1 April 2024 regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for previous years under the provisions of the Act.

None of the Directors, Key Managerial Personnel of the Company, their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid matter. The Board recommends the Ordinary Resolution set out at Item no. 6 of the Notice for approval by the Members.

By Order of the Board of Directors

Sanjay Kumar
Company Secretary
Membership No. A17021

Gurugram, 14 August 2024

ANNEXURE TO NOTICE

Details of Directors seeking appointment pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with clause 1.2.5 of the Secretarial Standard -2

Particulars of Directors seeking Appointment / Re-appointment

Name of Director	Mr. Gustavo Lucio Goncalves Franco	Mr. Kamal Sarda
Director Identification Number	08754857	03151258
Designation / Category of Director	Non-Executive, Non- Independent Director	Additional Non-Executive, Independent Director
Age	46 years	61 years
Brief Resume & Experience/ Expertise	Mr. Gustavo Franco joined Magnesita Refratários S.A. ("**Magnesita**") in 2001 after graduating from the Federal University of Minas Gerais and since then has developed his career in the refractory industry. During the first years of his career, he progressed through various technical and sales managerial roles in South and North America, until he became part of the Executive Committee of Magnesita in 2014 as Global Sales Vice President. In 2017, he led the go-to-market integration of RHI A.G. and Magnesita and in 2018 he completed the Senior Executive Program with the London Business School. Mr. Gustavo Franco was appointed Chief Sales Officer of RHI Magnesita N.V. in 2019 and since 2023 he has been responsible for Global business & financial performance, currently serving as Chief Customer Officer. During his 22 years in the company, Mr. Gustavo Franco has had an active role in the merger, acquisition and integration of more than 10 companies. Over the years he has also accumulated a vast international experience in Brazil, United States of America, Germany, the Netherlands and Austria.	Mr. Kamal Sarda is a fellow member of the Institute of Chartered Accountants of India, a law graduate, and holds a B.Com. (Hons.) degree from Calcutta University. With approximately 35 years of professional experience in senior-level positions, primarily in the manufacturing industry, he has a wealth of expertise. Currently, he serves as the CEO of Alumina Industrial Company LLC in Abu Dhabi, a greenfield project focused on manufacturing alumina-based raw materials for the refractory industry. He spent around 26 years with a large refractory company, holding various roles such as Chief Financial Officer, Chief Operating Officer, Chief Executive Officer, and Director. Additionally, he has worked as an independent financial consultant. He was previously associated with Shristi Infrastructure Development Corporation Limited, Stone India Limited and Incab Industries Limited. He has also held prominent positions such as Chairman of the Indian Refractory Makers Association for two terms.
Terms and conditions of appointment or re-appointment	In terms of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Gustavo Franco who retires by rotation, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.	Appointment for a first term of five (5) consecutive years commencing from 14 August 2024 to 13 August 2029 and shall not be liable to retirement by rotation.
Remuneration to be paid	Not applicable	He shall be paid a fee for attending meetings of the Board or Committees thereof, reimbursement of expenses for participating in the Board and other meetings.
Remuneration last drawn	Not applicable	Not applicable
Date of first appointment on the Board	6 June 2020	14 August 2024
Shareholding in the Company including beneficial ownership	nil	4,000
Relationship with Other Directors and other Key Managerial Personnel of the Company	There is no inter-se relationship between Mr. Gustavo Franco and other directors or key managerial personnel of the Company except that he is in the employment of RHI Magnesita N.V. along with Mr. Erwin Jankovits and Ms. Ticiana Kobel.	Mr. Kamal Sarda is not related to any Directors and other Key Managerial Personnel of the Company.

The Number of Meetings of the Board attended during FY 2023-24	Two (2) out of Five (5)	Not applicable
Directorship in other listed entities (in India)	nil	nil
Chairmanship/Membership of the Committees of the Board of Directors of the listed entity (in India) (includes only Audit Committee and Stakeholders' Relationship Committee)	nil	nil
Resignation from listed entity (in India), if any, in the past three years.	Not applicable	IFGL Refractories Limited
In case of Independent Directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	Not applicable	**SKILLS AND CAPABILITIES REQUIRED FOR THE ROLE OF INDEPENDENT DIRECTOR** - Operational Experience - Leadership - Industry Knowledge, Research Development and Innovation - Financial, Regulatory / Legal & Risk Management - Understanding of laws, rules and regulations - Corporate Governance - Information Technology - Integrity and ethical standards **MANNER IN WHICH THE PROPOSED APPOINTEE MEETS THE ABOVE REQUIREMENT:** Mr. Kamal Sarda is a fellow member of the Institute of Chartered Accountants of India, a law graduate, and holds a B.Com. (Hons.) degree from Calcutta University. With approximately 35 years of professional experience in senior-level positions, primarily in the manufacturing industry, he has a wealth of expertise. Currently, he serves as the CEO of Alumina Industrial Company LLC in Abu Dhabi, a greenfield project focused on manufacturing alumina-based raw materials for the refractory industry. He has spent around 26 years with a large refractory company, holding various roles such as Chief Financial Officer, Chief Operating Officer, Chief Executive Officer, and Director. The Nomination and Remuneration Committee and Board is of the opinion that Mr. Kamal Sarda meets the above-mentioned skills and capabilities required for the role of Independent Director.

By Order of the Board of Directors

Sanjay Kumar
Company Secretary
Membership No. A17021

Gurugram, 14 August 2024

Board Report

Dear Members,

Your directors have great pleasure in presenting the 14th Annual Report of RHI Magnesita India Limited ("**the Company**" or "**RHIM**" or "**RHIM India**") along with the Company's audited financial statements (standalone & consolidated) for the Financial Year ("**FY**") ended 31 March 2024 (herein after known as "**period under review**").

1. FINANCIAL RESULTS

The highlights of the standalone and consolidated financial performance of the Company are as under:

(Amount in ₹ Lacs)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23*
Revenue from operations	282,409.45	248,836.87	378,110.40	272,626.65
Total expenditure before finance cost, depreciation and amortization	240,356.97	212,318.55	323,515.74	236,639.21
Operating Profit	**42,052.48**	**36,518.32**	**54,594.66**	**35,987.44**
Add: Other income	742.89	1,303.98	1,096.26	1,487.62
Profit before finance cost, depreciation, amortization, exceptional items and taxes	**42,795.37**	**37,822.30**	**55,690.92**	**37,475.06**
Less: Finance Costs	1,603.10	2,060.72	6,415.32	3,946.74
Profit before depreciation, amortization, exceptional items and taxes	**41,192.27**	**35,761.58**	**49,275.60**	**33,528.32**
Less: Depreciation and Amortization Expenses	6,814.85	4,177.88	18,248.56	7,090.06
Profit before exceptional items and tax	**34,377.42**	**31,583.70**	**31,027.04**	**26,438.26**
Less: Exceptional Item	30,936.00	66,068.22	32,577.63	66,068.22
(Loss)/Profit before taxes	**3,441.42**	**(34,484.52)**	**(1,550.59)**	**(39,629.96)**
Less: Total Tax Expense	8,978.94	8,194.47	8,460.35	6,935.26
(Loss)/Profit for the year (A)	**(5,537.52)**	**(42,678.99)**	**(10,010.94)**	**(46,565.22)**
Total other comprehensive (Loss) (B)	(5.72)	(41.05)	(132.52)	(19.26)
Total comprehensive (Loss)/Income for the year (C=A + B)	**(5,543.24)**	**(42,720.04)**	**(10,143.46)**	**(46,584.48)**
Less: Share of Profit of Non-Controlling Interest	-	-	33.67	45.50
Total Comprehensive (Loss)/Income attributable to the Company/ the Company alongwith its subsidiaries	-	-	(10,177.13)	(46,629.98)
Retained Earnings: Balance brought forward from the previous year	**37,740.24**	**84,485.19**	**33,966.01**	**84,620.90**
Add: (Loss)/Profit for the year attributable to the Company/ the Company alongwith its subsidiaries	(5,537.52)	(42,678.99)	(10,044.56)	(46,610.54)
Add: Other Comprehensive (Loss)/Income attributable to the Company/ the Company alongwith its subsidiaries recognized in Retained Earnings	(5.72)	(41.05)	(132.57)	(19.44)
Add: Transaction with non-controlling interest	-	-	2,778.42	-
Dividend on Ordinary Shares	5,162.54	4,024.91	5,162.54	4,024.91
Total Appropriations	5,162.54	4,024.91	5,162.54	4,024.91
Retained Earnings: Balance to be carried forward	**27,034.46**	**37,740.24**	**21,404.76**	**33,966.01**

**The Company consolidated its financial statements with RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited) and RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) for the first time. The financial information of these companies has been considered in the consolidated financial statements with effect from 5 January 2023 ("date of acquisition") to 31 March 2023 while financial information of Intermetal Engineers (India) Private Limited has been considered for the entire financial year.*

2. FINANCIAL PERFORMANCE

On Standalone basis, the revenue from operations has been increased from ₹ 248,836.87 Lacs to ₹ 282,409.45 Lacs during the current financial year 2023-24 registering the growth of 13.49% as compared to the previous FY 2022-23. Further, during the current financial year 2023-24, the profit/(loss) before tax (**PBT**) on revenue increased from ₹ (34,484.52) Lacs to ₹ 3,441.42 Lacs. Further, the loss after tax on revenue decreased from ₹ (42,678.99) Lacs to ₹ (5,537.52) Lacs.

On Consolidated basis, the revenue from operations has been increased from ₹ 272,626.65 Lacs to ₹ 378,110.40 Lacs during the current financial year 2023-24 registering the growth approx. 38.69% as compared to the previous financial year. Further, during the current financial year 2023-24, the loss before tax on revenue decreased from ₹ (39,629.96) Lacs to ₹ (1,550.59) Lacs. Similarly, the loss after tax on revenue decreased from ₹ (46,565.22) Lacs to ₹ (10,010.94) Lacs.

3. MANAGEMENT DISCUSSION AND ANALYSIS

Forward looking statement

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors within India and globally.

The financial statements are prepared as per the IND AS guidelines and comply with the applicable Accounting Standards notified under Section 211(3C) of the Act read with the Companies (Accounting Standards) Rules, 2015. The management of RHIM India has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements, reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to **"we"**, **"us"**, **"our"**, **"the Company"**, **"RHIM"** are to RHI Magnesita India Limited

About the Company

RHIM India holds the position as a premier manufacturer and supplier of top-tier refractory products, systems, and solutions crucial for high-temperature processes surpassing 1,200°C across diverse industries such as steel, cement, nonferrous metals, and glass. Its offerings encompass Magnesia and Alumina-based bricks and mixes tailored for major industrial clients, alongside specialty refractory items like Isostatic products and Slide Gates. The Company prides itself on being the foremost refractory market leader in India and has established a robust global reputation for delivering superior-quality products.

The organizational structure of RHI Magnesita India Limited was established following the integration of three former Indian subsidiaries of the global RHI Magnesita group (RHI Magnesita N.V. and its subsidiaries) — RHI Clasil Private Limited, RHI India Private Limited, and Orient Refractories Limited in 2021. This integration aimed to synergize, simplify, and consolidate the strengths of these entities, enabling them to serve customers more efficiently as a unified entity. The merger positioned the Company as the largest manufacturer of refractory products in India, offering a comprehensive range of refractory solutions for the Indian market. This includes capabilities spanning from innovation, research, and development **(R&D)** to production, marketing, sales, installation, services, monitoring, and recycling of refractories.

RHIM's products and services are divided into two operational divisions, each catering to specific customer industries. The first division focuses on supplying products and services to the steel industry, known as the "**Steel Division**". The second division serves industries such as cement and lime, non-ferrous metals, chemicals, energy, glass, and others, referred to as the "**Industrial Division**".

Steel Division

In fiscal year 2024, the Steel Division constituted approximately 76% of RHIM's revenue from operations. RHIM provides an extensive array of refractory products under its Steel Division, allowing the Company to offer holistic solutions to fulfill the refractory needs of steel manufacturers. Refractory management service contracts represent a substantial segment of the Steel Division's revenue, contributing around 33% in fiscal year 2024.

Industrial Division

Demand for refractories in non-steel industries follows a longer replacement cycle, where customers in the cement and lime sectors typically conduct annual maintenance to replace rotary kiln refractories. On the other hand, customers in non-ferrous metals and glass industries may only require refractory replacements for lined equipment every ten years. RHIM aimed to provide a diversified local market solution for this segment by acquiring the Indian refractory business of Dalmia Bharat Refractories Limited (**DBRL**), part of the Dalmia Bharat Group. This acquisition, detailed elsewhere in the report, provides RHIM with a well-diversified product and end-industry mix.

Tailored Customer Solutions

Historically, the Company has served its domestic and international customers primarily through its own facilities, supplemented by facilities within the broader RHI Magnesita Group for certain additional international customers. Its revenue streams encompass sales within India of products manufactured by the Company, sales outside India of its own products, sales within India of imported products from other entities within the global RHI Magnesita group, and services rendered to the larger RHI Magnesita Group. RHIM places a strong emphasis on research and development (**R&D**), supported by a state-of-the-art R&D center in Bhiwadi. This center leverages the global R&D expertise and experience of its parent company. Given the varying requirements and specifications across customer facilities, RHIM's R&D efforts are directed toward customizing products and services according to customer needs, with a continuous focus on innovation and improvement.

As of the current date, the Company possesses and manages eight production facilities in India, inclusive of its subsidiaries, with a combined refractory production capacity of approximately 525 KTPA. These modern manufacturing facilities are strategically situated in Bhiwadi (Rajasthan), Jamshedpur (Jharkhand), Visakhapatnam (Andhra Pradesh), Cuttack (Odisha), Rajgangpur (Odisha), Khambhalia (Gujarat), Dalmiapuram (Tamil Nadu) and Katni (Madhya Pradesh). Additionally, RHIM, via its subsidiary Intermetal Engineers (India) Private Limited, manages a plant in Mumbai dedicated to manufacturing metallurgical equipment.

The Company maintains a strong commitment to sustainable manufacturing practices, in line with the approach of the global RHI Magnesita group. Aligned with efforts to minimize its environmental footprint, the group focuses on achieving net-zero emissions, investing in innovative technologies, enhancing recycling initiatives, improving energy efficiency, transitioning to sustainable fuels, and utilizing renewable electricity sources. RHIM intends to capitalize on the Group's investments in these areas and enhance its own processes to reduce CO_2 emissions in refractory production.

Strengths:

RHIM exhibits several core strengths that solidify its position as a reputable leader in the refractory industry and enable it to capitalize on opportunities within the swiftly expanding Indian market:

A. **Brand Trust and Operational Excellence Post-Merger:** RHIM benefits from the esteemed brand reputation, industry relationships, and technical expertise of the global RHI Magnesita group, which boasts a remarkable 189-year track record and a presence in over 125 countries. Leveraging the resources of the global RHI Magnesita group, RHIM has established a robust operational platform that enables efficient and effective service delivery to customers.

B. **Leading Position in the Indian Refractory Market:** Following the integration of three Indian subsidiaries of the global RHI Magnesita group and the recent acquisition of two leading refractory companies in India, RHIM India has solidified its position as a premier manufacturer and supplier of high-grade refractory products and solutions in India. With an expanded manufacturing capacity and a diverse customer base spanning industries such as steel, cement and lime, non-ferrous metals, and glass, RHIM is well-positioned to capitalize on the substantial growth opportunities within the Indian refractory market.

C. **Comprehensive Product Portfolio and Heat Management Solutions:** RHIM distinguishes itself with a wide range of refractory products and services catering to major customer industries in India. Unlike competitors specializing in specific product ranges or customer segments, RHIM offers a comprehensive "one-stop-solution" for refractory products and solutions. The Company's capabilities extend from innovation and Research and Development to raw material recycling, production, marketing, installation, and monitoring. This comprehensive portfolio enables RHIM to capture various touchpoints in the refractory value chain and foster long-term customer relationships.

D. **Strong Focus on R&D:** R&D is a pivotal focus for RHIM as it endeavors to develop optimized and tailored products and solutions to meet diverse customer requirements. Leveraging the global R&D expertise and technical experience of the global RHI Magnesita group, RHIM's R&D activities primarily occur at its dedicated center in Bhiwadi, Rajasthan. These efforts encompass the customization of refractory products and the exploration of innovative technologies. Through ongoing R&D initiatives, RHIM aims to enhance customer satisfaction, drive product quality improvements, and maintain a competitive edge in the market.

E. **Extensive Manufacturing Capacity with Sustainable Practices:** RHIM's eight refractory manufacturing facilities strategically located across key steel and cement producing markets in India represent the widest refractory production footprint in the country. These facilities feature state-of-the-art machinery and employ modern automation technologies to ensure the production of high-quality refractories. The Company also demonstrates its commitment to sustainable manufacturing practices, aligning with the global RHI Magnesita group's vision of achieving net-zero emissions. By investing in new technologies, increasing recycling efforts, improving energy efficiency, and adopting environmentally friendly practices, RHIM aims to reduce its environmental impact while maintaining operational excellence.

In conclusion, RHIM's strengths in brand reputation, operational platform, market positioning, product portfolio, R&D capabilities, and manufacturing capacity solidify its position as a trusted leader in the refractory industry. With a strong foothold in the fast-growing Indian market and a commitment to innovation and sustainability, RHIM is poised for continued success and growth.

Strategic Initiatives:

A. **Synergies from Acquisitions:** RHIM aims to capitalize on the acquisitions of the Indian refractory business of DBRL and the refractory business of Hi-Tech Chemicals to create enduring value for its stakeholders. By integrating the acquired businesses' local expertise with the support of the global RHI Magnesita group, RHIM seeks to optimize manufacturing operations, reduce import-related costs, and broaden its product portfolio. The Company will pursue cross-selling and upselling opportunities to enhance market share in domestic and export markets.

B. **Expansion and Upgrading of Manufacturing Capacities:** RHIM plans to enhance its local manufacturing capabilities to efficiently meet the growing demand from existing and new customers. This involves achieving operational excellence, productivity improvement, and performance enhancement of the manufacturing capacities at existing facilities and newly acquired plants. Automation initiatives are underway to improve efficiency, and facility-specific upgrades will be implemented based on ongoing assessments. The objective is to streamline production processes and align manufacturing practices with those of the global RHI Magnesita group.

C. **Utilization of Existing R&D Capabilities:** RHIM will continue to prioritize Research and Development to customize products and meet customer requirements effectively. The Company will leverage the R&D capabilities of the global RHI Magnesita group to facilitate technology transfers and develop high-quality products in India. With increasing demand from steel customers for green steel production, RHIM will focus on increasing its share of production and sale of recycling while developing more carbon-efficient products locally.

D. **Expansion of Solutions Contract Business:** The Company aims to grow its solutions contract business by increasing the proportion of revenue derived from services. RHIM plans to offer a comprehensive range of refractory products and services as a "one-stop-solution" to various industries. Through targeted marketing and business development activities, RHIM aims to deepen collaboration between the technical marketing team and the sales team to showcase the full range of capabilities to potential customers for transitioning to full line solution contracts.

E. **New Business Development:** With the recent acquisitions, opportunities have emerged in less leveraged industry segments such as Iron Making and Direct Reduced Iron (**DRI**). RHIM is building a dedicated sales and technical experts' team from existing resources to focus on developing the Company's business in these promising segments.

By implementing these strategic initiatives, RHIM intends to reinforce its position as a leading player in the Indian refractory market, seize growth opportunities, and deliver long-term value to its stakeholders.

Opportunities & Threats:

RHIM presents several compelling growth opportunities:

A. **Strong Global Presence:** The Company has established a prominent position in its sector both domestically and globally, solidifying a robust global presence that bolsters its competitive advantage.

B. **Diversified Product Portfolio:** RHIM, especially following the integration of the Indian refractory business of DBRL and the refractory business of Hi-Tech Chemicals, possesses a diverse range of products, enabling effective catering to a wide range of end applications. This versatility enhances the Company's capability to address the specific needs of various industries.

C. **Favorable Domestic Industry Growth:** The domestic market's user industries, such as steel and cement, are experiencing significant growth overall. This favorable trend creates an enabling environment for RHIM to capitalize on the rising demand for refractory products, positioning the Company for increased market share and improved profitability.

D. **Synergies from Inorganic Expansion:** The Company has pursued initiatives in inorganic expansion, expected to yield synergistic benefits. By leveraging strategic acquisitions and partnerships, RHIM can drive overall growth and unlock new business development opportunities.

RHIM faces several significant threats that warrant careful consideration:

A. **Competition from Commodity Traders:** The Company operates within a highly competitive market and contends with established global refractory players. Maintaining market share and profitability may pose challenges amid aggressive competition, necessitating continuous innovation and differentiation.

B. **Integration Challenges with Recent Acquisitions:** Successful integration of recent acquisitions is pivotal for RHIM's growth and operational efficiency. We are in the process of integrating our processes and systems, which could impact our ability to operate seamlessly and will require a training curve across the organization. Additionally, global supply chain challenges, such as fluctuating freight prices, may affect our performance and hinder the realization of synergies.

C. **Unfavorable Macroeconomic and Policy Changes:** The business environment is susceptible to macroeconomic fluctuations and policy changes that can affect the refractory industry. Unexpected economic downturns, shifts in government regulations, or geopolitical instability could present risks and disrupt business operations.

D. **Volatility in Raw Material Prices & Supply chain disruption:** RHIM relies on raw materials such as magnesite and alumina, the prices of which can be volatile. Fluctuations in raw material prices can influence the Company's cost structure, profitability, and pricing competitiveness. The recent supply chain challenges was also evident of a threats due to Singapore blockade or red sea crisis have impacted our business in terms of lead time to bring the raw materials or finished goods on time but with increased costs. Despite RHIM has long term contracts with our sea freight providers, such disruptions along with geopolitical uncertainty brings challenges to have a smoother operations.

RHIM proactively monitors and strategizes to mitigate these risks and uphold a competitive advantage in the refractory market.

Industry Overview

Global Steel Market Outlook

The global steel market stands at a pivotal juncture, having reached a valuation of US$ 942.3 billion in 2023, and is poised for substantial growth, with forecasts projecting a robust expansion to US$ 1,279 billion by 2032. This trajectory reflects a Compound Annual Growth Rate (**CAGR**) of 3.3% during the forecast period spanning from 2024 to 2032. Such anticipated growth is underpinned by a confluence of factors propelling demand and fostering innovation across diverse sectors, positioning steel as a cornerstone of industrial and economic development worldwide.

Market Analysis:

Market Growth and Size: The global steel market is experiencing steady growth, owing to its indispensable role in critical industries such as construction, automotive, and infrastructure development. The market's resilience amidst economic fluctuations underscores its enduring value and adaptability to evolving market dynamics.

Major Market Drivers: Key drivers fueling the market's growth include heightened construction activities across residential and commercial sectors globally, coupled with significant advancements in steel manufacturing technologies. These advancements are enhancing product quality, driving efficiency gains, and expanding the applicability of steel across a spectrum of end-user industries.

Key Market Trends: A notable trend shaping the market landscape is the increasing adoption of high-strength and lightweight steel variants, particularly evident in the automotive and aerospace sectors. This strategic shift is driven by imperatives for enhanced fuel efficiency, reduced emissions, and improved performance, aligning with stringent regulatory standards and consumer preferences.

Geographical Trends: Geographically, Asia Pacific remains a dominant force in the global steel market, propelled by extensive infrastructural developments and robust manufacturing activities. Concurrently, North America is emerging as a fast-growing market, characterized by a heightened focus on recycling and sustainable steelmaking practices, reflecting regional shifts towards environmental stewardship and resource efficiency.

Competitive Landscape: The competitive landscape of the global steel market is marked by significant investments in research and development to foster innovation, improve product quality, reduce production costs, and mitigate environmental impacts. Key market players are actively pursuing strategic initiatives to fortify their market positions and drive sustainable growth.

Challenges and Opportunities:

Challenges: The industry faces challenges stemming from volatile raw material prices, stringent environmental regulations, and the imperative for continuous technological advancements to mitigate carbon footprints. Navigating these challenges requires proactive strategies and agile responses from industry stakeholders.

Opportunities: Amidst challenges, opportunities abound for market players to innovate in recycling techniques, develop new materials, and expand into emerging markets. Strategic initiatives focused on sustainability, efficiency gains, and market diversification are instrumental in overcoming challenges and unlocking growth prospects.

Emerging trends underscore steel's integral role in shaping modern industries. The automotive sector, for instance, is witnessing a transformative shift towards electric and autonomous vehicles, driving demand for advanced steel solutions that offer strength, safety, and sustainability. Similarly, the defense industry's demand for high-performance steel alloys for military applications underscores the material's criticality in ensuring national security and technological superiority.

Technological advancements continue to redefine the steel market landscape. From digitalization and automation in manufacturing processes to the integration of artificial intelligence and data analytics, the industry is embracing innovation to optimize efficiency, reduce costs, and enhance product quality.

In conclusion, the global steel market's outlook remains positive and dynamic, characterized by steady growth, transformative trends, and strategic imperatives for sustainability and innovation. Continued investments in R&D, market diversification, and strategic partnerships are pivotal in navigating challenges, seizing opportunities, and sustaining the steel industry's enduring relevance in the global economy.

Source: IMARC Services Pvt Ltd. (https://www.imarcgroup.com/steel-market & https://www.linkedin.com/pulse/global-steel-map-comprehensive-overview-regional-trends-expectations-bquac/)

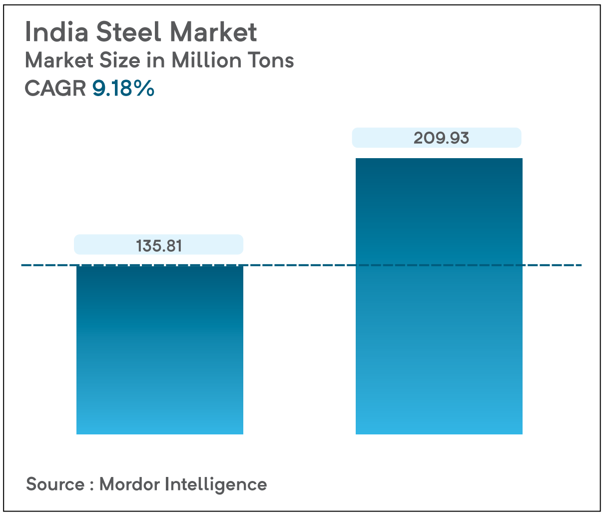
Indian Steel Market Outlook

The Indian steel industry continues to showcase resilience and growth potential, with an estimated market size of 135.81 million tons in 2024, projected to reach 209.93 million tons by 2029 at a CAGR of 6% to 9%. Despite challenges posed by the COVID-19 pandemic, the sector witnessed a strong recovery driven by the gradual reopening of end-user industries and government initiatives to curb the spread of the virus.

Key drivers bolstering the Indian steel market include robust policy support from the Indian Government, substantial investments in the sector, increasing urbanization, and heightened spending on construction and infrastructure projects. These factors are anticipated to fuel market expansion during the forecast period, reflecting a positive outlook for the industry.

However, the industry faces challenges such as low per capita steel consumption and high production costs, leading to decreased profit margins for manufacturers. Price fluctuations have also impacted importers, contributing to market volatility.

Despite these challenges, the industry is poised for growth with initiatives focusing on hydrogen-based steel manufacturing and the potential for increased trade and investment opportunities.



Foreign Direct Investment (**FDI**) has played a significant role in boosting investments in the steel industry, with policies allowing 100% FDI via the automatic route. Between April'2000 and September'2023, Indian metallurgical industries attracted FDI inflows of US$ 17.40 billion, reflecting investor confidence and opportunities for expansion.

India stands as the second-largest producer of crude steel globally, with notable achievements in steel production. For instance, in FY24, the production of crude steel and finished steel reached 94.01 million tons and 88.81 million tons, respectively. The Steel Authority of India Limited (**SAIL**) recorded its best-ever annual production, highlighting the industry's capacity and growth potential.

Looking ahead, the industry anticipates significant growth driven by post-COVID-19 economic recovery plans, investments in key sectors like infrastructure, transportation, and affordable housing. The government's focus on increasing steel capacity and promoting specialty steel production through schemes like the Production-Linked Incentive (**PLI**) scheme is expected to stimulate investment and create additional capacity.

India's abundant iron ore reserves, easy availability of low-cost manpower, and ongoing industry consolidation further strengthen its position in the global steel market. Continued government support, strategic investments, and technological advancements are pivotal in shaping the Indian steel industry's trajectory, paving the way for sustainable growth and competitiveness on the global stage.

***Source:** (https://www.mordorintelligence.com/industry-reports/india-steel-market & https://www.ibef.org/download/1707292065_Steel-December-2023.pdf)*

Indian Cement Market Outlook

The Indian cement industry stands as a cornerstone of the nation's infrastructure and construction sectors, ranking as the world's second-largest cement producer. With an installed capacity of 570 million metric tonnes per annum (**MTPA**) and a production of 298 MTPA, the industry plays a pivotal role in driving economic growth and development across various sectors.

In FY24, India's cement production is projected to grow by 7-8%, fueled by investments in infrastructure and mass residential projects. The industry has witnessed substantial capacity expansion, with installed capacity growing by 61% from 353 MT in FY12 to 570 MT in FY23, reflecting a robust trajectory of growth and development.

Private players dominate the Indian cement market, accounting for 98% of the total capacity, with the top 20 companies contributing around 70% of the total production. The industry is characterized by large plants, with 210 large cement plants boasting a cumulative installed capacity of over 410 MT, complemented by over 350 mini cement plants with an estimated production capacity of nearly 11.10 MT.

Geographically, the concentration of cement production is significant in South and West India, particularly in states like Andhra Pradesh, Rajasthan, and Tamil Nadu, where 77 out of the total 210 large cement plants are situated.

Market projections indicate a positive outlook for the Indian cement sector, with Crisil Ratings forecasting the addition of approximately 80 MT capacity by FY24, the highest in a decade. This growth is attributed to increased spending on housing and infrastructure activities, coupled with initiatives like the National Infrastructure Pipeline (NIP), which introduces projects worth ₹ 102 lac crore for the next five years.

Government initiatives such as the 'PM Gati Shakti - National Master Plan (**NMP**)' for multimodal connectivity and substantial investments in infrastructure, including roads, railways, and ports, are expected to drive cement demand in the coming years. The industry's focus on green practices and sustainability, coupled with technological advancements, positions Indian cement manufacturers among the world's greenest and most efficient producers.

Opportunities in sectors like housing, dedicated freight corridors, ports, and other infrastructure projects are key drivers of growth, attracting investments and fostering innovation within the industry. The ongoing expansion plans of major players like UltraTech Cement, Adani Group, and Shree Cement further underscore the industry's dynamism and potential for continued expansion and development.

In conclusion, the Indian cement industry remains poised for sustainable growth, supported by robust demand from infrastructure and real estate sectors, government initiatives, and a commitment to environmental sustainability and technological advancement.

***Source:** (https://www.ibef.org/download/1707217962_Cement-December-2023.pdf)*

Global Refractory Market Outlook

The global refractories market is poised for significant growth, projected to reach around USD 51.46 billion by 2033, expanding from USD 32.98 billion in 2023 at a steady CAGR of 4.60% during the forecast period from 2023 to 2033.

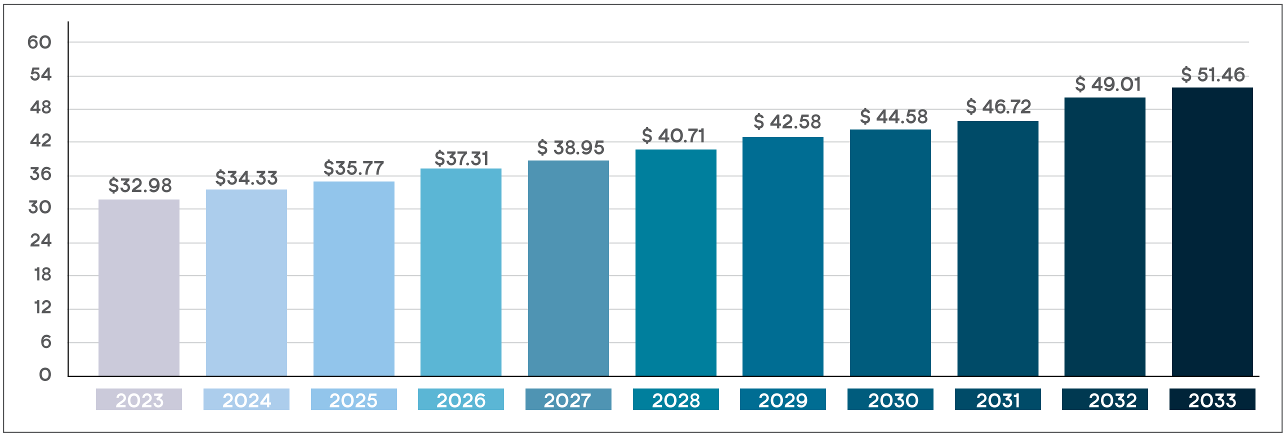


Figure 1: Refractories Market Size 2023 - 2033 (USD Billion)

Source: https://www.precedenceresearch.com/refractories-market

The Asia-Pacific region, with a refractories market size of USD 20.26 billion in 2023, is projected to reach USD 43.56 billion by 2033, registering a CAGR of 8.00% from 2024 to 2033. The region's growth is fueled by ambitious goals in coal-power capacity, particularly in China under its 14th Five-Year Plan (2021-2025). A healthy steel, cement, and manufacturing sectors, coupled with significant infrastructure development and a construction boom, are key drivers for growing demand for refractory materials in high-temperature processes and insulation applications.

The subdued demand for refractories observed in North America and Europe during 2023 persisted throughout the first half of 2024, with no catalyst visible to alter the trend for the remainder of the year. These main drivers for the development in these markets were high inflation, monetary tightening, and energy price volatility as well as geopolitical challenges in Europe. Stringent environmental regulations and sustainability objectives have driven the adoption of more advanced and sustainable refractory materials. These materials contribute to energy efficiency improvements and are further supported by ongoing infrastructure projects and a resurgence in manufacturing activities in these geographies.

Despite the macroeconomic weakness affecting many western nations and developed economies, the structural drivers of the refractory market remain intact and we are confident that refractories will participate in any form of long term GDP growth. Refractory products play a crucial role across industries providing thermal insulation and protection from corrosion and are therefore critical in the manufacturing process of iron, steel, glass and cement, as well as petrochemical and non-ferrous metals sectors like copper. Innovation to solve mankind's biggest challenges, for example the global energy transition, will drive long term growth and development in the refractories industry.

Source: (https://www.precedenceresearch.com/refractories-market & https://www.fortunebusinessinsights.com/refractories-market-103287 & https://worldsteel.org/media/press-releases/2024/worldsteel-short-range-outlook-april-2024/)

Indian Refractory Market Outlook

India's aggressive domestic manufacturing and infrastructure development targets have catalyzed the growth of the refractory industry, driven by increasing global demand for Indian steel. The government's emphasis on manufacturing and infrastructure is propelling the refractory sector forward. Refractories are indispensable for high-temperature processes across various sectors such as steel, cement, glass, non-ferrous metals, and petrochemicals. They play a crucial role in ensuring the efficiency and quality of products in these industries.

Initiatives like Atmanirbhar Bharat underline the importance of self-reliance, although the refractory industry still heavily relies on raw material imports. Post-Covid, India has emerged as a major sourcing hub for refractory products. The industry's growth trajectory suggests a potential shift from global to Indian raw materials, enhancing domestic manufacturing and strengthening India's position as a global manufacturing powerhouse.

The government's initiatives to increase steel capacity and substantial investments in infrastructure development position the refractory sector at the forefront of India's manufacturing narrative. The sector supports high-temperature processes, contributing directly to India's manufacturing ambitions, fostering sustainable growth, and bolstering the nation's industrial competitiveness globally.

Despite promising prospects, the industry faces challenges such as volatile commodity prices, high dependency on raw material imports, and limited domestic sourcing due to geological and technological constraints. However, by leveraging favorable market conditions and addressing these challenges through strategic planning and innovation, the Indian refractory industry is poised for sustained growth.

This unprecedented growth potential underscores the critical role of refractories in steel and cement manufacturing, as well as in the production of other materials requiring high-temperature processes. Refractories are essential for lining furnaces and equipment, ensuring the smooth operation and efficiency of these industrial processes. In essence, the production of steel, cement, glass, aluminum, copper, and other metals and non-metals would be impossible without refractory materials.

Financial & Operational Performance

Snapshot of FY24 on consolidated basis

- The Total Revenue from Operations was ₹ 3,78,110 Lacs as in FY24 as compared to ₹ 2,72,627 Lacs for FY23, with a change of 39% driven by a strong increase in volume.
- The adjusted EBITDA* was ₹ 57,825 Lacs as in FY24 as compared to ₹ 43,877 Lacs for FY23, with a change of 32%.
- The operating cash flow is ₹ 27,060 Lacs, the capital expenditure (**CAPEX**) is ₹ 8,004 Lacs.
- The adjusted earnings earnings per share (**EPS**) is ₹ 11.99 per share
- The proposed dividend per share is ₹ 2.50 per share.
- The net debt to adjusted EBITDA ratio is 0.76.

*Adjusted *EBITDA is profit before tax excluding depreciation, amortization, finance cost and one timer expenses of ₹ 2,134 Lacs. Adjusted EPS is computed after reducing impact of impairment loss of goodwill and one timer expenses.*

Internal Control Systems & Adequacy

The Board evaluates the effectiveness of the internal financial, operational, and compliance controls, as well as the risk management framework. RHI Magnesita India adheres to corporate governance regulations, with the Board assessing the operational efficiency of internal controls throughout the year and making recommendations when appropriate. Regular discussions between the Board and the Audit & Compliance Committee have addressed improvements in the internal control systems, both implemented and planned.

These systems have been in place throughout 2023 and up to the date of this report and are based on the three lines of defense model, supported by an end-to-end process model and a delegation of authority's structure reflecting the responsibility for risk management and internal controls at all management levels.

The Company has a dedicated risk management approach and an internal control framework for its financial reporting process and the preparation of financial statements. These systems include policies and procedures to ensure that adequate accounting records are maintained, and transactions are recorded accurately and fairly, allowing for the preparation of financial statements in accordance with applicable accounting standards.

Human Resources

RHI Magnesita India Ltd. maintains robust people and culture policies aligned with its strategic objectives. The Company is committed to developing its employees, offering training programs to cultivate a diverse talent pool. By combining experienced and young professionals, RHIM drives growth and achieves its business goals. As on 31 March 2024, the Company had a workforce of 3,383 (permanent and contractual).

Outlook

India is the highest growth major market for refractories globally, with a forecast of 6-9% CAGR. RHI Magnesita India Limited is well-positioned to leverage on this opportunity for a sustainable and profitable growth in the coming years, backed by a comprehensive strategy focused on both organic and inorganic initiatives. The refractory industry is anticipated to witness substantial expansion, driven by key end-user industry such as steel, cement, and glass, among others, in line with India's economic and infrastructure development trajectory.

The government's ambitious targets, including reaching a US$ 7 trillion economy by fiscal year 2030 and achieving 300 million tonnes of steel production by 2030, coupled with initiatives like Atmanirbhar Bharat, provide a strong foundation for economic growth. These factors create a conducive environment for increased demand for refractory products aligning with RHIM's market leadership position and local-for-local manufacturing strategy under the 'Make in India' initiative.

RHIM's recent acquisitions, including the integration of the Indian refractory business of DBRL into RHI Magnesita India Refractories Limited and the acquisition of the refractory business of Hi-Tech Chemicals, have significantly expanded the Company's production capacity and diversified its product portfolio. These strategic moves enhance RHIM's ability to cater to a broader range of end applications and customer segments effectively.

The Company's operations in west and south India, supported by a well-established production footprint, strategically position RHIM to serve these regions efficiently. Leveraging a strong industrial product offering, RHIM aims to optimize its go-to-market portfolio by providing comprehensive solutions across all segments and industries. Cross-selling opportunities are expected to drive revenue growth as synergies from the acquisitions materialize.

RHIM is focused on optimizing its cost structure through initiatives such as fixed cost optimization, resource bundling, and leveraging economies of scale. These efforts are aimed at improving the cost baseline and enhancing profitability, reflecting the Company's commitment to operational excellence and efficiency.

Looking ahead, RHIM plans to capitalize on its strong global presence, diversified product portfolio, localization of imported products, and favorable domestic industry growth. Anticipated synergies from inorganic expansion, coupled with strategic partnerships and investments, position RHIM for sustained growth and profitability in the Indian refractory industry.

In conclusion, RHI Magnesita India Limited is well-positioned to continue its trajectory of growth, innovation, and market leadership, driving value creation for stakeholders and contributing significantly to India's refractory sector's development and success.

4. DIVIDEND

Based on the Company's performance and other non-financial factors, your directors are pleased to recommend final dividend of ₹ 2.50/- (250%) per equity share having face value of ₹ 1.00/- each for the FY 2023-24.

The dividend payout is subject to approval of members at the ensuing Annual General Meeting ("**AGM**").

The recommended dividend shall be paid to those shareholders whose name would appear in the Register of Members as on the record date (i.e., 5 September 2024). The dividend distribution will result in cash outgo of ₹ 5,162.54/- Lacs.

In view of the changes made under the Income Tax Act, 1961 by the Finance Act, 2020, dividend paid or distributed by the Company shall be taxable in the hands of the shareholders. The Company shall, accordingly, make the payment of dividend after deduction of tax at source.

The dividend pay-out is in accordance with the Company's dividend distribution policy and the policy is available on the weblink *https://www.rhimagnesitaindia.com/uploads/pdf/208pdctfile_policyondividenddistribution.pdf*

5. RESERVES

For details on movement in reserves and surplus during FY 2023-24, please refer the statement of changes in equity and note no. 8(b) of standalone financial statements for the period under review.

6. SUBSIDIARY COMPANY, ASSOCIATE & JOINT VENTURE

As on 31 March 2024, the Company has two subsidiaries i.e. Intermetal Engineers (India) Private Limited ("**Intermetal**") and RHI Magnesita India Refractories Limited ("**RHIM Refractories**") (together called as "**subsidiaries**") and one step down subsidiary namely RHI Magnesita Seven Refractories Limited ("**RHIM Seven**").

RHIM Refractories was earlier holding 51% of paid-up share capital of RHIM Seven, and on 24 July 2023, it acquired remaining 49% of paid-up share capital of RHIM Seven, consequently, RHIM Seven became the wholly owned subsidiary Company of RHIM Refractories.

RHIM Refractories is material subsidiary of the Company in terms of provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**'), as may be applicable.

The Board of Directors of RHIM Refractories and RHIM Seven in their respective board meetings held on 8 February 2024 have approved the scheme of merger of RHIM Seven with RHIM Refractories under the provisions of Section 233 of the Companies Act and the rules made thereunder. The aforesaid merger is in process.

The Board of Directors of RHIM Refractories in its board meeting held on 8 February 2024 has approved the proposal to permanently close its manufacturing facility/ unit of RHIM Refractories located at 1174/1 & 1174/2, Joratarai Industrial Area P.O. Mangata Dist.- Rajnandgaon, Chattisgarh- 491441. All the operations at the aforesaid plant have been ceased and a notice abstract to such effect that the plant has closed has been affixed on the notice board of the Plant as on 31 May 2024.

The Company does not have any associate or joint venture within the meaning of Section 2(6) of the Companies Act, 2013 ("**Act**"). During the period under review, there has been no material change in the nature of business of the subsidiaries or the Company.

The financial statements of the Company including consolidated financial statements along with relevant documents are available on the website of the Company i.e. *https://www.rhimagnesitaindia.com/investors/financials-reports/quarterly-financial-results* and separate Annual Report including audited financial statements in respect of subsidiaries, are available on the Company's website at *https://www.rhimagnesitaindia.com/investors/financials-reports/subsidiary-annual-reports*

Financial Performance of Subsidiaries Company

The highlights of financial performance of the subsidiaries for FY 2023-24 are as follows:

(Amount in ₹ Lacs)

Sr. no.	Particulars	Intermetal	RHIM Refractories	RHIM Seven
1.	Revenue from operation	665.33	102,443.18	10,090.01
2.	Profit before tax/(loss)	235.06	(35,307.51)	807.40
3.	Profit after tax/(loss)	168.79	(34,506.11)	590.86

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

7. SHARE CAPITAL STRUCTURE OF THE COMPANY

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

Particulars		Change in Issued, Subscribed and Paid-up Share capital during FY 2023-24
Authorized Share Capital (as on 31 March 2024)		₹ 308,000,000.00/- constituting of 308,000,000 equity shares of ₹ 1/- each.
Issued, Subscribed and Paid-up Share Capital (as on 1 April 2023)		₹ 187,996,331.00/- constituting of 187,996,331 equity shares of ₹ 1/- each.
Add:	Issue & allotment of shares on 6 April 2023	₹ 15,715,034.00 /- constituting of 15,715,034 equity shares of ₹ 1/- each.
Add:	Issue & allotment of shares on 21 June 2023	₹ 2,790,061.00/- constituting of 2,790,061 equity shares of ₹ 1/- each.
Issued, Subscribed and Paid-up Share Capital (as on 31 March 2024)		₹ 206,501,426.00/- constituting of 206,501,426 equity shares of ₹ 1/- each.

During the period under review, the share capital of the Company was changed in the following phases:

A. The members of the Company in their 2nd Extra Ordinary General Meeting ("**EGM**") held on 13 March 2023 approved issuance of securities including equity shares having face value of ₹ 1/- (Rupee One) each through qualified institutional placement for an amount not exceeding ₹ 1,500 Crore (Rupees Fifteen hundred crore). Pursuant to the aforesaid approval of members of the Company, the Fund-Raising Committee of the Board at their meeting held on 6 April 2023 allotted 15,715,034 (One crore fifty seven lac fifteen thousand thirty four) equity shares of ₹ 1/- (Rupee One) each at an issue price of ₹ 572.70/- (Rupees Five hundred seventy two and seventy paisa) each against the share applications received from Fifty seven (57) qualified institutional buyers aggregating to ₹ 900 Crore (approx.) (Rupees Nine hundred crore).

B. The members of the Company through postal ballot on 1 June 2023 approved the issuance of 2,790,061 (Twenty seven lac ninety thousand sixty one) equity shares having face value of ₹ 1/- (One) each at an issue price of ₹ 716.83/- (Rupees Seven hundred sixteen and Paise Eighty three) each to Dutch US Holding B.V. one of the promoter of the Company on preferential basis for an aggregate amounting ₹ 200 Crore (approx.) (Rupees Two hundred crore). Pursuant to the approval of members of the Company, the Fund-Raising Committee of the Board at their meeting held on 21 June 2023, has allotted 2,790,061 (Twenty seven lac ninety thousand sixty one) equity shares of ₹ 1/- (One) each at an issue price of ₹ 716.83/- (Rupees Seven hundred sixteen and eighty three paise) each to Dutch US Holding B.V aggregating ₹ 200 Crore (approx.) (Rupees Two hundred crore). Pursuant to SEBI ICDR Regulations the said issued equity shares are subject to lock-in up to 31 March 2025, further prior shareholding of 79,877,771 (Seven crore ninety eight lac seventy seven thousand seven hundred seventy one) equity shares of Dutch US Holding B.V. were also locked-in up to 31 December 2023 and the same has been released now.

8. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENT

A. Loan & Guarantees

During the period under review, no loans and advance has been given by the Company or provide security in respect of the loan to any firms/ companies in which directors of the Company are interested.

B. Investments

The Company has subscribed 16,975,051 (One crore sixty nine lac seventy five thousand fifty one) equity shares of RHIM Refractories, material wholly owned subsidiary company having face value of ₹ 10/- (Rupees Ten) each offered through right issue at an issue price of ₹ 207/- (Rupees Two hundred seven) aggregating amounting to ₹ 351 Crore (approx.) (Rupees Three hundred fifty one crore). The shares were allotted to the Company on 8 May 2023.

The Company further subscribed 5,072,464 (Fifty lac seventy two thousand four hundred sixty four) equity shares of RHIM Refractories, material wholly owned subsidiary company having face value of ₹ 10/- (Rupees Ten) each at an issue price of ₹ 207/- (Rupees Two hundred seven) aggregating amounting to ₹ 105 Crore (approx.) (Rupees One hundred five crore) on right basis and the shares were allotted to the Company on 11 August 2023.

Details of loans, guarantees and investments as per Section 186 of the Act, have been disclosed in the financial statements.

9. UTILISATION OF FUNDS

During the period under review, the Company has raised and utilized the funds in the manner stated herein below:

A. Issue of shares through qualified institutional placement of ₹ 900 Crore (approx.)

The entire funds raised through qualified institutional placement has been utilized during the financial year ended 31 March 2024 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, as may be permissible under applicable laws) as per the objects stated in notice of Extra-ordinary General Meeting dated 13 February 2023.

B. **Issue of shares through preferential allotment of ₹ 200 Crore (approx.)**

The entire funds raised through preferential allotment has been utilized during the financial year ended 31 March 2024 for repayment / prepayment, in full or in part, of certain outstanding borrowings availed by the Company and interest thereupon. Investment into one of the Subsidiaries, i.e. RHIMIRL and General Corporate Purpose as per the objects stated in Postal Ballot Notice dated 29 April 2023.

There has not been any deviation in the utilization of proceeds of qualified institutional placement and preferential allotment from the objects as approved by the shareholders of the Company.

10. STATEMENT ON STATE OF COMPANY'S AFFAIRS

Details on the state of affairs of the Company has been covered under the Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of Listing Regulations.

11. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Board is ultimately responsible for maintaining effective corporate governance, which includes the Company's risk management approach, the Company's system of internal controls, and the Company's internal audit approach. The Board reviews the effectiveness of the system of internal financial, operational, and compliance controls, and the risk management framework. The Board examines whether the system of internal controls operates effectively throughout the year and will make recommendations when appropriate.

These systems have been in place throughout the year and up to the date of this report. They are based on the three lines of the defense model, supported by an end-to-end process model and a delegation of authority's structure reflecting the responsibility for risk management and internal controls at all management levels.

The Company's internal control framework is designed to enable the application of the Company's risk appetite. This typically seeks to avoid or mitigate risks rather than to eliminate the risks associated with the accomplishment of the Company's strategic objectives. It provides reasonable but not absolute assurance against material misstatement or loss.

The Company has in place a specific risk management approach and an internal control framework in relation to its financial reporting process and the process of preparing the financial statements. These systems include policies and procedures to ensure that adequate accounting records are maintained, and transactions are recorded accurately and fairly to permit the preparation of financial statements in accordance with the applicable accounting standards.

The Board considers the Company's risk management and internal control system are appropriate and effective to give reasonable, but not absolute, assurance against material misstatement or loss. Improvements on the internal control systems implemented and planned have been discussed regularly between the Board and Audit & Compliance Committee.

Internal control systems are an integral part of your Company's corporate governance structure. These have been designed to provide reasonable assurance regarding *inter-alia*

A. recording and providing reliable financial and operational information.

B. complying with the applicable statutes.

C. safeguarding assets from unauthorized use.

D. executing transactions with proper authorization and ensuring compliance with corporate policies.

E. prevention and detection of frauds/errors and

F. continuous updating of IT systems.

The Company's management has assessed the effectiveness of the Company's internal control over financial reporting as of 31 March 2024.

The Audit Committee reviewed the reports submitted by the Management, Internal Auditors, and Statutory Auditors. Based on their evaluation (as defined in Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations), the Committee has concluded that, as of 31 March 2024, the Company's internal financial controls were adequate and operating effectively.

12. HUMAN RESOURCES

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

RHIM is committed to fostering a learning environment, providing both technical and behavioral training based on need assessments. The organization also implements recognition programs to inspire and engage employees. A notable initiative is the Culture Champion program, which reinforces organizational values and fosters a sense of belonging among employees.

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

13. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

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

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

The Company has obtained approval of shareholders, by way of postal ballot for material related party transaction(s) with M/s. RHI Magnesita GmbH, for an amount of ₹ 100,000 Lacs, for the FY 2021-22 and onwards with yearly increase of 30% every year in the value of such transactions up to the FY 2025-26.

The policy on materiality of related party transactions and dealing with related party transactions can be accessed on the Company's website at the link: *https://www.rhimagnesitaindia.com/uploads/pdf/218pdctfile_policyforrelatedpartytransactions.pdf.* Members can also refer note 35 and 36 of the standalone financial statements and consolidated financial statements respectively, which set out related party disclosures.

14. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The Company has been carrying out various Corporate Social Responsibility (**CSR**) activities. These activities are carried out in terms of Section 135 read with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time-to-time.

The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **ANNEXURE-II** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which forms a part of this report. The CSR policy is also available on the Company's website at the link: *https://www.rhimagnesitaindia.com/uploads/pdf/215pdctfile_policyforcorporatesocialresponsibility.pdf*

15. RISK MANAGEMENT

Our risk management approach helps the Board and Management to understand the risks associated with the adopted strategy, periodically assess if the strategy is aligned with our risk appetite and understand how the chosen strategy could affect the Company's risk profile, specifically the types and amount of risk to which the Company is potentially exposed.

The Company has an established risk management approach with the provisions of the Companies Act, 2013, and other applicable provisions with the objective of identifying, assessing, and controlling uncertainties and risks that could impact the delivery of RHIM's strategy. The risk management approach combines top-down, bottom-up, and deep-dive risk assessments. The top-down risk assessment is performed by the management and reviewed by the Audit Committee, Risk Management Committee and the Board of Directors. The bottom-up risk assessment is based on each of the operational sites, which maintain ongoing risk management activity linked to the risk management practices. Deep-dive risk assessments are performed for areas of emerging or prevailing risks, which, in the year, included capex, plant operations, fraud management, and sustainability, including energy-related risks and opportunities.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment.

The risk assessment process includes five steps, which are consistently repeated throughout the year to ensure a continuous risk assessment.

Occupational Health-Safety and Environment are considered an integral part of our operations. All statutory legal regulations were compiled as per government norms. The workplace risk assessment of hazards is done once in a year and is reviewed after six months in all the operational plants and extended to the major suppliers and customer sites also. The safety and environmental audits are being conducted at regular intervals by internal and external agencies. The surveillance audit of Integrated Management System (IMS, ISO 9001, 14001 & 45001) for plants located at Visakhapatnam, Bhiwadi and Cuttack were successfully completed and stage-2 audit for plant located at Jamshedpur, and also for plants of subsidiaries company located at Khambhalia, Katni, Dalmiapuram and Rajgangpur is in process. The employees involvement in reporting the unsafe conditions and near misses has been excellent. The Global Key Performance Indicators (**KPIs**) of preventive rate have been successfully achieved. The participation of employees in 6S activities has tremendously changed the work culture and the award of the 6S trophy every month has increased the competitiveness in perfect maintenance of a safe workplace. This year we are in process to implement Energy Management system (ISO 50001) in all our Eight sites which will be a significant step towards Environmental sustainability.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Gustavo Lucio Goncalves Franco (DIN: 08754857) retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment along with other required details forms part of the Notice of the AGM.

The Board of Directors, at its meeting held on 14 August 2024, based on recommendation of Nomination and Remuneration Committee ("**NRC**"), appointed Mr. Kamal Sarda (DIN:03151258), as an Additional Independent Director, not liable to retire by rotation, of the Company. Mr. Sarda shall hold office of Additional Independent Director up to date of ensuing AGM. However, the Company has also received requisite notice, in writing from a member of the Company, proposing his candidature for the said appointment. Accordingly, Board of Directors, based upon the recommendation of the NRC, had recommended the appointment to shareholders for their approval for a period of 5 years w.e.f. 14 August 2024, not liable to retire by rotation, in the ensuing AGM.

The NRC and the Board at their respective meetings have assessed his candidature and are of view that Mr. Kamal Sarda possesses necessary competencies and skill identified by the Board of Directors for effective managing its business.

The Company has received declarations from all Independent Directors of the Company that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and under Regulations 16 and 25 of Listing Regulations and there has been no change in the circumstances affecting their status as independent directors of the Company. The Company has also received a declaration from all the independent directors that they have registered their names in the independent director data bank and pass/ exempt requisite proficiency test conducted by Ministry of Corporate Affairs.

In the opinion of the Board, the Independent Directors of the Company are the persons of integrity, expertise and fulfill the conditions as per the applicable laws and are independent of the management of the Company.

During the period under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than receipt of sitting fees and reimbursement of expenses, if any.

The Company recognizes and embraces the importance of a diverse board in its success. Your Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help to retain its competitive advantage. The brief resumes, justification wherever is applicable, and other details relating to the directors who are proposed to be appointed/ re-appointed, as required to be disclosed as per the provisions of the SEBI Listing Regulations/ Secretarial Standard are given in the Annexure to the Notice of the 14th AGM.

Pursuant to the provisions of Section 203 of the Act, Mr. Parmod Sagar, Managing Director and Chief Executive Officer, Ms. Vijaya Gupta, Chief Financial Officer and Mr. Sanjay Kumar, Company Secretary were KMPs of the Company as on 31 March 2024.

Ms. Vijaya Gupta, Chief Financial Officer & Key Managerial Personnel has resigned from her position effective 30 April 2024. In her stead, Mr. Azim Syed has been appointed as Chief Financial Officer & Key Managerial Personnel w.e.f. 01 May 2024.

Tenure of Dr. Vijay Sharma, Chairman and Independent Director is going to expire on 11 November 2024. Upon completion of his tenure, position of the Chairman would be vacant. Therefore, based on recommendation of NRC, the Board of Directors of the Company in their meeting held on 14 August 2024 appointed Mr. Parmod Sagar, Managing Director & CEO as Chairman of the Company. With effect from 12 November 2024, designation of Mr. Parmod Sagar would be Chairman, Managing Director & CEO.

17. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has devised the policy on remuneration and nomination for the selection, appointment and remuneration of the Directors and KMPs and remuneration of other employees who have the capacity and ability to lead the Company towards achieving sustainable development. Salient features of the Company's policy on remuneration and nomination are as under:

A. Appointment of KMPs and senior management personnels are subject to the approval of the Nomination and Remuneration Committee and Board of Directors. Remuneration of KMPs and senior management personnels are decided by the Managing Director on the recommendation by the Whole Time Directors/Executive Directors concerned, where applicable, broadly based on the Remuneration Policy in respect of Whole Time Directors /Executive Directors. Total remuneration of KMPs and senior management personnels comprises of fixed based salary, perquisites, retirement benefit, motivation rewards, bonus and other non-monetary benefits.

B. Non-Executive Directors are paid remuneration in the form of sitting fees for attending the Board Meetings and committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions. While deciding the remuneration of Managing Director and Executive Directors, the Nomination and Remuneration Committee considers pay and employment conditions in the industry, merit and seniority of the person. The Committee encourage the balance between fixed and variable component in the remuneration which are based on the performance to achieve the Company's target. The term of office and remuneration of whole-time directors are subject to approval of the Board of Directors, shareholders and the limit laid down under the Companies Act,2013 from time to time.

The Nomination and Remuneration Policy of the Company is available on the Company's website and can be accessed on the Company's website at the link: *https://www.rhimagnesitaindia.com/uploads/pdf/219pdctfile_remunerationandnominationpolicy.pdf*

18. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, the work performed by the Internal Auditors, Statutory Auditors and Secretarial Auditors, including the Audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2023-24.

Pursuant to Section 134(5) of the Act, the Directors confirm that:

A. in preparation of the annual accounts for the financial year ended 31 March 2024, the applicable Accounting Standards have been followed and there was no material departures.

B. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as on 31 March 2024, and of the profit of the Company for that period.

C. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

D. they have prepared the annual accounts on a going concern basis;

E. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

F. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. BOARD EVALUATION

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

The performance of the board was evaluated by the Board of Directors after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5 January 2017.

In a separate meeting of Independent Directors held on 13 February 2024 performance of Non-Independent Directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

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

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

20. AUDITORS AND AUDIT REPORT

A. Statutory Auditors

At the 12th AGM of the Company held on 26 September 2022, M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) were reappointed as Statutory Auditors to hold office for a period of 5 (five) consecutive years till the conclusion of 17th AGM to be held in the year 2027. The Auditor's Report for the FY 2023-24 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the Financial Statements in this Annual Report.

B. Secretarial Auditor

The Board has appointed M/s. Naresh Verma & Associates, Company Secretaries, to conduct Secretarial Audit for the FY 2023-24. The Secretarial Audit Report for the financial year ended 31 March 2024, is appended as **ANNEXURE - III** to this report.

The Secretarial Audit Report does not contain any qualification, reservation and adverse remarks and the comments given by the Secretarial Auditors in their report are self-explanatory and hence, do not call for any further explanations or comments under Section 204(3) of the Act.

Further, as required under Section 204 of the Act and rules thereunder, the Board has appointed M/s. Naresh Verma & Associates, Company Secretaries, as the Secretarial Auditors for another term to conduct the Secretarial Audit for the FY 2024-25.

As per the requirements of the Listing Regulations, Secretarial Auditors of the unlisted material subsidiary of the Company have undertaken secretarial audit of such subsidiary for financial year ended 31 March 2024. The Secretarial Audit Reports of such unlisted material subsidiary viz. RHI Magnesita India Refractories Limited is appended as **Annexure IV** and available on Company's website at: *https://www.rhimagnesitaindia.com/investors/financials-reports/subsidiary-annual-reports*

C. **Cost Auditors**

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. K. G. Goyal & Associates, Cost Accountants, (Firm Registration No.: 000024) as Cost Auditors to audit the cost accounts of the Company for the FY 2024-25. As required under the Act, a resolution seeking shareholders' approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the 14th AGM.

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records & Audit) Rules, 2014, the Company has maintained cost records. The Cost Audit report for the FY 2022-23 was filed with the Ministry of Corporate Affairs on 20 September 2023.

D. **Internal Auditors**

The Board has appointed M/s. Chaturvedi & Partners as Internal Auditors for the FY 2023-24 under Section 138 of the Companies Act, 2013 and they have completed the internal audit as per the scope defined by the Board. M/s. Chaturvedi & Partners was re-appointed as Internal Auditors of the Company for FY 2024-25.

E. **Reporting of fraud by auditors**

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

21. EXPORT HOUSE STATUS

The Company enjoys the status of "Three Star Export House" for a period of 1 October 2023 to 31 March 2028.

22. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of your Company during the year under review.

23. DISCLOSURES

A. **Vigil Mechanism /Whistle Blower Policy**

Pursuant to the provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations and in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower and the same has been hosted on the website of the Company. Over the years, the Company has established a reputation for doing business with integrity and displays zero tolerance for any form of unethical behaviour. The mechanism under the Policy has been appropriately communicated within and outside the organisation. This Policy inter-alia provides direct access to the Chairperson of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee.

The Company reached out to employees through physical/ virtual sessions with an aim of creating greater awareness on this subject. During the year under review, the Company has received six (6) complaints under the said mechanism, the details of which is tabulated below:

Number of complaints received during the year	Number of complaints resolved during the year	Number of complaints remaining unresolved/ undergoing investigation as on 31 March 2024
6	6	nil

The Whistle Blower Policy of the Company has been displayed on the Company's website at the link: *https://www.rhimagnesitaindia.com/uploads/pdf/221pdctfile_whistleblowerpolicy.pdf*

B. **Audit Committee**

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

C. **Number of Board Meeting**

The Board of Directors of the Company met five (5) times in the year, the details of which are provided in the Corporate Governance Report.

D. **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo**

The particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are provided in **ANNEXURE - V.**

E. **Annual Return**

The Annual Return for the FY 2023-24 is available on Company's website at *https://www.rhimagnesitaindia.com/investors/financials-reports/annual-returns*

F. **Particulars of employees and related disclosures**

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **ANNEXURE - VI**.

G. **Corporate Governance Report**

The Company has been practicing the principles of good corporate governance over the years. A separate section on corporate governance and a certificate from the Practicing Company Secretary regarding compliance with the conditions of corporate governance as stipulated under the Listing Regulations forms part of this Annual Report.

The Managing Director & CEO and the Chief Financial Officer of the Company have certified to the Board on financial statements and other matters in accordance with Regulation 17 (8) of the Listing Regulations pertaining to CEO/CFO certification for the financial year ended 31 March 2024. Report on Corporate Governance is annexed herewith as **ANNEXURE - VII** to this report.

H. **Business Responsibility and Sustainability Report**

In accordance with the Listing Regulations, the Business Responsibility and Sustainability Report (**BRSR**) forms a part of this Annual Report as **ANNEXURE - VIII** describing the initiatives undertaken by the Company from an environmental, social and governance perspective during the year under review.

I. **Transfer of amounts to Investor Education and Protection Fund (IEPF)**

Details regarding transfer of amounts to IEPF has been given in Corporate Governance Report.

J. **Obligation of the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has zero-tolerance policy for sexual harassment in the workplace. It has implemented a prevention, prohibition, and redressal policy aligned with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 (**POSH Act**) including rules made thereunder. This policy covers all women associated with the Company, including permanent, temporary, contractual, and trainee employees, as well as visitors and service providers.

During the year under review, the Internal Committee received one (1) complaint pertains to sexual harassment. As of 31 March 2024, no complaints remain pending or unresolved. Additionally, the Company conducted awareness sessions for employees to enhance understanding of its Sexual Harassment Policy.

The policy may be accessed on the Company's website at the link: *https://www.rhimagnesitaindia.com/uploads/pdf/210pdctfile_preventionofsexualharassment(posh)ofwomenatworkplace.pdf*

K. **Compliance with the Institute of Company Secretaries of India ("ICSI") Secretarial Standards**

The relevant Secretarial Standards issued by the ICSI related to the Board Meetings and General Meeting have been complied with by the Company.

L. **No disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review:**

- Details relating to deposit and unclaimed deposits or interest thereon.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) and Employee Stock Option Scheme of the Company under any scheme.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern and Company's operation in future
- Details of difference between amount of valuation done at the time of one time settlement and the valuation done while taking loan from banks or financial institutions along with the reasons thereof.
- No application has been made or no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year or at the end of FY 2023-24.
- Companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year.
- The Company does not fall under the category of large corporate, as defined by SEBI vide its circular SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated 19 October 2023, as such no disclosure is required in this regard.

24. ACKNOWLEDGEMENTS AND APPRECIATION

Your Directors place on record their deep appreciation to the customers, shareholders, suppliers, bankers, business partners/associates, Central & State Governments and Governments of various countries where we have our operations for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company and its subsidiaries for their hard work and commitment. Their dedication and competence have ensured that the Company continues to be a significant and leading player in the refractory industry.

On behalf of the Board of Directors

Dr. Vijay Sharma
Chairman
(DIN:00880113)

Gurugram, 14 August 2024

ANNEXURE-I

FORM AOC-1

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

Name of the subsidiary company	Intermetal Engineers (India) Private Limited	RHI Magnesita India Refractories Limited	RHI Magnesita Seven Refractories Limited
Date of becoming subsidiary	18 May 2019	5 January 2023	5 January 2023
Start date of accounting period of subsidiary	1 April 2023	1 April 2023	1 April 2023
End date of accounting period of subsidiary	31 March 2024	31 March 2024	31 March 2024
Reporting currency	INR	INR	INR
Exchange rate	1.00	1.00	1.00
Rounding-off	(in ₹ Lacs)	(in ₹ Lacs)	(in ₹ Lacs)
Share capital	1.60	10,453.11	2,000.00
Reserves and surplus/ other equity	1,487.40	167,206.12	735.11
Total Assets	1,567.88	238,899.91	5,654.47
Total Liabilities	78.88	61,240.68	2,919.36
Investments	nil	15,440.75	nil
Turnover	665.33	102,443.18	10,090.01
Profit/ (Loss) before tax	235.06	(35,307.51)	807.40
Provision for tax	66.27	(801.40)	216.54
Profit/ (Loss) after tax	168.79	(34,506.11)	590.86
Proposed dividend	nil	nil	nil
% of shareholding	100%	100%	100% (Step down subsidiary through RHI Magnesita India Refractories Limited)
Country	India	India	India

On behalf of the Board of Directors

Parmod Sagar
Managing Director & CEO
(DIN: 06500871)

Dr. Vijay Sharma
Chairman
(DIN:00880113)

Sanjay Kumar
Company Secretary
(ACS-17021)

Azim Syed
Chief Financial Officer

Gurugram, 14 August 2024

ANNEXURE II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ('CSR') ACTIVITIES

1. **Brief outline on CSR Policy of the Company**

RHI Magnesita India Limited ("**the Company**" or "**RHIM**") aims to establish guidelines regarding charitable contributions and the sponsorship with regards to Corporate Social Responsibility. RHIM prohibits any direct or indirect contributions that are made to influence a decision impacting RHIM India's business activity.

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

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

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

In compliance with the provisions of section 135 of the Companies Act, 2013 ("**the Act**") including Schedule VII thereof, and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**Rules**"), the Company was undertaking its CSR activities, projects, programmes (either new or ongoing) in a manner compliant with the Act and the Rules ("**Projects**")

2. **Composition of CSR Committee**

Sr. no.	Name of Director, Designation	Nature of Directorship	Number of meetings of CSRCommittee held during the year	Number of meetingsof CSR Committee attended during the year
i.	Ms. Sonu Chadha, Chairperson	Non-Executive, Independent	3	3
ii.	Mr. Erwin Jankovits, Member	Non-Executive	3	2
iii.	Mr. Parmod Sagar, Member	Executive	3	3

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

Composition of the CSR committee shared above and is available on the Company's website at

https://www.rhimagnesitaindia.com/uploads/image/1imguf_bod_25_feb_2021.pdf

CSR Policy – *https://www.rhimagnesitaindia.com/uploads/pdf/215pdctfile_policyforcorporatesocialresponsibility.pdf*

CSR Projects – *https://www.rhimagnesitaindia.com/uploads/pdf/480pdctfile_2024-2025.pdf*

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

Not applicable

			(Amount in ₹ Lacs)
5.	(a)	Average net profit of the Company as per sub-section (5) of section 135	28,782.36
	(b)	Two percent of average net profit of the Company as per sub-section (5) of section 135	575.65
	(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	nil
	(d)	Amount required to be set-off for the financial year, if any	nil
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	575.65

			(Amount in ₹ Lacs)
6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	569.21
	(b)	Amount spent in Administrative Overheads	0.27
	(c)	Amount spent on Impact Assessment, if applicable	nil
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]	569.48
	(e)	CSR amount ~~spent or~~ unspent for the Financial Year:	8.98

Total Amount Spent for the Financial Year. (in ₹ Lacs)	Amount Unspent (in ₹ Lacs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
569.48	8.98	25 April 2024	nil	nil	nil

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

Sr. no.	Particulars	Amount (₹ in Lacs)
i.	Two percent of average Net Profit of the Company as per section 135(5)	575.65
ii.	Total amount spent for the financial year	578.46
iii.	Excess amount spent for the financial year [(ii)-(i)]	2.81
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.81

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

(Amount in ₹ Lacs)

Sr. no.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub- section (6) of section 135	Balance Amount in Unspent CSR Account under sub- section (6) of section 135	Amount Spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of transfer		
1.	2022-23	199.45	41.93	157.52	34.10	26 May 2023	41.93	nil
2.	2021-22	nil	nil	nil	nil	nil	nil	nil
3.	2020-21	nil	nil	nil	nil	nil	nil	nil
	Total	**199.45**	**41.93**	**157.52**	**34.10**	**nil**	**41.93**	**nil**

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

If Yes, enter the number of Capital assets created/ acquired.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. no.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration No., if applicable	Name	Registered address
Not applicable							

9. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.**

Not applicable

On behalf of the Board of Directors

Azim Syed	Parmod Sagar	Sonu Chadha	Dr. Vijay Sharma
Chief Financial Officer	**Managing Director & CEO**	**Chairperson CSR Committee**	**Chairman**
	(DIN: 06500871)	(DIN: 00129923)	(DIN:00880113)

Gurugram, 14 August 2024

ANNEXURE-III

Secretarial Audit Report

for the financial year ended 31 March 2024

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

To,
The Members,
RHI Magnesita India Limited
[CIN L28113MH2010PLC312871]

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

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit.

WE HEREBY REPORT THAT in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The present audit report may refer to certain events that occurred after the close of financial year ended 31 March 2024 to present a fair view of the state of affairs of the Company; however, the events that happened after the close of the financial year were not reviewed for audit purpose. Our Report is to be read along with the Statutory Auditors observations in their Audit report, if any, on the financial statements of the Company for the year ended 31 March 2024.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2024 and made available to us, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **("SEBI Act")**:-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time.

   d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 —

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

   e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 —

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

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 —

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

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 —

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

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

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

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

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

i. Secretarial Standards issued by "The Institute of Company Secretaries of India";

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments thereto.

WE REPORT THAT during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except to the extent stated hereunder: -

Observations:

There was delay in filing of few forms with the office of Registrar of Companies for which additional fees was duly paid by the Company.

WE FURTHER REPORT THAT the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of account has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

WE FURTHER REPORT THAT the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

WE FURTHER REPORT THAT as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

WE FURTHER REPORT THAT during the audit period following events have occurred which had a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards etc.

- Raising of funds by issue and allotment of 15,715,034 fully paid equity shares of ₹ 1 each for cash at a premium of ₹ 571.70 i.e. @ ₹ 572.70 per share on private placement basis to 57 Qualified Institutional Buyers (**"QIB"**) on 6 April 2023.
- Raising of funds by issue and allotment of 2,790,061 fully paid equity shares of ₹ 1 each at a premium of ₹ 715.83 i.e. @ ₹ 716.83 per share on preferential allotment basis to Dutch US Holding BV, one of the promoters of the Company on 21 June 2023.
- The Company invested in equity shares of its material Wholly Owned Subsidiary Company - RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited) (**"RHIMIRL"**) and was allotted through its first Rights Issue 16,975,051 fully paid Equity Shares of ₹ 10/- each for cash at a premium of ₹ 197 per share i.e. @ ₹ 207 per share on 8 May 2023 and further 5,072,464 fully paid Equity Shares of ₹ 10/- each for cash at a premium of ₹ 197 per share i.e. @ ₹ 207 per share through its 2nd Rights Issue on 11 August 2023.

EVENTS PERTAINING TO MATERIAL UNLISTED SUBSIDIARY COMPANY

- The name of the Company RHIMIRL, Material Wholly Owned Subsidiary of the Company was changed from Dalmia OCL Limited to RHI Magnesita India Refractories Limited and a fresh Certificate of Incorporation pursuant to change of name was issued by the Registrar of Companies, Chennai on 9 August 2023.
- The Statutory Auditors of RHIMIRL, Chaturvedi & Shah LLP resigned w.e.f. 23 June 2023 and on the recommendation of its Board of Directors of RHIMIRL, the shareholders in their Annual General Meeting held on 30 June 2023 appointed Price Waterhouse, Chartered Accountants LLP as the new Statutory Auditors of RHIMIRL for a term of 5 years.
- RHIMIRL acquired remaining 49% of shareholding in RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) (**"RHIM7"**) on 24 July 2023 to make the same as its 100% wholly owned subsidiary Company.
- A Scheme of Amalgamation for the fast-track merger of RHIMIRL and its Wholly owned subsidiary Company - RHIM7 has been approved by the Board of Directors of the respective concerned companies on 8 February 2024.

for **Naresh Verma & Associates**
Company Secretaries

Naresh Verma
CP: 4424, FCS: 5403
Peer Review Certificate No. 3266/2023
UDIN: F005403F000973040

Place: Delhi
Date: 14.08.2024

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

Annexure- A

To,
The Members,
RHI Magnesita India Limited
[CIN L28113MH2010PLC312871]

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

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

for **Naresh Verma & Associates**
Company Secretaries

Naresh Verma
CP: 4424, FCS: 5403
Peer Review Certificate No. 3266/2023
UDIN: F005403F000973040

Place: Delhi
Date: 14.08.2024

ANNEXURE-IV

Secretarial Audit Report

for the financial year ended 31 March 2024

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

To
The Members,
RHI Magnesita India Refractories Limited
[formerly known as Dalmia OCL Limited]
Dalmiapuram, Lalgudi District Tiruchirapalli,
Chennai, Tamil Nadu, 621651
[CIN: U26100TN2018PLC125133]

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RHI Magnesita India Refractories Limited [formerly known as Dalmia OCL Limited] (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit.

WE HEREBY REPORT THAT in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2024 complied with the statutory provisions listed hereunder and that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The present audit report may also refer to certain events that occurred after the close of financial year ended 31 March 2024 to present a fair view of the state of affairs of the Company; however, the events that happened after the close of the financial year were not reviewed for audit purpose.

Our Report is to be read along with the Statutory Auditors observations in their Audit report, if any, on the financial statements of the Company for the year ended 31 March 2024.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2024 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder; **Not Applicable as it is an unlisted public limited Company;**

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992# ('**SEBI Act**'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time.

   d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

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

   # *the Company being an unlisted public limited company, provisions of Regulations and guidelines as stated above in clause V (sub-clauses (a) to (h) prescribed under Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not relevant to it and hence do not form the subject matter of this report.*

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

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

i. Secretarial Standards issued by "The Institute of Company Secretaries of India"

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (to the extent applicable; *the Company is an unlisted public limited material subsidiary Company of RHI Magnesita India Limited, a Company listed on the BSE Limited and the National Stock Exchange of India Limited)*

WE REPORT THAT during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except to the extent stated hereunder: -

Observations:

There was delay in filing of few forms/returns for which additional fees was duly paid by the Company.

WE FURTHER REPORT THAT the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of account has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

WE FURTHER REPORT THAT the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes. No dissenting views were however found to be recorded during the financial year 2023-2024.

WE FURTHER REPORT THAT as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

WE FURTHER REPORT THAT during the audit period following events have occurred which had a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards etc.: -

- The Board in its meeting held on 30 May 2023 receipt of credit facilities including working capital facility from the Hongkong and Shanghai Banking Corporation Limited (HSBC) upto an amount not exceeding ₹ 150 Crore.
- The name of the Company was changed from Dalmia OCL Limited to RHI Magnesita India Refractories Limited and the Memorandum and Article of Association was amended after obtaining approval of the shareholders of the Company vide special resolution passed in their Extra Ordinary General Meeting held on 19 June 2023.
- The Shareholders of the Company approved the appointment of Mr. Parmod Sagar (DIN 06500871), Managing Director & CEO of RHI Magnesita India Limited as the Managing Director and CEO of the Company in their Extra Ordinary General Meeting held on 19 June 2023.
- The proposed shifting of the registered office of the Company from the State of Tamil Nadu to the State of Haryana as approved by the shareholders of the Company in their Extra Ordinary General Meeting held on 5 January 2023 was reconsidered by the Board in its meeting held on 21 April 2023 and it was decided to shift the registered office of the Company to the State of Maharashtra instead of State of Haryana and accordingly approval of the shareholders of the Company was taken vide Special Resolution passed in their Annual General Meeting held on 30 June 2023. However, due to operational and administrative reasons, the decision to shift the registered office to the State of Maharashtra was deferred by the Board of Directors in their meeting held on 8 February 2024.
- The Statutory Auditors of the Company- Chaturvedi & Shah LLP resigned w.e.f. 23 June 2023 and on the recommendation of the Board of Directors of the Company, the shareholders in their Annual General Meeting held on 30 June 2023 appointed Price Waterhouse, Chartered Accountants LLP as the new Statutory Auditors of the Company for a term of 5 years.
- The Authorised Share Capital of the Company was increased from ₹ 1,000,000,000 (Rupees One Hundred Crores) divided into 100,000,000 Equity Shares @ ₹ 10 each to ₹ 1,250,000,000 (Rupees One Hundred & Twenty Five Crores) divided into 125,000,000 Equity Shares @ ₹ 10 each by the shareholders of the Company in their Annual General meeting held on 30 June 2023.
- The Finance and Investment Committee of Board of Director of the Company in their Meeting held on 08 May 2023 allotted 16,975,051 fully paid Equity Shares of ₹ 10 each for cash at a premium of ₹ 197 per share i.e. @ ₹ 207 per share to holding Company - RHI Magnesita India Limited on rights basis.
- The Company has acquired remaining 9,800,000 fully paid equity shares of ₹ 10 each constituting 49% of shareholding of RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) on 24 July 2023 to make it as its 100% wholly owned subsidiary Company.
- The Finance and Investment Committee of Board of Director of the Company in their Meeting held on 11 August 2023 allotted 5,072,464 fully paid Equity Shares of ₹ 10 each for cash at a premium of ₹ 197 per share i.e. @ ₹ 207 per share to holding Company - RHI Magnesita India Limited on rights basis.
- The Company has satisfied in full charge amounting to ₹ 105 Crore created vide Charge ID 100683296 in favour of State Bank of India on 6 November 2023 and charge amounting to ₹ 215 Crore created vide Charge ID 100677249 in favour of Axis Bank on 9 November 2023.
- A Scheme of Amalgamation for the fast-track merger of RHI Magnesita India Refractories Limited, Material Wholly Owned Subsidiary of the Company and its Wholly owned subsidiary Company - RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) has been approved by the Board of Directors of the respective concerned companies on 8 February 2024.

for **Naresh Verma & Associates**
Company Secretaries

Naresh Verma
FCS: 5403; CP: 4424
UDIN: F005403F000429222
Peer Review Certificate No. 3266/2023

Date: 24.05.2024
Place: Delhi

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

Annexure-A

To,
The Members,
RHI Magnesita India Refractories Limited
[*formerly known as Dalmia OCL Limited*]
[CIN U26100TN2018PLC125133]

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

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

for **Naresh Verma & Associates**
Company Secretaries

Naresh Verma
FCS: 5403; CP: 4424
UDIN: F005403F000429222
Peer Review Certificate No. 3266/2023

Date: 24.05.2024
Place: Delhi

ANNEXURE-V

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014]

A. **ENERGY MANAGEMENT**

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

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

a. **Steps taken by the Company towards Conservation of Energy**

i. Optimization measures have been incorporated in Air generation, distribution, and consumption.

ii. Conversion of electrically operated Driers & curing ovens to Natural Gas firing type.

iii. Conversion of Oil-fired Driers to Natural Gas firing type.

iv. Increase in pushing rate along with increase in Payload in Tempering Kiln reduces the specific consumption of energy.

v. Timer control switch fitted in various places and light will be switched on automatically as per the timing set. This will eliminate manual operation as well misutilization of electrical power during daytime.

vi. Variable Frequency Drives (**"VFD"**) installed at various places

vii. Reduction of energy consumption through —

- installation of Variable Voltage Variable Frequency Drives in dust collection systems.
- heater optimization in climate-controlled rooms.
- natural gas usage in Kilns & Driers.
- optimized heating chambers in Tar Impregnation.
- replacement of conventional lights with energy-efficient LED lights.
- automatic time control switches for plant lighting.
- variable Frequency Drives (VFDs) for high-energy motors.

b. **Steps taken by the Company for utilizing alternate sources of Energy**

i. Replacement of:

- Light Diesel Oil and Pet coke as fuel with Natural Gas firing type.
- Installation of Dual Fuel System in Diesel Generating Sets (Natural Gas & Disel)

ii. 0.5 MW capacity solar renewable energy installed.

c. **Capital Investment on Energy Conservation Equipment**

During the year under review the Company has been made Capital investment on energy conservation equipment by procuring Dual Fuel Kit for DG Set and Drier conversion to Natural Gas.

Usage of Lean & 6'S methodology resulted in productivity improvement and lower defect rates. Innovative approach has been adopted by the Company by selecting new generation mechanism which has resulted in reduction of refractory consumption. Usage of Piped Natural Gas helps in reduction of CO_2 emission and cost reduction.

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

a. **Technology Absorption:** None

b. **Technology Adaptation:** None

c. **Technology Innovation:**

The Company's technology innovations during the year under review are as follows:

i. SHP Stoppers, Six-Hole Monoblock Stoppers in ISO Products.

ii. Development of Segmented Plugs, Star Plugs in Purging Plugs for Customer compatibility and to increase efficiency at Customer's end.

iii. Development of GP3 Extension plugs.

iv. Segment Plugs with 20% higher life efficiency have been sent for Patent.

v. Development of in-house Safety Pad for SOCH.

vi. Development of Argon Purging.

C. **FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Amount in ₹ Lacs)

Particulars	2023-24	2022-23
Earnings	28,837.45	34,910.65
Outgo	83,797.05	71,149.83

On behalf of the Board of Directors

Parmod Sagar
Managing Director & CEO
(DIN: 06500871)

Dr. Vijay Sharma
Chairman
(DIN:00880113)

Gurugram, 14 August 2024

ANNEXURE-VI

STATEMENT OF DISCLOSURE PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013

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

1. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

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

   Details given in point no. 2

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

   The ratio of remuneration of each director to the median remuneration of all employees who were on the payroll of the Company and the percentage increase in remuneration of the Directors, Chief Financial Officer and Company Secretary during the FY 2023-24 are given below:

(Amount in ₹ Lacs)

	Ratio to median remuneration	%'age increase/ (decrease) in remuneration in the FY 2023-24
Non-Executive Directors		
Dr. Vijay Sharma[1]	nil	nil
Ms. Sonu Chadha[1]	nil	nil
Mr. Nazim Sheikh[1]	nil	nil
Mr. Gustavo Lucio Goncalves Franco[2]	nil	nil
Mr. Erwin Jankovits[2]	nil	nil
Ms. Ticiana Kobel[2]	nil	nil
Executive Directors		
Mr. Parmod Sagar	99	36
Key Managerial Personnels		
Ms. Vijaya Gupta- Chief Financial Officer[3]	36	nil
Mr. Sanjay Kumar-Company Secretary	7	32

[1] *Only sitting fees paid.*

[2] *In employment of M/s RHI Magnesita N.V. and have waived their right for sitting fees accordingly have not been paid any sitting fee or commission thus there is no percentage increase/ decrease in their remuneration for the financial year 2023-24.*

[3] *Served the Company for a part of FY 2022-23 thus the percentage increase/ decrease in their remuneration for the FY 2023-24 is not applicable.*

3. **The percentage increase in the median remuneration of employees in the FY 2023-24** : 11.00

4. **The number of permanent employees on the rolls of the Company** : 1,592

5. **Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

   The average percentage increase in the salaries of employees other than the managerial personnel in the last financial year i.e. FY 2022-23 was 8.72 % on a cost to the Company basis as against increase of 39% in the salary of the managerial personnel. The salary increase given to each individual employee is based on the Inflation rate in India, employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India.

6. **Affirmation that the remuneration is as per the remuneration policy of the Company**:

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

7. **The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report.**

   Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

On behalf of the Board of Directors

	Parmod Sagar	Nazim Sheikh	Dr. Vijay Sharma
	Managing Director & CEO	**Chairman, Nomination & Remuneration Committee**	**Chairman**
Gurugram, 14 August 2024	(DIN: 06500871)	(DIN: 00064275)	(DIN:00880113)

ANNEXURE-VII

Report on Corporate Governance

This report is prepared in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**'), as amended from time to time and report contains the details of Corporate Governance systems and processes at RHI Magnesita India Limited (herein after known as "**RHIM**" or "**RHIM India**" or "**the Company**").

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance for our Company is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities, or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses.

We believe that any business conduct can be ethical only when it rests on the six core values of customer value, ownership mindset, respect, integrity, one team and excellence.

Statement on Company's Philosophy on Code of Governance

Corporate governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations.

Good governance practices stem from the dynamic culture and positive mindset of the organization. We are committed to meet the aspirations of all our stakeholders.

This is demonstrated in shareholder returns, governance processes and an entrepreneurial performance focused work environment. Additionally, our customers have benefited from high quality products delivered at extremely competitive prices.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance and Assurance teams, Auditors and the Senior Management. Our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity.

At RHIM, we believe that as we move closer towards our aspirations of being a global corporation, our Corporate Governance standards must be globally benchmarked.

Therefore, we have institutionalized the right building blocks for future growth. The building blocks will ensure that we achieve our ambition in a prudent and sustainable manner. RHIM not only adheres to the prescribed corporate governance practices as per the Listing Regulations as prescribed by Securities and Exchange Board of India ('**SEBI**') but is also committed to sound Corporate Governance principles and practices. It constantly strives to adopt emerging best practices being followed worldwide. It is our endeavor to achieve higher standards and provide oversight and guidance to the management in strategy implementation, risk management and fulfillment of stated goals and objectives.

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

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

The Company has defined guidelines and an established framework for the meetings of the Board and Committees of the Board. These guidelines seek to systematize the decision-making process at the meeting of the Board and Board Committees in an informed and efficient manner. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The agenda for the Board reviews include strategic review from each of the Board Committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Additionally, the board reviews related party transactions, possible risks and risk mitigation measures and financial reports from the Chief Financial Officer.

Frequent and detailed interaction sets the agenda and provides the strategic road map for the Company's future growth. The Institute of Company Secretaries of India (**'ICSI'**), one of India's premier professional bodies, has issued secretarial standards on important aspects like board meetings, general meetings, payment of dividend, maintenance of registers and records, minutes of meetings, transmission of shares and debentures, passing of resolutions by circulation, affixing of common seal and Board's Report. The Company substantially adheres to these standards. Our Company is in compliance with the requirements of corporate governance stipulated in the Listing Regulations, as amended from time to time.

II. BOARD OF DIRECTORS

Composition

The Board of Directors of your Company has a good and diverse mix of Executive and Non-Executive Directors with majority of the Board Members comprising Non-Executive Directors and the same is also in line with the Companies Act, 2013 **("the Act")** and Listing Regulations.

As on 31 March 2024, the Board of Directors comprised seven (7) Directors, out of which six (6) i.e. 86% of them are Non-Executive Directors among them three (3) are Independent Directors including one Woman Independent Director. Your Company has designated Non- Executive Independent Chairman. The tenure of Chairman is going to expire on 11 November 2024. The Board of Directors in their meeting held on 14 August 2024 approved and appointed Mr. Parmod Sagar, Managing Director & CEO of the Company as Chairman of the Company post completion of tenure of Dr. Vijay Sharma. With effect from 12 November 2024, designation of Mr. Parmod Sagar would be Chairman, Managing Director & CEO.

All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

All Directors of the Company have been appointed as per the provisions of the Listing Regulations, the Act and other applicable provisions and the governance guidelines for board effectiveness adopted by the Company. Formal letters of appointment have been issued to all Independent Directors.

The terms and conditions of their appointment are disclosed on the Company's website.

Directors' Membership in Board/ Committees of other Companies

None of the Directors of your Company holds directorship in more than twenty companies including not more than ten public companies. Also, none of the Director is holding directorship in more than seven listed entities, Managing Director is not serving as Independent Director in any listed entity.

None of the Directors on the Board is a member of more than ten committees or chairman of more than five Committees being Audit Committee and Stakeholders' Relationship Committee, as per Regulation 26 (1) of the Listing Regulations, across all the Companies in which he/ she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

Category and attendance of Directors

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

Director	Category	No. of board meetings attended during FY 2023-24	Attendance at AGM held on 28 September 2023	No. of Directorships in other Companies # (As on 31 March 2024)			No. of committee positions in other Companies# (As on 31 March 2024)			Directorship in other listed entity and category
				Chairman	Member	Total	Chairman	Member	Total	
Dr. Vijay Sharma (Chairman) (DIN- 00880113)	Independent, Non-Executive	5	Yes	2	nil	2	nil	nil	nil	nil
Ms. Sonu Chadha (DIN- 00129923)	Independent, Non-Executive	5	Yes	nil	nil	nil	nil	nil	nil	nil
Mr. Nazim Sheikh (DIN-00064275)	Independent, Non-Executive	5	Yes	nil	1	1	nil	nil	nil	nil
Mr. Gustavo Lucio Goncalves Franco (DIN- 08754857)	Non-Independent, Non-Executive	2	Yes	nil	2	2	nil	nil	nil	nil
Mr. Erwin Jankovits (DIN- 07089589)	Non-Independent, Non-Executive	2	Yes	nil	nil	nil	nil	nil	nil	nil
Ms. Ticiana Kobel (DIN: 09850411)	Non-Independent, Non-Executive	2	Yes	nil	nil	nil	nil	nil	nil	nil
Mr. Parmod Sagar (Managing Director & CEO) (DIN- 06500871)	Non-Independent, Executive	5	Yes	nil	2	2	nil	nil	nil	nil

 # Excludes Directorships in associations, private limited companies, foreign companies, government bodies and companies registered under section 8 of the Act. Only Audit Committee and Stakeholders' Relationship Committee of Indian public companies have been considered for committee positions.

Board Meetings

During financial year ("**FY**") 2023-24, the Company held five (5) Board Meetings. The dates on which the board meetings were held are 1 April 2023; 30 May 2023; 10 August 2023; 8 November 2023 and 13 February 2024. The necessary quorum was present for all the meetings. Along with the Directors, board meetings are usually attended by representatives of Statutory Auditors and senior personnel of the Company including Company Secretary and Chief Financial Officer. Video-conferencing facility was also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings. The gap between two consecutive board meetings was within prescribed limits. The Annual Operating and Capital Budget(s) are approved by the Board of Directors and Board spends considerable time in reviewing the actual performance of the Company vis-à-vis the approved budget.

Key Board Qualifications, Expertise and Attributes

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees.

The Board members are committed to maintain highest standards of Corporate Governance.

The table below provides the key qualifications, skills, expertise and attributes which are broadly taken into consideration while nominating candidates to serve on the Board:

Details of key skills:

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. The Board periodically evaluates the need for change in its composition and size.

Financial	Management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions.
Leadership	Expended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.
Mergers and Acquisitions	A history of leading growth through acquisitions and other business combinations, with the ability to assess build or buy decisions, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.
Board service and Governance	Service on public Company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.
Digital/ Information Technology	Use of digital/ Information Technology, ability to anticipate technological driven changes & disruption impacting business and appreciation of the need of cyber security and controls across the organization.
Environment	To take care of sustainability (water, sanitation, community development, nutrition) under Creating Shared value/ CSR

The matrix below highlights the skills and expertise of the Board of Directors:

Director	Skills						
	Financial	Leadership	Merger and Acquisitions	Board service and Governance	Sales and Marketing	Digital/ Information Technology	Environment
Dr. Vijay Sharma	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Sonu Chadha	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Nazim Sheikh	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Gustavo Lucio Goncalves Franco	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Erwin Jankovits	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Ticiana Kobel	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Parmod Sagar	Yes	Yes	Yes	Yes	Yes	Yes	Yes

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management.

Board procedure

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

Code of conduct

The Company has adopted the RHIM Code of Conduct for all the Directors, including the Non-Executive Directors and Employees of the Company. The Code of Conduct for the Non-Executive Directors of the Company incorporates the duties of Independent Directors as laid down in the Act. The Code is posted on the Company's web site *https://www.rhimagnesitaindia.com/investors/corporate-governance/code-of-conduct*.

As per Regulation 26 (3) of the Listing Regulations, Board members and Senior Management Personnel of the Company have affirmed compliance with the applicable code of conduct. A declaration to this effect, signed by the Managing Director & CEO forms part of this Report.

None of the Directors are inter-se related to each other except that Mr. Erwin Jankovits, Mr. Gustavo Lucio Goncalves Franco and Ms. Ticiana Kobel are in employment of RHI Magnesita N.V., ultimate holding company. The Directors and Senior Management of the Company have made disclosures to the Board confirming that there is no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

Separate meeting of Independent Directors

In compliance with Schedule IV of the Act and Regulation 25(3) of the Listing Regulations, separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 13 February 2024. At the meeting, the Independent Directors:

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

All the Independent Directors of the Company attended the meeting of Independent Directors. Dr. Vijay Sharma Chaired the meeting. As on 31 March 2024, Non-Executive Directors were not holding any equity shares of the Company.

Familiarization programme for Directors including Independent Directors

The Board members, including Independent Directors are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to the plant location are organized for the Directors to enable them to understand the operations of the Company.

The details of the familiarization program imparted to Independent Director is available on *website at link: https://www.rhimagnesitaindia.com/uploads/pdf/212pdctfile_familiarisationprogrammeforindependentDirectors.pdf*

III. BOARD COMMITTEES

A. Audit Committee

Brief description of terms of reference

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

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon
- approval or any subsequent modification of transactions of the Company with related parties;
- all the roles and responsibilities specified in Section 177 of the Act and Part C of Schedule II of Listing Regulations and other applicable regulations and decided by Board of Directors of the Company from time to time.

Composition and attendance during the year

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

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

Name of the member	Category	No. of meetings attended FY 2023-24
Dr. Vijay Sharma, Chairman	Independent, Non-Executive	4
Mr. Nazim Sheikh, Member		4
Ms. Sonu Chadha, Member		4
Mr. Gustavo Lucio Goncalves Franco, Member	Non-Independent, Non-Executive	2

The Audit Committee met four (4) times during the year.

The dates on which the Audit Committee meetings were held were 30 May 2023; 10 August 2023; 8 November 2023 and 13 February 2024. Necessary quorum was present at the above meetings. The gap between two consecutive Audit Committee meetings was within prescribed time limit.

With the permission of Chairman, the meetings of the Audit Committee are usually attended by non-members Directors, representatives of the Statutory Auditors, and senior personnel of the Company including Company Secretary and Chief Financial Officer. The Company Secretary acts as Secretary to the Audit Committee. Dr. Vijay Sharma, Chairman of Audit Committee was present at the Annual General Meeting of the Company held on 28 September 2023.

B. Nomination and Remuneration Committee

Brief description of terms of reference

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

- formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- devising a policy on diversity of Board of Directors;
- identifying persons who are qualified to become Directors and who may be appointed in senior management;
- all the roles and responsibilities specified in Section 178 of the Act and Para A Part D of Schedule II of Listing Regulations and other applicable regulations and decided by Board of Directors of the Company from time to time.

Composition and Attendance during the year

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

Name of the member	Category	No. of meetings attended FY 2023-24
Mr. Nazim Sheikh, Chairman	Independent, Non-Executive	1
Dr. Vijay Sharma, Member		1
Mr. Erwin Jankovits, Member	Non-Independent, Non-Executive	1

The Committee met once during the year i.e. on 13 February 2024. The Chairman of the Committee, Mr. Nazim Sheikh was present at the AGM of the Company held on 28 September 2023.

Performance Evaluation criteria

During the year, performance evaluation of Board, its Committees and Directors was undertaken. The Nomination and Remuneration Committee has defined the evaluation criteria and procedure for the performance of the Board, its Committees and individual Directors including Independent Directors. The criteria for evaluation of Directors include certain parameters i.e.

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

For detailed description on performance evaluation criteria of Board and its performance, kindly refer the Board Report.

Directors' Remuneration

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

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

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

- **Annual Remuneration of the Executive Director for the FY 2023-24**

(Amount in ₹ Lacs)

Particulars	Mr. Parmod Sagar-Managing Director & CEO
Basic Salary (a)	169.71
Stock Options (b)	-
Perquisites and allowances (c)	130.68
Retirement benefits (d)	39.03
Fixed Component (e) = (a)+(b)+(c)+(d)	339.42
Bonuses (Performance Linked Incentive) (f)	217.43
Total (g) = (e) + (f)	**556.86**

The tenure of the office of Executive Director is for a period of five years from the date of appointment. The services of said Director can be terminated as per the terms approved by the shareholders of the Company.

- **Remuneration paid to the Non-Executive Directors**

Apart from sitting fee that Non-Executive Directors are entitled to as per the Act and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors have any other material pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates.

The sitting fees was paid to the Non-Executive Independent Directors of the Company for attending each of the Board and Audit Committee meeting, within the limits as prescribed under the Act and as approved by the Board of Directors of the Company. Non-Executive Non-Independent Director of the Company decided to forgo their sitting fees as they are also employees of the promoter group. The sitting fees paid during FY 2023-24 is as follows:

(Amount in ₹ Lacs)

Name of Director	Sitting fee
Dr. Vijay Sharma	7.00
Ms. Sonu Chadha	7.00
Mr. Nazim sheikh	7.00
Mr. Gustavo Lucio Goncalves Franco	nil
Ms. Ticiana Kobel	nil
Mr. Erwin Jankovits	nil

Apart from sitting fees as mentioned above, Non - Executive Directors, including Independent Directors are not entitled to any remuneration from the Company.

As on 31 March 2024, none of the Director hold any share of the Company except Mr. Parmod Sagar, Managing Director & CEO, who is holding 13,698 equity shares of the Company.

C. Stakeholders Relationship Committee

Brief description of terms of reference

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

- resolving the grievances of the security holders;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the listed entity;
- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend;
- warrants/annual reports/statutory notices by the shareholders of the Company,
- all the roles and responsibilities specified in Section 178 of the Act and Para B Part D of Schedule II of Listing Regulations and other applicable regulations and decided by Board of Directors of the Company from time to time.

Composition and attendance during the year

The Stakeholders' Relationship Committee met once during the year, on 13 February 2024. The composition of the Stakeholders' Relationship Committee and the details of the meetings attended by the members during the year are given below:

Name of the member	Category	No. of meetings attended FY 2023-24
Ms. Sonu Chadha, Chairperson	Independent, Non-Executive	1
Mr. Gustavo Lucio Goncalves Franco, Member	Non-Independent, Non-Executive	1
Mr. Parmod Sagar, Member	Non-Independent, Executive	1

The Chief Financial Officer and Company Secretary of the Company were present in the Committee meeting.

Name, designation and address of the Compliance Officer

Mr. Sanjay Kumar
Company Secretary

Address:

(up to 31 August 2024)
301,316-17, Third Floor,
Emaar Digital Greens,
Tower B, Sector 61, Gurugram,
Haryana - 122102
Tel. No.: +91 124 4062930
e-mail: Sanjay.Kumar@RHIMagnesita.com

(from 1 September 2024)
20th Floor, DLF Square,
M-Block, Phase-II, Jacaranda Marg,
DLF City, Sector-25, Gurugram,
Haryana-122002
Tel. No.: +91 124 4299000

Shareholders may also correspond with the Company on the e-mail address: investors.india@RHIMagnesita.com.

Details of complaints received/ resolved

Twenty-two (22) cases were reported as complaint and no complaint were pending on 31 March 2024 and all the complaints were resolved to the satisfaction of shareholders.

Pending dematerialization request

No request for dematerialization of share was pending as on 31 March 2024.

D. Corporate Social Responsibility Committee

Brief description of terms of reference

The Company has constituted a Corporate Social Responsibility (**CSR**) Committee as required under Section 135 of the Act. The brief description of terms of reference of the Committee are as follows:

- formulate and recommend to the Board, CSR Policy indicating the activity or activities to be undertaken by the Company.
- recommend the amount to be spent on the CSR activities.
- monitor the Company's CSR policy periodically.
- such other functions as specified in Section 135 of the Act and the rules made there under and prescribed by the Board from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. The Annual Report on CSR activities for FY 2023-24 forms a part of the Board's Report.

Composition and attendance during the year

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

Name of the member	Category	No. of meetings attended FY 2023-24
Ms. Sonu Chadha, Chairperson	Independent, Non-Executive	3
Mr. Erwin Jankovits, Member	Non-Independent, Non-Executive	2
Mr. Parmod Sagar, Member	Managing Director & CEO	3

All the meetings were attended by Chief Financial Officer and Company Secretary of the Company.

The Committee met three (3) times during the year on 30 May 2023, 10 August 2023 and 13 February 2024.

E. Risk Management Committee

Brief description of terms of reference

The Company has constituted Risk Management Committee as required under the Act and Listing Regulations. The extract of terms of reference of the Committee is as follows:

- to formulate a detailed Risk Management Policy;
- to ensure that appropriate methodology, processes and systems are in place;
- to monitor and oversee implementation of the Risk Management Policy,
- all the roles and responsibilities as specified in Regulation 21 read with Para C of Part D of Schedule II of Listing Regulations and specified in other applicable regulations and decided by the Board from time to time.

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

Composition and attendance during the year

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

Name of the member	Category	No. of meetings attended FY 2023-24
Dr. Vijay Sharma, Chairman	Independent, Non-Executive	4
Mr. Gustavo Lucio Goncalves Franco, Member	Non-Independent, Non-Executive	3
Mr. Parmod Sagar, Member	Non-Independent, Executive	4

The Committee met four (4) times during the year on 1 April 2023, 30 May 2023, 10 August 2023 and 2 February 2024.

All the meetings were attended by Chief Financial Officer and Company Secretary of the Company.

F. Fund Raising Committee

Brief description of terms of reference

The Board of Directors of the Company in their meeting held on 29 March 2023, approved the constitution of 'Fund Raising Committee' and delegated specific powers to the Committee in accordance with the relevant provisions of Act, Secretarial Standards and Listing Regulations, as may be applicable. Later, on 1 April 2023, the Board further expanded the Committee's powers. Initially, the Committee's authority was primarily related to Qualified Institution Placement while the additional powers now cover allotment and activities related to preferential allotment and other issuance methods.

The revised extract of terms of reference & power of the Committee is as follows:

- negotiate, finalize, settle, approve, sign, execute and deliver the placement agreement on behalf of the Company;
- complete all documentation in connection with the placement agreement on behalf of the Company;
- to make and accept on behalf of the Company any changes and modifications in the existing terms and conditions as may be suggested by the Book Running Lead Manager (s) and that they, in their absolute discretion think fit, and
- to execute the placement agreement and all other documents in connection therewith and any supplements and amendments as may be necessary in this regard.
- To allot equity shares to the eligible allotees through preferential issue/ qualified institutional placement or any other method of issuance of shares as may be specified in applicable regulations.
- To do all other acts and sign necessary papers, documents and deeds.

Composition and attendance during the year

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

Name of the member	Category	No. of meetings attended FY 2023-24
Dr. Vijay Sharma, Chairman	Independent, Non-Executive	3
Mr. Parmod Sagar, Member	Managing Director & CEO	3
Ms. Sonu Chadha, Member	Independent, Non-Executive	3

The Committee met three (3) times during the year under review on 5 April 2023, 6 April 2023 and 21 June 2023.

All the meetings were attended by Chief Financial Officer and Company Secretary of the Company.

G. Functional Committee

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

IV. GENERAL BODY MEETINGS

A. General Meeting

a. Annual General Meeting ("**AGM**") & Special Resolutions

Financial Year	Date	Time (IST)	Venue/ Location	Special Resolutions
2022-23	28 September 2023	12:30 p.m.	Meeting conducted through VC / OAVM pursuant to the MCA Circular	nil
2021-22	26 September 2022	3:30 p.m.		nil
2020-21	29 September 2021	1:30 p.m.		Waiver and termination of voluntarily lock-in obligations of certain shareholders of the Company.

All resolutions moved at the last AGM were passed by the requisite majority of shareholders.

b. Extra Ordinary General Meeting: No Extra Ordinary General Meeting was held during FY 2023-24.

B. Postal ballot:

Details of resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

a. **Special resolution:** During the period under review, following special resolution was put through by postal ballot:

Date of Notice	Particulars of Special Resolution	Votes cast in favour		Votes cast against		Effective date of Resolution
		No. of votes	% age of total vote cast	No. of votes	% age of total vote cast	
29 April 2023	Raising of funds through issuance of further equity shares to Dutch US Holding B.V., promoter on preferential basis	170,017,061	99.99%	13,814	0.01%	1 June 2023

The Company successfully completed the process of obtaining approval from its members for resolution on the item detailed above. Mr. Naresh Verma of M/s. Naresh Verma & Associates, Company Secretaries was appointed as Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

b. **Procedure of Postal Ballot**

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, including rules framed thereunder read with the General Circular nos. 14/2020 dated 8 April 2020, 17/2020 dated 13 April 2020 and subsequent circulars issued in this regard, the latest being 9/2023 dated 25 September 2023, respectively issued by the Ministry of Corporate Affairs.

C. **Details of special resolution proposed to be conducted through Postal Ballot:**

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

V. A certificate has been received from M/s. Naresh Verma and Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

VI. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) has been appointed as the Statutory Auditors of the Company and its subsidiary i.e. RHI Magnesita India Refractories Limited. The particulars of payment of Statutory Auditors' fees for FY 2023-24 is given below:

Amount (in ₹ Lacs)

Particulars	RHIM	RHIMIRL
Audit Fees	139.50	87.50
Limited Review	48.00	-
Certifications	1.25	-
Reimbursement of expenses	10.41	5.33
Total	**199.16**	**92.83**

VII. **Details of utilization of funds raised through preferential allotment or qualified institutions placement**

Please refer Board Report

VIII. **Other disclosure relating to the FY 2023-24**

A. There are no materially significant related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY 2023-24 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company at the following web link: *https://www.rhimagnesitaindia.com/uploads/pdf/218pdctfile_policyforrelatedpartytransactions.pdf*

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

C. **Whistle Blower Policy and Vigil Mechanism**

Kindly refer Board Report.

D. **Discretionary requirements**

- The Auditors' Report on financial statements of the Company is unmodified.
- Statutory Auditors of the Company make quarterly presentations to the Audit Committee on their reports and quarterly performance has also been available on website of the Company from time to time.
- Dr. Vijay Sharma, Non-Executive Independent Director is Chairman of the Company and not related with Managing Director & CEO of the Company.

E. **Subsidiary Companies**

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Policy for determining 'material' subsidiaries is available at *https://www.rhimagnesitaindia.com/uploads/pdf/395pdctfile_policyonmaterialsubsidiary.pdf*

As on 31 March 2024, RHI Magnesita India Refractories Limited is material unlisted subsidiary of the Company.

F. **Reconciliation of Share Capital Audit Report**

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("**NSDL**") and the Central Depository Services (India) Limited ("**CDSL**") and the total issued and listed equity share capital of the Company.

The audit report confirms that the total issued and paid-up capital is in consonance with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

G. **Code of Conduct**

The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the FY 2023-24. The Annual Report of the Company contains a certificate by the Chief Executive Officer and Managing Director, on the compliance declarations received from the members of the Board and Senior Management. The said policy has been uploaded on the website of the Company at the following web link: *https://www.rhimagnesitaindia.com/investors/corporate-governance/code-of-conduct.*

H. **Dividend Distribution Policy**

The Company has defined dividend distribution policy and the said policy has been uploaded on the website of the Company at the following web link: *https://www.rhimagnesitaindia.com/uploads/pdf/208pdctfile_policyondividenddistribution.pdf*

I. **Familiarization Program**

Details of familiarization program imparted to Independent Directors are available on the Company's website at the following web link: *https://www.rhimagnesitaindia.com/uploads/pdf/212pdctfile_familiarisationprogrammeforindependentDirectors.pdf*

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

Kindly refer Board Report.

K. All the recommendations of the Committees have been accepted by the Board.

L. Nil, Loans and Advance has been given by the Company to the firms/ companies in which Directors of the Company are interested.

M. During the period under review, the Company was not required to obtain any credit rating from any credit rating agency.

N. Trading in securities of the Company has not been suspended during the period under review.

O. Disclosure of 'Loans and Advances in the nature of loans to firms/companies in which Directors are interested by name and amount':

Sr. no.	Name of Company	Nature of loans and advances	Amount
nil			

IX. **Means of Communication**

A. The quarterly and the half yearly results, published in the format prescribed by the Listing Regulations read with the circular issued there under, are approved and taken on record by the Board of Directors of the Company within 45 days of the close of relevant quarter. The approved results are forthwith uploaded on the designated portals of the Stock Exchanges where the Company's shares are listed. The financial results are also published within 48 hours in The Business Standard (in English Language) and Mumbai Lakshadweep/Pratahkal (in Marathi Language) and displayed on the Company's website, *https://www.rhimagnesitaindia.com/investors/financials-reports/quarterly-financial-results*

B. The Company publishes the Audited Annual Results within the stipulated period of sixty days from the close of the financial year as required by the Listing Regulations.

The Annual Audited Results are also uploaded on National Stock Exchange of India Limited (**NSE**) and BSE Limited (**BSE**). The results are also published within 48 hours in The Economics Times (in English Language) and Mumbai Lakshadweep/Pratahkal (in Marathi Language) and displayed on the Company's website *https://www.rhimagnesitaindia.com/.*

All periodical and other filings including the price sensitive information, news release, presentations made to institutional investors or to the analysts etc. are being filed electronically through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre and are updated on the Company's website *https://www.rhimagnesitaindia.com/* and stock exchange's website *https://www.bseindia.com/*, *https://www.nseindia.com/*.

X. **General shareholder information**

A. **Annual General Meeting for FY 2023-24**

Date	:	Friday, 27 September 2024
Time	:	11.30 a.m. (IST)
Venue	:	Meeting will be conducted through VC/OAVM pursuant to the MCA Circulars

For details, please refer to the Notice of this AGM.

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

B. **Financial calendar** : 1 April 2023 to 31 March 2024

C. **Date of book closure** : Friday, 6 September 2024 to Friday, 13 September 2024 (both days inclusive)

D. **Dividend payment date** : The final dividend, if approved, shall be paid / credited on and before Saturday, 26 October 2024

E. **Listing on Stock Exchanges** :

a. National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex Bandra (East), Mumbai 400051

b. BSE Limited
25th Floor, PJ Towers,
Dalal street, Mumbai-400001

F. **Stock Codes/Symbol** :

NSE : RHIM

BSE : 534076

Listing Fees as applicable have been paid to both the stock exchanges for FY 2024-25.

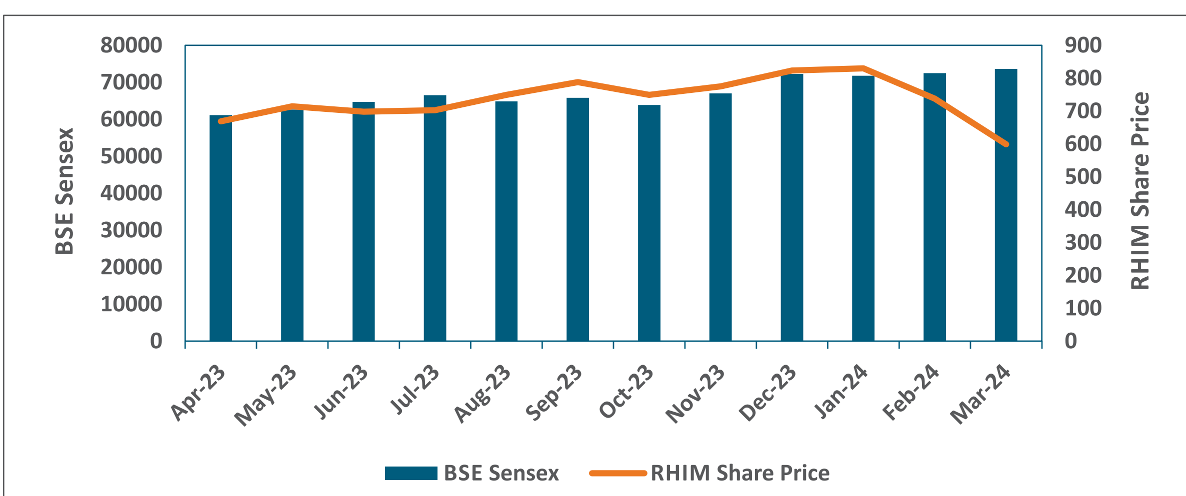
G. **Corporate Identity Number (CIN)** : L28113MH2010PLC312871

H. **Market Information:**

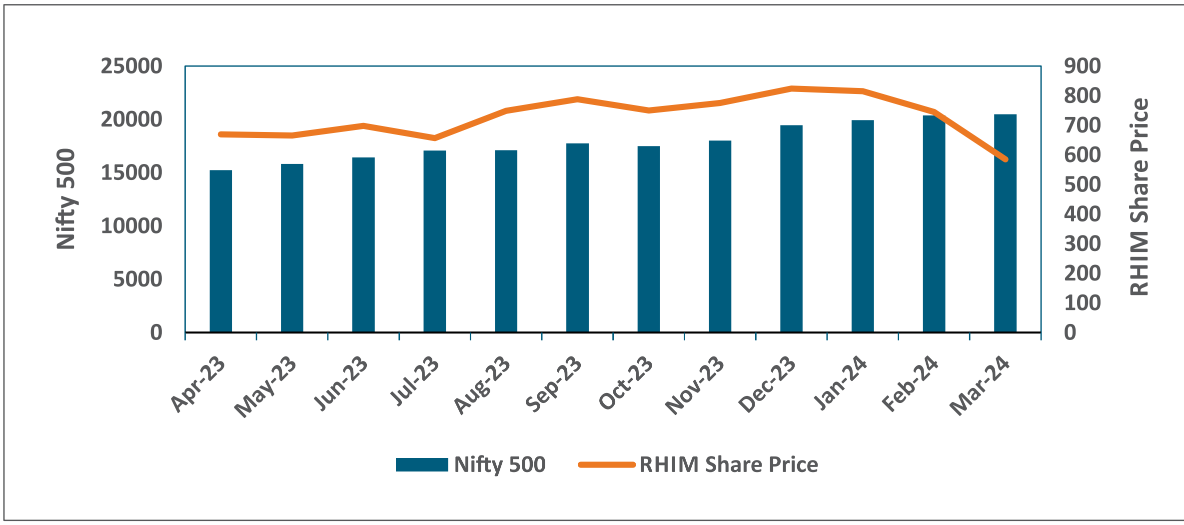
a. **Market price data:** High, Low (based on daily closing prices) and number of equity shares traded during each month in FY 2023-24 on NSE and BSE

Month	BSE				NSE			
	High price (₹)	Low price (₹)	No. of shares traded	Total turnover (₹ in Lacs)	High price (₹)	Low price (₹)	No. of shares traded	Total turnover (₹ in Lacs)
April'2023	668.95	604.00	192,582	1,230.31	669.50	603.50	176,940	19,637.47
May'2023	714.30	595.00	432,806	2,896.98	714.00	593.00	340,134	43,846.89
June'2023	698.10	644.00	281,882	1,885.16	698.20	641.10	266,301	33,055.70
July'2023	702.80	607.25	293,807	1,846.00	656.65	607.50	271,506	28,841.20
August'2023	749.25	646.65	542,667	3,815.19	749.00	647.30	407,621	57,900.66
September'2023	788.00	708.75	480,419	3,617.34	788.00	710.00	335,333	45,475.37
October'2023	749.45	652.85	166,916	1,191.74	749.75	653.00	209,426	16,381.91
November'2023	775.00	667.40	244,913	1,751.06	775.50	668.50	293,729	32,030.15
December'2023	823.25	731.10	242,501	1,898.81	824.00	733.70	341,824	43,779.60
January'2024	829.95	701.00	257,594	1,975.78	815.05	702.00	248,696	19,701.64
February'2024	737.70	568.50	422,442	2,676.72	745.00	568.05	402,725	44,138.43
March'2024	598.85	503.45	431,210	2,388.71	585.00	504.25	371,508	34,980.85

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



c. **Performance of RHIM Share Price in comparison with Nifty-500**



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

(Amount in ₹)

Financial Year	BSE		NSE	
	High price	Low price	High price	Low price
2023-2024	829.95	503.45	824.00	504.25
2022-2023	893.15	461.15	892.90	455.70
2021-2022	643.75	226.30	644.00	226.20
2020-2021	260.90	110.65	260.65	110.00
2019-2020	268.50	108.50	268.55	108.00
2018-2019	280.10	152.50	279.75	151.00
2017-2018	186.80	124.55	186.30	124.45
2016-2017	144.00	76.60	143.40	75.40
2015-2016	103.00	70.00	102.70	70.50
2014-2015	120.00	58.15	125.00	50.20
2013-2014	63.40	22.75	63.85	23.10
2012-2013	41.65	22.80	45.90	22.85
2011-2012	30.90	23.35	27.25	23.80

I. Registrar and Share Transfer Agent

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

J. Share Transfer System

The Company has appointed Skyline Financial Services Private Limited ("**Skyline**") as its Registrar and Share Transfer Agent ("**RTA**"). The share transfer work in both physical as well as electronic mode has been carried on by Skyline. The authority relating to share transfer has been delegated to RTA. The Stakeholder's Relationship Committee of the Company take note of the transfer, transmission, remat, demat, split & consolidation of share certificates etc. periodically.

The RTA ensures the approval of share transfer/ transmission/ splitting and consolidation of valid request within a period of 15 days from their receipt and processing of valid demat request within a week.

K. Secretarial Audit

M/s. Naresh Verma & Associates, Practicing Company Secretaries have conducted the Secretarial Audit of the Company for the year FY 2023-24. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, Listing Regulations applicable to the Company except as stated in the Secretarial Audit Report forms part of the Board's Report.

L. **Shareholding as on 31 March 2024**

a. **Distribution of shareholding (with consolidation of PAN) as on 31 March 2024**

Shareholding nominal value (in ₹)	Number of shareholders	%' age to total numbers	Shareholding Amount (in ₹)	%' age to total amount
Up to 5,000	73,422	99.12	12,351,778.00	5.98
5,001 to 10,000	310	0.42	2,278,720.00	1.10
10,001 to 20,000	174	0.23	2,511,388.00	1.22
20,001 to 30,000	44	0.06	1,103,589.00	0.53
30,001 to 40,000	16	0.02	563,559.00	0.27
40,001 to 50,000	14	0.02	613,205.00	0.30
50,001 to 100,000	30	0.04	1,950,687.00	0.94
Above 100,000	65	0.09	185,128,500.00	89.65
Total	**74,075**	**100.00**	**206,501,426.00**	**100.00**

b. **Shareholding pattern as on 31 March 2024**

Sr. no.	Category of the shareholders	No. of shareholders	Total holding	%'age to capital
1.	**Promoter and promoter group: Foreign**			
	(a) Dutch US Holding B.V.	1	82,667,832	40.03
	(b) Dutch Brasil Holding B.V.	1	20,620,887	9.99
	(c) VRD Americas B.V.	1	12,503,807	6.06
2.	**Institutions Domestic**			
	(a) Mutual Fund	21	25,400,569	12.30
	(b) Alternate Investment Funds	12	500,966	0.24
	(c) Banks	4	7,798	0.00
	(d) Insurance Companies	5	1,543,410	0.75
	(e) NBFCs Registered with RBI	4	31,704	0.02
3.	**Institutions Foreign**			
	(a) Foreign Portfolio Investors Category-I	75	7,553,554	3.66
	(b) Foreign Portfolio Investors Category-II	7	238,272	0.12
4.	**Non-Institutions**			
	(a) Individual shareholders holding nominal share capital up to ₹ 2.00 lacs	69,238	18,440,619	8.93
	(b) Individual shareholders holding nominal share capital above ₹ 2.00 lacs	5	2,252,201	1.09
	(c) Directors and their relatives	1	13,698	0.01
	(d) Bodies Corporate	846	28,998,977	14.04
	(e) Non-Resident Indians	2,282	1,695,463	0.82
	(f) HUF	1,305	588,573	0.29
	(g) Trusts	103	127,598	0.06
	(h) Clearing Members/House	6	5,903	0.00
	(i) Firms	159	131,635	0.00
	(j) Investor Education Protection Fund	1	3,177,960	1.54
	Total	**74,075**	**206,501,426**	**100.00**

c. **Top ten equity shareholders of the Company as on 31 March 2024**

Sr. no.	Particulars	No. of shares	%'age of shareholding
1.	Dutch US Holding BV	82,667,832	40.03
2.	Dalmia Bharat Refractories Limited	27,020,000	13.08
3.	Dutch Brasil Holding B.V.	20,620,887	9.99
4.	VRD Americas B.V.	12,503,807	6.06
5.	Axis Mutual Fund Trustee Limited A/c. Axis Mutual Fund A/c. Axis India Manufacturing Fund	6,167,513	2.99
6.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	3,177,960	1.54
7.	ICICI Prudential S&P BSE 500 ETF	3,029,305	1.47
8.	HDFC Mutual Fund - HDFC Nifty Small Cap 250 ETF	3,017,536	1.46
9.	HSBC Multi Cap Fund	2,703,279	1.31
10.	Aditya Birla Sun Life Trustee Private Limited A/c. Aditya Birla Sun Life MNC Fund	2,450,413	1.19

M. Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 99.66 % of the Company's equity share capital are dematerialized as on 31 March 2024.

Under the Depository System, the International Securities Identification Number (**ISIN**) allotted to the Company's shares is INE743M01012.

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

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence, as on 31 March 2024, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

O. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15 November 2018 is not required to be given. The details of foreign currency exposure are disclosed in note no. 30 & 31 of standalone & consolidated respectively to the financial statements.

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

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("**IEPF Rules**"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("**IEPF**").Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website *https://www.rhimagnesitaindia.com/investors/shareholder-information/details-pertaining-to-dividends*.

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for seven years, of the Company.

Further, shares of the Company, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends transferred to IEPF during FY 2023-24 are as follows:

Financial Year	Amount of unclaimed dividend transferred (Amount in ₹)
2015-16	5,225,752.00
Total	**5,225,752.00**

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

Members may please note that the unclaimed dividend in respect of the FY 2016-17 must be claimed by the concerned members on or before 24 October 2024, failing which it will be transferred to the IEPF Authority, in accordance with the relevant provisions of the IEPF Rules, as amended from time to time. Members are requested to write to Company/ RTA, for claiming unclaimed dividend.

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

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2022-23	28 September 2023	27 October 2030
2021-22	26 September 2022	25 October 2029
2020-21	29 September 2021	28 October 2028
2019-20	28 August 2020	27 September 2027
2018-19	23 July 2019	22 August 2026
2017-18	10 September 2018	9 October 2025
2016-17	25 September 2017	24 October 2024

Members who have not uncashed the dividend warrants so far in respect of the aforesaid periods, are requested to make their claim well in advance of the above due dates. Members are requested to check the details of unclaimed dividend amount, if any, on the Company's website *https://www.rhimagnesitaindia.com/investors/shareholder-information/details-pertaining-to-dividends*.

Q. Corporate benefits to investors' dividend declared for the last 10 years

Financial Year	Type of dividend	Amount of dividend per share (in ₹)
2022-23	Final dividend	2.50
2021-22		2.50
2020-21		2.50
2019-20		2.50
2018-19		2.50
2017-18		2.50
2016-17		2.50
2015-16		1.45
2014-15		1.40
2013-14		1.25

R. Particulars of senior management (excluding the Board of Directors) including the changes therein since the close of the previous financial year:

Name	Designation	Date of joining as / becoming Senior Management Personals in Company	Date of Cessation
Ms. Vijaya Gupta	Chief Financial Officer	28 May 2022	30 April 2024
Mr. Jyotirmoy Bhattacharjee	Director-Sales, India	1 January 2008	-
Mr. Thomas Mathew	Director-Marketing & Solutions	1 August 2018	-
Mr. K. T. Rao	Executive Vice President	5 January 2023	-
Mr. Mayank Kulshreshtha	Executive Vice President	5 January 2023	-
Mr. Abhishek Sharma	Executive Vice President	5 January 2023	-
Mr. Sanat Ganguli	Executive Vice President	5 January 2023	-
Mr. Sanjay Kumar	Assistant Vice President	1 June 2012	-
Ms. Ritika Chandhok	Senior General Manager	15 February 2024	-

S. Framework for Monitoring Subsidiary Companies

The details of material subsidiary, during the financial year 2023-24, is given below:

Name	-	RHI Magnesita India Refractories Limited
Date of Incorporation	-	5 October 2018
Place of Incorporation	-	Chennai
Name of Statutory Auditor	-	Price Waterhouse Chartered Accountants LLP
Date of appointment of Statutory Auditor	-	29 June 2023

The composition and effectiveness of Board of material subsidiary is reviewed by the Company periodically. A robust internal control system is also in place.

The Company is in compliance with the provisions governing material subsidiaries. Copy of the Secretarial Audit Reports of RHIMIRL forms part of this Annual report. The Secretarial Audit Report of does not contain any qualification, reservation, adverse remark or disclaimer.

The Company's Policy for determining Material Subsidiary is available on the website of the Company and can be accessed at *https://www.rhimagnesitaindia.com/uploads/pdf/395pdctfile_policyonmaterialsubsidiary.pdf*.

T. **Addresses:**

a. **Registered office:**

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

b. **Corporate office:**

- 301, 316-17, Third Floor, Emaar Digital Greens, Tower B, Sector 61, Gurugram, Haryana-122102 (up to 31 August 2024)
- 20th Floor, DLF Square, M-Block, Phase-II, Jacaranda Marg, DLF City, Sector-25, Gurugram, Haryana-122002 (from 1 September 2024)

c. **Plants locations of the Company:**

- SP-148, RIICO Industrial Area, Bhiwadi, Dist.- Alwar, Rajasthan-301019
- Village- Bainchua, Damaka Village Road, Thana-Tangi, Cuttack, Odisha-754022
- Survey No.255,256,303,305, Venkatapuram, Munagapaka Mandal, Visakhapatnam, Andhra Pradesh-531021
- M-20 (P), 6th Phase, Industrial Area, Gamharia, Jamshedpur-832108

d. **Registered office & plant location of Subsidiary Companies including step down subsidiary:**

Particulars of subsidiary companies	Locations
100% wholly owned subsidiary	
RHI Magnesita India Refractories Limited (Corporate Identification No. U26100TN2018PLC125133)	**Registered Office:** Dalmiapuram, Lalgudi, Dist. Tiruchirapalli, Chennai, Tamil Nadu - 621651 **Plant Locations:** i. Dalmiapuram, Lalgudi P.O. Kallakudi, Dist. Tiruchirapalli, Chennai, Tamil Nadu - 621651 ii. P. Box-10, Jam-Khambalia, Dist. Devbhumi Dwarka, Gujarat-361305 iii. Sundargarh, Rajgangpur, Odisha-770017 iv. *1174/1 & 1174/2, Joratarai Industrial Area P.O. Mangata Dist.- Rajnandgaon, Chattisgarh- 491441
Intermetal Engineers (India) Private Limited (Corporate Identification No. U28920MH1988PTC047421)	**Registered office & Plant Location:** Gala No. 18, Noble Industrial Estate No.1, Navghar Vasai Road (East), Palghar, Mumbai, Maharashtra-401202
Step down subsidiary	
RHI Magnesita Seven Refractories Limited (Subsidiary of RHI Magnesita India Refractories Limited) (Corporate Identification No. U74999DL2016PLC309327)	**Registered Office:** 4, Scindia House, Connaught Place, New Delhi-110001 **Plant Location:** Plot No. 8 and 13 Lamtara Phase III Industrial Area, Chaka Bypass, Lamtara Katni, Katni, Madhya Pradesh-483501

**During the period under review, the Board of Directors of RHI Magnesita India Refractories Limited in its meeting held on 8 February 2024 approved the proposal to permanently close its manufacturing facility/ plant located at 1174/1 & 1174/2, Joratarai Industrial Area P.O. Mangata Dist.- Rajnandgaon, Chattisgarh- 491441 and later on the plant has been closed. All the operations at the Plant have been ceased and a notice abstract to such effect that has been affixed on the notice board of the Plant.*

e. **Investor correspondence address:**

- 301, 316-17, Third Floor, Emaar Digital Greens, Tower B, Sector 61, Gurugram, Haryana-122102 *(up to 31 August 2024)*
- 20th Floor, DLF Square, M-Block, Phase-II, Jacaranda Marg, DLF City, Sector-25, Gurugram, Haryana-122002 *(from 1 September 2024)*
- Skyline Financial Services Private Limited, Unit: RHI Magnesita India Limited, D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020

On behalf of the Board of Directors

	Sanjay Kumar	Parmod Sagar	Dr. Vijay Sharma
	Company Secretary	**Managing Director & CEO**	**Chairman**
Gurugram, 14 August 2024	(Membership No.: ACS 17021)	(DIN: 06500871)	(DIN:00880113)

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

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

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

I confirm that the Company has in respect of the year ended 31 March 2024, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Parmod Sagar
Managing Director and Chief Executive Officer

Gurugram, 14 August 2024

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
RHI Magnesita India Limited

We have examined the compliance of conditions of Corporate Governance by RHI Magnesita India Limited ("**the Company**"), for the year ended on 31 March 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**").

Managements' Responsibility

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

Auditors' Responsibility

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

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

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and there presentations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27, and clauses (b) to (i) of regulation 46(2) and para—C and D of Schedule V of the SEBI Listing Regulations during the year ended 31 March 2024.

Other matters and Restriction on Use

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

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

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

For Naresh Verma & Associates
Company Secretaries

Naresh Verma
CP: 4424, FCS: 5403
UDIN: F005403F000973139
Peer Review Certificate No. 3266/2023

Place: Delhi
Date: 14.08.2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
RHI Magnesita India Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of RHI Magnesita India Limited having CIN L28113MH2010PLC312871 and having registered office at Unit No. 705, 7th Floor, Lodha Supremus, Kanjurmarg Village Road, Kanjurmarg (East) Mumbai Maharashtra - 400042 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal *www.mca.gov.in* as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:-

Sr. no.	Name of Director	DIN	Date of appointment in Company
1.	Vijay Sharma	00880113	12/11/2014
2.	Nazim Sheikh	00064275	03/11/2020
3.	Sonu Chadha	00129923	13/08/2019
4.	Gustavo Lucio Goncalves Franco	08754857	06/06/2020
5.	Erwin Jankovits	07089589	11/02/2015
6.	Ticiana Kobel	09850411	05/01/2023
7.	Parmod Sagar	06500871	04/03/2013

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

For Naresh Verma & Associates
Company Secretaries

Naresh Verma
CP: 4424, FCS: 5403
UDIN: F005403F000973073
Peer Review Certificate No. 3266/2023

Place: Delhi
Date: 14.08.2024

ANNEXURE-VIII

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	**Corporate Identity Number (CIN) of the Listed Entity**	:	L28113MH2010PLC312871
2.	**Name of the Listed Entity**	:	RHI Magnesita India Limited
3.	**Year of Incorporation**	:	2010
4.	**Registered office address**	:	Unit No. 705, 7th Floor, Lodha Supremus, Kanjurmarg Village Road, Kanjurmarg (East), Mumbai, Maharashtra-400042
5.	**Corporate office address**	:	a) 301, 316-17, Third Floor, Emaar Digital Greens, Tower B, Sector 61, Gurugram, Haryana-122102 *(up to 31 August 2024)* b) 20th Floor, DLF Square, M-Block, Phase-II, Jacaranda Marg, DLF City, Sector-25, Gurugram, Haryana-122002 (from 1 September 2024)
6.	**E-mail id**	:	Corporate.india@rhimagnesita.com
7.	**Telephone**	:	+91 124 4299000
8.	**Website**	:	www.rhimagnesitaindia.com
9.	**Financial year for which reporting is being done**	:	1 April 2023 to 31 March 2024
10.	**Name of the Stock Exchange(s) where shares are listed**	:	- National Stock Exchange of India Limited (Scrip Code: RHIM) - BSE Limited (Scrip Code: 534076)
11.	**Paid-up capital (as on 31 March 2024)**	:	₹ 206,501,426.00
12.	**Name and contact details of the person who may be contacted in case of any queries on the BRSR report**	:	Mr. Azim Syed Contact no.: +91 124 4299000 E-mail ID: Azim.Syed@rhimagnesita.com
13.	**Reporting boundary**	:	The disclosures under this report are on standalone basis
14.	**Name of the assurance provider**	:	Not applicable
15.	**Type of assurance obtained**	:	Not applicable

Throughout this Report, the phrase "**RHIM**" or "**RHIM India**" or "**the Company**" refers to the RHI Magnesita India Limited.

II. Products/services

16. **Details of business activities (accounting for 90% of the turnover):**

Sr. no.	Description of main activity	Description of business activity	% of turnover of the entity (FY 2023-24)
1.	Manufacturing, Trading and Sale of Refractories and Services thereof.	The Company is one of the prominent manufacturer and trader of specialised refractory products and total refractory solution provider.	100

17. **Products/Services sold by the entity (accounting for 90% of the entity's turnover):**

Sr.no.	Product/Service	NIC Code	% of total turnover contributed
1.	Manufacturing, Trading and Sale of Refractories and Services thereof.	23911, 23913	100

III. Operations

18. **Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of operational locations	Number of offices	Total number of plants and/ or operations/offices
National	4	27	31
International	nil	nil	nil

19. **Markets served by the entity:**

a. **Number of locations**

Locations	Number
National (No. of States)	Across India
International (No. of Countries)	Across the World

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

Approx. 10.20% of total turnover of standalone entity.

c. **A brief on types of customers**

Customers of the Company primarily are producers of Iron, Steel, Cement, Lime, Non Ferrous Metals, Glass situated in India and abroad spread throughout the World.

IV. Employees

20. **Details as at the end of Financial Year 31 March 2024**

a. **Employees and workers (including differently abled):**

Sr. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	1,237	1,170	94.58	67	5.42
2.	Other than Permanent (E)	27	26	96.30	1	3.70
3.	**Total Employees (D+E)**	**1,264**	**1,196**	**94.62**	**68**	**5.38**
Workers						
1.	Permanent (F)	355	354	99.72	1	0.28
2.	Other than Permanent (G)	1,764	1,582	89.68	182	10.32
3.	**Total Workers (F+G)**	**2,119**	**1,936**	**91.36**	**183**	**8.64**

b. **Differently abled Employees and workers:** nil

21. **Participation/Inclusion/Representation of women**

Category	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	2	28.57
Key Management Personnels	2*	1	50.00

** Excluding Managing Director & CEO, who is forming part of Board of Directors*

22. **Turnover rate for permanent employees and workers**

Category	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees and workers	14.00	2.00	16.00	0.64	0.00	0.64	0.06	0.00	0.06

V. Holding, Subsidiary and Associate Companies (including Joint Ventures)

23. **Names of Holding / Subsidiary / Associate Companies / Joint Ventures**

Sr. no.	Name of the Holding/ Subsidiary/ Associate Companies/ Joint Ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	RHI Magnesita N.V.	Ultimate Holding	56.07% through its subsidiary companies	No
2.	RHI Magnesita India Refractories Limited	Subsidiary	100%	No
3.	Intermetal Engineers (India) Private Limited	Subsidiary	100%	No
4.	RHI Magnesita Seven Refractories Limited*	Stepdown Subsidiary	100 % through subsidiary	No

* *Subsidiary company of RHI Magnesita India Refractories Limited*

VI. CSR Details

24. **Details of CSR:**

(Amount in ₹ Lacs)

Sr. no.	Particulars	Details
(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No)	Yes
(ii)	Turnover	282,409.45
(iii)	Net worth	388,693.74

VII. Transparency and Disclosures Compliances

25. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

The Company has identified its external and internal stakeholders through stakeholder mapping and periodic stakeholder engagement exercises. The Company has implemented a Grievance Redressal Mechanism to address Grievances if any raised by any group of Stakeholders i.e., by both External and Internal stakeholders.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web- link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes *https://www.rhimagnesitaindia.com/contact-us*	nil	nil	nil	nil	nil	nil
Investors (other than shareholders)	Yes *https://www.rhimagnesitaindia.com/contact-us*	nil	nil	nil	nil	nil	nil
Shareholders	Yes, as per Listing Regulations.	22	nil	Resolved during the year	12	nil	Resolved during the year
Employees and workers	Yes *https://intranet.rhimagnesita.com/ethics-compliance/compliance- helpline*	8	nil	Unresolved complaint for FY 2022-23 resolved during the year	5	1	nil
Customers	Yes *https://www.rhimagnesitaindia.com/contact-us*	7	nil	Resolved during the year	nil	nil	nil
Value Chain Partners	Yes *https://www.rhimagnesitaindia.com/contact-us*	nil	nil	nil	nil	nil	nil

26. **Overview of the entity's material responsible business conduct issues:**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sr. no.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Health, Safety and Environment	Risk	a. Fatal or serious accident at manufacturing or customer site. b. Site shut down due to Health & Safety (H&S) incidents. c. Loss in reputation for the Company due to severe H&S accidents	- H&S objectives are defined as a core Company objective, and the performance is constantly monitored. - H&S approach is based on leading global standards and practices, including regular risk monitoring, emphasis on "near miss" reporting and root cause analysis. - Focus on collaboratively enhancing the H&S approach at customer and supplier sites. - Extensive focus on H&S at the Corporate Sustainability Committee. - Specific action plans in the event of employee or contractor H&S incidents. - Harmonised safety instruction videos Personal Protective Equipment (PPE) standards implemented.	Beyond the harm to individuals, H&S incidents can lead to high financial penalties, site closure and a loss in reputation.
2.	Intellectual Property, Trademark, Patents	Risk	a. Leakage of confidential Information b. Impact on R&D activities c. Conflicts with outside parties d. Intellectual property or confidential data theft. e. Loss of intellectual property	- Registration of IPs (Intellectual Property). - Signing of Non-Disclosure agreements. - Training and awareness on Intellectual Property. - Use of secured mode for exchange of Data. - IT upgradation - Cyber security	Leakage of IPs may damage the brand reputation, negative financial impact due to conflicts and litigations
3.	Business Continuity/ Disaster Recovery	Risk	a. Interruption due to pandemic b. Interruption due to natural calamity c. Inadequate entrepreneurial risk plan	- To have adequate coverage through insurance policies. - Planning to have an entrepreneurial risk policy	Any disruption to business has a negative financial implications
4.	Climate change/ CO_2 emission	Risk	a. Uncontrolled emissions. b. Inability to meet sustainability targets. c. Failure in meeting stakeholders' expectations.	- Refurbishment of electric/ fuel technology to gas technology by capital investment. - Regular environmental audits and risk monitoring at all sites - Use of secondary raw material - A climate strategy focused on recycling, carbon capture and usage, fuel switch, energy efficiency, and innovative customer solutions	The risk of failing to meet environmental regulatory targets or uncontrolled emissions at our production sites exists and may result in high financial losses and liabilities

Sr. no.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	IT data / Cyber crime	Risk	a. Risk of adequate IT data recovery plan and firewalls to protect the cyber crime b. Cyber-attacks on office and production IT leading to financial losses (e.g. ransomware, sabotage).	- Information Technology and cyber security policies in line with information security best practices, standards and frameworks. - Continuous awareness campaign and training. - Cyber security detection and response team. - Network, device and application protection. - Audit & Compliance Committee oversight and specific focus on cyber security-related controls. - Email security (phishing and malware protection)	The possible impact of cyber and information security risks could range from operational disruptions, loss of intellectual property, legal compliance issues and frauds, to significant reputation losses.
6.	Data Protection	Risk	a. Confidential data loss through USB/ Floppy or other drives. Allowing the outside network to use the Company's IT devices. b. Transmission of data through unsafe mode c. Failure to protect sensitive or mass personal data (e.g., health records, biometric data, social security numbers, general master data of employees) with technical organizational measures	- Cyber Insurance policy to protect against any financial loss. - Using a firewall to protect Company's assets. - Data Protection and Privacy Policy and Data Protection Guidelines Restricted data access control and data encryption to monitor work from home. - Training and awareness on Data protection	Losing of confidential data impacts the brand reputation thereby leading to financial loss. Corporate fines and penalties. Additional costs for legal proceedings, remediation actions, damages/indemnities.
7.	Employee trainings	Opportunity	We are committed to providing high-quality training and development opportunities to our employees. The RHIM Academy delivered LinkedIn learning, has provided education for staff since it was launched in January' 2023	- Providing need based training and providing advance trainings like digitalization, usage of AI platform to increase the efficiency and effectiveness. - Attracting and developing the talent through trainings. - Providing job related advance trainings.	We are investing to develop leadership skills and to build a strong pipeline of successors to ensure that we have strength in depth and that we are developing the leaders of the future.
8.	Breakdown and Maintenance of P&M	Risk	a. Non-implementation of preventive maintenance plan. b. Non- calibration of equipment on regular basis. c. Not investing in latest technology and relying on old technology resulting in high maintenance cost and long shut down period.	- Preventive maintenance plan and regular calibration of machines. - Timely refurbishment and change of advanced technology by investing in renovation. - Machinery breakdown policy to adequately cover the machines. - Regular monitoring of Operational Performance (OEE) and maintenance log book (Preventive maintenance and breakdown) for all the plants	Business interruption will cause financial loss and customer dissatisfaction. Possibility of repetitive breakdown and not updated critical spare parts list may result in production losses.

Sr. no.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9.	Sustained Performance and Quality	Risk	Business loss, customer dissatisfaction, impact on brand image	- Providing end to end solution - Selection of efficient partners - Customer oriented approach	Loss of business, excessive claims have impact on business profitability.
10.	Regulatory and compliance risks	Risk	a. Failure to act in accordance with our Code of Conduct. b. Violation of anti-corruption laws by employees or third-party representatives. c. Violation of data privacy regulations. d. Violation of sanctions and export controls regulation	- Ethical values supported by a strong corporate culture. - Code of Conduct and compliance policies and procedures. - Enhancement of training, documentation of compliance matters, and communication. - Various whistleblowing channels are available to employees and external parties to report compliance concerns. Concerns can also be reported anonymously, and all reports are followed up by qualified professionals.	Exposed to regulatory and compliance risks which may result in financial losses or operational restrictions.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (**NGRBC**) a s prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Policy and Management Processes

Disclosure Questions			P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b.	Has the policy been approved by the Board? (Yes/No)	All the Policies of the Company are either approved by the Board or Top Management of the Company based on the nature of the Policy.								
	c.	Web Link of the Policies, if available	Pertinent Policies that are developed and implemented by the Company as per the NGRBC requirement are uploaded on the website of the Company https://www.rhimagnesitaindia.com/investors/corporate-governance/policies								

Disclosure Questions		P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes, the Company has developed different Procedures on Policies and implemented the same across different levels of its operation. Different committees and personnel from the Company are designated with specific responsibilities for the efficient implementation of these Policies and Procedures.
3.	Do the enlisted policies extend to your value chain partners? (Yes/ No)	The Company has integrated Transparent Business Practices as one of the Core Values. It communicates Policies and Procedures to its Value Chain Partners such as Suppliers, Resellers, Consultants, and Logistics Service Providers as applicable. Therefore, the enlisted Policies are extended to the Company's Value Chain Partners to the extent possible.
4.	Name of the national and international codes/ certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company has adopted the following globally recognized Certifications in its manufacturing facilities ISO 9001 : 2015 - Quality Management System. ISO 14001 : 2015 - Environmental Management System. ISO 45001:2018 - Occupational Health and Safety Management System. The Company has engaged an external certification body to obtain the above-mentioned certifications.
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is pursuing below-mentioned Sustainability Commitments. **Environmental:** - **Pollution Control and Abatement:** Identification of pollution risks arising from Company activities and to provide adequate measures for abatement of the same efficiently and effectively. - **Circularity:** Reduction and Recycling of Wastes. - **Resource Conservation:** Use of Natural Resources sustainably. **Social:** - **Safe Place to Work:** Striving for "Zero Harm Vision" to Life, Environment and Property. - **Continuous Improvement:** Improve Product Quality and Working Conditions. **Governance:** - **Legal Compliance:** We are committed to adhering to regulatory requirements as mandated by regional and federal authorities. **Governance Structure:** Implemented robust governance practices throughout the organization, ensuring ethical and transparent business operations across different regions. The Company has integrated all these ESG commitments as Core Values for its day-to-day Operations.
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Collective efforts are being made by the Company and its stakeholders to adopt all the ESG commitments with desired efficacy. Specific ESG targets are under development and will be disclosed going forward.

Governance, Leadership & Oversight

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements**

It gives us immense pleasure to share our second Business Responsibility and Sustainability Report (BRSR) for FY 2023-24. The Report has been prepared in format prescribed by the Securities and Exchanges Board of India (SEBI).

Our Company predominantly is engaged in the manufacture of Refractories and strives to provide total Refractory Solutions to producers of Iron, Steel, Cement, Lime, Non Ferrous Metals, and Glass industries. The Company is customer-centric and/or in this regard, following sustainable ways of manufacturing and providing services to its customers across geographies. The Company firmly believes that sustainability is all about the right balance between ability and responsibility to gain relevance and stability. Sustainability for the Company is about making choices following the long-term perspective of business, society, and the environment. In this regard, the Company has taken various initiatives for water conservation, energy management, phased reduction and recycling of wastes, and Green House Gases (GHGs) emission reductions.

The Company's Corporate Social Responsibility (CSR) initiatives focus on enhancing the well-being of underprivileged communities near its manufacturing facilities. These efforts prioritize essential needs such as health, education, hygiene, and skills development. Our CSR initiatives will prioritize community engagement and align with the United Nations' Sustainable Development Goals (UN-SDGs). Ethical practices are ingrained in our Company's core governance principles and are adhered to daily.

As part of our forward-looking approach, we are committed to environmental protection and addressing critical issues such as environmental sustainability, GHGs management, and climate change.

8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

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

9. **Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**

Yes, the directors and senior management periodically monitor the business responsibility performance of the Company. The Board of Directors reviews the business responsibility performance on an annual basis. The CSR Committee reviews the social performance and the Risk Management Committee assesses and reviews the identified risks from time to time.

10. **Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether Review was Undertaken by Director/Committee of the Board/Any other Committee	Frequency (Annually/Half yearly/Quarterly/ Any other-please specify)
	P1 P2 P3 P4 P5 P6 P7 P8 P9	P1 P2 P3 P4 P5 P6 P7 P8 P9
Performance against above Policies and follow up action	The performance of the Company is periodically reviewed by the management, Committee of the Board and the Board. The Company performance and any deviations in operation are also communicated to the Committee of the Board and the Board and Top Management on priority for resolution.	Ongoing (Periodically and/or Need basis)
Compliance with Statutory Requirements of Relevance to the Principles, and Rectification of any Non-Compliances	The Company has dedicated resources for Regulatory Compliances and robust procedures for the identification of any non-compliances and rectification of the same. The top management and Board are communicated compliance status on regular basis.	Ongoing Basis

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11.	**Has the Entity Carried out Independent Assessment/ Evaluation of the working of its Policies by an External Agency? (Yes/No). If yes, provide the name of the Agency.**	Assessment /Evaluation of Policies on Health, Safety, Environment, and Governance is largely done internally. The Company has taken support from an External Organisation for developing its ESG Policies and Procedures. The Company is certified under ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. These Certifications also include an assessment of the Policies of the Company by an Independent External Assessor. i.e Bureau Veritas, a global independent external assessor for verification and certification.								

12. **If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:**

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The Entity does not consider the Principles Material to its Business (Yes/No)	Not applicable								
The Entity is not at a stage where it is in a position to formulate and implement the Policies on Specified Principles (Yes/No)									
The Entity does not have the Financial or/Human and Technical Resources available for the task (Yes/No)									
It is planned to be done in the next Financial Year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles in the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%'age of persons in respective category covered by the awareness programmes
Board of Directors (BoDs)	All members of the Board and KMPs underwent mandatory training and specialized training programmes befitting their roles and responsibilities in the Company. These training sessions are continuous and take place throughout the year.		
Key Managerial Personnels (KMPs)			
Employees and workers other than BoDs and KMPs	Training sessions are continuous and take place throughout the year	Some of the topics covered are - Communication and Interpersonal Skills - Environment, Health and Safety - Business Ethics - Anti-Bribery & Corruption - Data Privacy - Anti-Trust & Fair-Competition - Sanctions & Export Controls - First Aid - Fire Safety Awareness - Emergency Response - Employee induction Training - Prevention of Sexual Harassment Training - People & Culture related Training Programs (awareness on the benefits provided by the Company, Wages etc.) - On-job Trainings These initiatives led to a noticeable improvement in the conduct and behavior of both employees and workers.	100% by Rotation

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year:**

Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Monetary					
Penalty/fine	nil	nil	nil	nil	nil
Fine	nil	nil	nil	nil	nil
Settlement	nil	nil	nil	nil	nil
Compounding fee	nil	nil	nil	nil	nil
Non-Monetary					
Imprisonment	nil	nil	nil	nil	nil
Punishment	nil	nil	nil	nil	nil

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non- monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
nil	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web- link to the policy.**

Yes, the Company believes in ethically conducting its business including following anti-corruption and anti-bribery practices. This is supported and reflected by the Company's Code of Conduct as well as Whistle Blower Policy, which are hosted on the Company's Website: *www. rhimagnesitaindia.com*. The objective of these policies is to serve as a guide for all directors, executives, employees, and associated persons to ensure compliance with applicable anti-bribery laws, rules and regulations. This policy applies to all the persons associated with the Company.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Category	FY 2023-24	FY 2022-23
Directors	nil	nil
KMPs	nil	nil
Employees & Workers	nil	nil

6. **Details of complaints with regard to conflict of interest:**

nil

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable

8. **Number of days of accounts payables [(Accounts payable *365) / Cost of goods/services procured] in the following format:**

Particular	FY 2023-24	FY 2022-23
Number of Days of Accounts Payable for Goods	112	129

9. **Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format**

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	17	11
	b. Number of Trading Houses where purchases are made from	496	245
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	60	79
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	0.80	0.70
	b. Number of dealers / distributors to whom sales are made	22	19
	c. Sales to top dealers / distributors as % of total sales to dealers / distributors	93	87
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	21%	23%
	b. Sales (Sales to related parties / Total Sales)	13%	13%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	nil	nil
	d. Investments (Investments in related parties / Total Investments made)	100%	100%

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Sr. no.	Total number of awareness programmes held	Topics/ principles covered under the training	%'age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1.	Two	Environment, health & safety training and awareness sessions on 9 principles of BRSR.	The total number of business partners is around 200 which is approximately covering 60% of the total business.

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

   Yes, the Company has a Code of Conduct for the Board including Independent Directors and Senior Management Personnel to avoid and/ or manage conflict of interest. In accordance with this, the Company collects annual declarations from relevant individuals regarding any interests that might create a conflict of interest with the Company.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

   During FY 2023-24, the Company did not capture expenditure relating to Research & Development **(R & D)** activities separately. Each of the manufacturing facilities of the Company has an in-house R & D facility primarily meant to ensure the quality and performance of products manufactured including Inputs used therein. The Company has a R & D center at Bhiwadi, Rajasthan, which supports the development of new products, improvement of product quality and performance, the substitution of conventional raw materials, optimization of resources, re-cycling of processes and product wastes and other objectives firmed up from time to time.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   In our commitment to sustainable procurement, RHI Magnesita aims to integrate sustainability priorities into our procurement processes. RHI Magnesita has established a framework for supply chain due diligence, to ensure ethical and compliant practices across the Group's supplier network. A comprehensive Supplier Code of Conduct outlines the standards and expectations the Group holds for all partners in the supply chain. Supplier desktop evaluations and on-site inspections are also used to proactively identify and address any potential risks, fostering a sustainable and resilient supply chain.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   Not applicable

3. **Describe the processes in place to safely reclaim your products for Reusing, Recycling, and Disposing at the end of life, for (a) Plastics (including packaging), (b) E-waste, (c) Hazardous Waste and (d) Other Waste:**

   RHI Magnesita is leading the refractory industry in the use of circular raw materials. For every tons of waste material that is reused, 1.5 tons (approx.) of CO_2 can be saved, in addition to circular economy benefits. The Company has increased secondary raw material usage by 15%, driven by the sales team's focus on prioritizing products with recycled content. Technical teams continue to innovate with over 100 recycling-related product developments, tailoring products for optimal performance and maximizing circular mineral usage.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/ No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Not applicable. There is no specific plastic, electrical and electronic product manufactured where EPR is applicable under E-Waste Management.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

   No, the Company has not conducted any life cycle assessment for the products to date. However, the Company planning to assess in the coming years.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

   Not applicable.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Waste Water	100%	100%
Waste Heat	30%	30%
Waste Material	nil	20%

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Parameters	FY 2023-24			FY 2022-23*		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	nil	nil	164.26	nil	nil	116.53
E-waste	nil	nil	0.39	nil	nil	3.52
Hazardous waste	nil	nil	17.46	nil	nil	28.13
Other waste	nil	nil	2,143.38	nil	nil	950.36

** Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Cuttack and Visakhapatnam. Jamshedpur plant data, which was acquired on 31 January 2023, is not included.*

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

   Not applicable

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees: 31 March 2024**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits*		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,170	1,170	100	1,170	100	nil	nil	1,170	100	All manufacturing facilities of the Company have arrangements to provide basic health care.	
Female	67	67	100	67	100	67	100	nil	nil		
Total	**1,237**	**1,237**	**100**	**1,237**	**100**	**67**	**100**	**1,170**	**100**		
Other than Permanent employees											
Male	26	26	100	26	100	nil	nil	The Company does not provide this benefit.			
Female	1	1	100	1	100	1	100				
Total	**27**	**27**	**100**	**27**	**100**	**1**	**100**				

**Introduced w.e.f. 1 January 2024*

b. **Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits*		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	354	354	100	354	100	nil	nil	The Company does not provide this benefit.		All manufacturing facilities of the Company have arrangements to provide basic health care.	
Female	1	1	100	1	100	1	100				
Total	**355**	**355**	**100**	**355**	**100**	**1**	**100**				
Other than Permanent employees											
Male	1,582	1,582	100	1,582	100	nil	nil				
Female	182	182	100	182	100	182	100				
Total	**1,764**	**1,764**	**100**	**1,764**	**100**	**182**	**100**				

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

Particulars	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the Company	0.136	0.066

2. **Details of retirement benefits, for Current FY and Previous FY.**

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
Employee Provident Fund (**PF**)	100	100	Yes	99	100	Y
Gratuity	100	100	Yes	99	100	Y
Employees' State Insurance (**ESI**)	13.58	23	Yes	5	62	Y

The Company employed other than Permanent Employees and Workers only through Registered Vendors and ensured that statutory benefits as per applicable Laws are extended.

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web- link to the policy.**

RHIM provides equal employment opportunities, without any discrimination on the grounds of age, color, disability, marital status, nationality, race, religion, sex, or sexual orientation. The Company strives to maintain a work environment that is free from any harassment based on the above considerations. This Equal Opportunities Policy is subject to applicable regulations, qualifications and merit of the individual. The policy is available to the internal stakeholders on the Company's intranet platform.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

100% retention rate.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Through its Whistle Blower Mechanism, the Company provides a Grievance Redressal Mechanism and encourages its employees and workers to bring to attention any instances of unethical behavior, incidents, fraud, or violation of the Company's Code of Conduct. Potential concerns about ethical misconduct or any compliance matters can be reported by all stakeholders (both internal and external) to an independently operated, confidential, and anonymous whistleblowing hotline, available in areas where the Company operates as well as other locations, in several languages. Contact details are communicated throughout the business and are available externally on the Company's website. In addition to the hotline, whistleblowing reports can also be submitted via other channels, such as to a dedicated e-mail address. All reports are assessed by the Internal Audit, Risk & Compliance team and then addressed on a case-by-case basis. The Audit & Compliance Committee and Board review this process and the reports arising from it, ensuring there are arrangements in place for the appropriate and independent investigation of these cases and that follow-up actions to address the root causes are completed.

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Workers of Company's Bhiwadi (Rajasthan) manufacturing facility only are members of recongnised Union, i.e. Indian National Trade Union Congress (**INTUC**)

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association (s) or Union (D)	% (D/C)
Total Permanent Employees	**1,237**	**nil**	nil	**1,253**	**nil**	nil
- Male	1,170	nil	nil	1,196	nil	nil
- Female	67	nil	nil	57	nil	nil
Total Permanent Workers	**355**	**113**	**31.83**	**342**	**89**	**26.02**
- Male	354	113	31.92	341	89	26.10
- Female	1	nil	nil	1	nil	nil

8. **Details of training given to employees and workers (Permanent and other than Permanent):**

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,196	1,196	100	1,196	100	1,196	1,196	100	1,196	100
Female	68	68	100	68	100	57	57	100	57	100
Total	**1,264**	**1,264**	**100**	**1,264**	**100**	**1,253**	**1,253**	**100**	**1,253**	**100**
Workers										
Male	1,936	1,936	100	1,936	100	1,988	1,988	100	1,988	100
Female	183	183	100	183	100	91	91	100	91	100
Total	**2,119**	**2,119**	**100**	**2,119**	**100**	**2,079**	**2,079**	**100**	**2,079**	**100**

9. **Details of performance and career development reviews of employees and workers (Permanent and other than Permanent):**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,196	1,196	100	1,196	1,196	100
Female	68	68	100	57	57	100
Total	**1,264**	**1,264**	**100**	**1,253**	**1,253**	**100**
Workers						
Male	1,936	1,936	100	1,988	1,988	100
Female	183	183	100	91	91	100
Total	**2,119**	**2,119**	**100**	**2,079**	**2,079**	**100**

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, the Occupational Health and Safety Management System has been implemented in all Manufacturing Facilities of the Company. The Company has also developed and implemented an Integrated Environment and Health Safety (**EHS**) Management System. Integrated EHS Management Systems of below mentioned Manufacturing Facilities are certified under ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health and Safety Management System):'

Manufacturing Unit	Availability of ISO 9001:2015 Certification	Availability of ISO 14001:2015 Certification	Availability of ISO 45001:2018 Certification	Validity	Issuing Agency
Bhiwadi, Rajasthan	Yes	Yes	Yes	30 December 2026	Bureau Veritas
Visakhapatnam, Andhra Pradesh	Yes	Yes	Yes	30 December 2026	Bureau Veritas
Tangi, Cuttack, Odisha	Yes	Yes	Yes	30 December 2026	Bureau Veritas
Jamshedpur, Jharkhand	Yes	Yes	Yes	8 April 2024	Learning Management System

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

While continuously employing measures to promote employee well-being and healthcare, a proper hazard identification risk management system has been put in place to ensure continuous improvement of occupational health and safety of the organization. Hazard Identification Risk Assessment (**HIRA**) is carried out regularly at all levels in the following six steps by a Highly- Skilled Process Owner or a Qualified Safety Coordinator well versed in details of all activities and Safety standards:

i. Pre- Assessment preparations

ii. Pre-Assessment meeting with HSE Leaders

iii. Conducting interviews

iv. Walk-Round Tour/Quantification of Hazards

v. Evaluation of Hazard/Person/Severity Factors

vi. Post Evaluation activity

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

(Yes/ No)

Yes, The Company has a global reporting tool i.e. Accstat to report unsafe situations, near misses and accidents and is accessible to all the employees. Further all employees can also report to the following personnel:

- Designated EHS personnel at Company's Manufacturing Facilities.
- Head of the Respective Department.
- Reporting Manager.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, Employees/Workers of the Company have access to Non-occupational Medical and Healthcare services including through tie-ups with reputed Medical Institutions. Periodically they are also trained to respond appropriately to on-site medical emergencies.

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2023-24	FY 2022-23*
Lost Time Injury Frequency Rate (**LTIFR**) (per one million-person hours worked)	Employees & Workers	0.06**	0.13
Total recordable work-related injuries		4	4
No. of fatalities		Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)		Nil	Nil

* *Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Cuttack and Visakhapatnam. Jamshedpur plant data, which was acquired on 31 January 2023, is not included.*

** *Jamshedpur plant data included from July'2023 onwards*

12. **Describe the measures taken by the entity to ensure a safe and healthy work place.**

The health and safety of employees in the workplace is a core value for RHI Magnesita. Maintaining a safe and healthy workplace is fundamental to RHI Magnesita's culture and mindset. Our operations by necessity involve hazardous and higher-risk activities and maintaining high safety standards is a minimum expectation for all stakeholders. Our approach to safety centers on people and safe work practices, seeking to promote a safety-oriented mindset based on clear operating procedures and management of key risks.

New joiners including contractors are trained according to RHI Magnesita's safety principles, which underlines the shared responsibility to contribute to safety at work.

To deliver continuous improvement in our safety culture and performance, we monitor leading indicators in addition to key trailing performance indicators including Lost Time Injury Frequency ("**LTIF**") and Total Recordable Injury Frequency ("**TRIF**"). Assessing trends and parameters guides future improvement initiatives. Key safety initiatives implemented during the year included improved inductions and safety training for new joiners, integration of safety topics into shift-start meetings, and hand and finger safety communications campaigns. The Company has taken the following measures to ensure a safe and healthy workspace:

1. Safety Policy, Competence, Communications system/policy, Insurance Systems, First Aid, Training, Occupational Health, Inspection Systems, Audits, Procurement, Contractors Control & Risk Assessments.
2. The Company has taken measures that are compliant with all statutory preventive healthcare and occupational health and safety requirements.
3. The Company provided training on safety measures during induction to all new employees, including specific training.
4. A Safety Committee has been formulated to assist and collaborate with management and achieve objectives as outlined in the Health, Safety & Environment (HSE) Policy. The Committee deals with matters concerning health, safety, and the environment delivers practical solutions to problems encountered, promotes safety awareness amongst all workers, and undertakes educational, training, and promotional activities.
5. The Company selects the right Equipment, Technology and Processes at the planning stage to minimize chances of Workplace Safety-related deviations. Further, all the Hazardous materials used by the Company are managed with utmost importance to minimize any Health and Safety issues related to their Storage, Handling and Usage. The Company has also implemented Work Permit System as a formal documented systematic process designed to identify, communicate, mitigate, and control risks.
6. The Company treats its Human-capital as one of the valuable resources. Therefore, the Company takes care of Industrial and Workplace Hygiene related aspects with utmost importance. Further, the Company conducts risk based medical check-up of its Employees and Workers. Regular trainings on Occupational Health and Safety Management are also imparted by the Company to its on-roll Employees and Workers.

13. **Number of Complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	nil	nil	nil	nil	nil	nil
Health & Safety	nil	nil	nil	nil	nil	nil

14. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100 (including Internal Assessment)
Working Conditions	100 (including Internal Assessment)

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

    There is a reporting mechanism in the Company to track the daily incidents related to health and safety. The same is also circulated to all plant heads and KMPs. In the monthly review meeting the KPIs for health and safety are reviewed and necessary steps are taken by Management to make all locations an accident-free zone.

    The Company maintains 6S Methodology in its Manufacturing Facilities for Hazard-free and Seamless Operations and is a continuous process in RHI Magnesita India Limited.

    These initiatives will also help the Company to enhance its competency with respect to Health and Safety in the workforce with a higher degree of awareness and suitable Training.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of**

   A. **Employees (Y/N)**

      Yes, the Company has ensured that its Employees are adequately covered under different Insurance Policies.

   B. **Workers (Y/N)**

      Yes, the Company has ensured that its workers are adequately covered under different Insurance Policies.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   The Company has put in place systems and procedures to ensure that statutory dues are deducted and deposited as per applicable laws by its value chain partners. Moreover, value chain partners are responsible for adherence or compliance with laws applicable to them and consequently for deduction and deposit of dues thereunder. The same is also mentioned in all the contracts with value chain partners.

3. **Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	nil	nil	nil	nil
Workers	nil	nil	nil	nil

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   Yes, employees who are superannuating or retiring from the Company and are in good health, possessing niche skills that contribute to the Company's growth, may be offered employment as consultants.

5. **Details on assessment of value chain partners:**

Parameter	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	The Company does not have any formal procedure to capture the data. The Company is in the process of fix SOP for the same.
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Suppliers must comply with all the requirements as per the RHIM standards and Code of Conduct. Regular reviews are being done on a variety of sustainability topics. Health & Safety Executive **(HSE)** is given high priority while selecting the Suppliers. Wherever needed the Company offers its assistance in developing policies for them, if they don't have those standards.

As per the internal Environmental, Health & Safety **(EHS)** audit procedure and assessment carried out, all the observations and non-conformances are properly recorded and notified for closeout. The Health, Safety & Environment Management system has been reviewed and aligned to be a part of and fully incorporated into the contract between the sub-contractor and the Company. Its purpose is to set forth the areas of EHS concerns and requirements routinely. This subcontractor system is intended to supplement any contractual requirements, including EHS Management System manual, guidelines, Standard Operating Procedures, any requirements of the client, as well as the sub-contractor's own EHS Program. All the suppliers and contractors of the Company are evaluated on their safety infrastructure processes and strengths before awarding a contract. The continued monitoring and measuring of suppliers and contractors ensure a comprehensive safe environment. This is further enhanced with regular refresher training sessions and capacity-building programs. In addition, periodic site visits by the senior management and site audits improve the EHS performance.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

Key Stakeholders are identified based on the material influence they have on the Company or on how they are materially influenced by the Company's corporate decisions and the consequences of those decisions.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Sr. no.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others) — please specify	Purpose and scope of engagement including key topics and concerns raised during such engagement
1.	Employees	No	- Conferences, workshops, Townhalls, Publications, newsletters & reports, online portals, employee surveys, Idea management, internal media	Periodically	- Inform about important advances in the Company. - Help the employees expand their knowledge in the industry. - Getting employee feedback and resolving their issues.
			- One-on-one interactions	Half-yearly	
2.	Investors	No	- Annual Report & Sustainability Report	Annual	Investors prefer to invest in organizations that are socially and environmentally responsible.
			- Investor presentations	Quarterly	
			- Corporate website	Periodically	
			- Quarterly Results & Press releases	Quarterly	
3.	Customers	No	- Interviews, personal visits, publications, mass media & digital communications, plant visits	Periodically	Internal customers (Employees) - Feel motivated to get involved in CSR projects and serve the community - Guided by the CSR Team - Enhance employee volunteerism - External customers to connect with an organization that is socially & environmentally responsible
			- Support programmes, social media	Annual	
			- Conferences and events	Annual	

Sr. no.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others) — please specify	Purpose and scope of engagement including key topics and concerns raised during such engagement
4.	Suppliers and service providers	No	- Supplier & vendor meets	Periodically	- Supply of material and service
			- Workshops & trainings, Audits	Periodically	
			- Policies	Periodically	
			- IT-enabled information-sharing tools and recognition platforms	Annual	
			- Dialogue in the context of industry initiatives, joint events, training courses, presentations	Periodically	
			- Supplier risk assessments	Annual	
5.	Business Partners	No	Various forms where interaction with sales organisations and associations	Periodically	Provide service to present customers while increasing the potential for future growth.
6.	Government and Regulatory bodies	No	- Official communication channels	Monthly	To get help in policy matters and the latest Govt. schemes
			- Regulatory audits/ inspections	Annually	
			- Environmental compliance	Annually	
			- Policy intervention	Periodically	
			- Good governance	Annually	
7.	Communities	Please refer to the following link for information about the Company's community work: https://www.rhimagnesitaindia.com/sustanibility/community			

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   RHIM has set up various committees (Board level committees & Internal committees) for addressing issues relating to Economics, Environment, Social, Governance etc. Constant and proactive engagement with both Internal and External Stakeholders are conducted by such Committees to:

   - Align the Business Plan and Strategy with Stakeholder's expectations.
   - Review the Company's Performance in dealing with Grievances/Issues raised by the Stakeholders.

   Wherever thought to be necessary, said Committees forward the issues noticed for further deliberation and decision thereon by the Board and/or persons concerned.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, RHIM has always maintained a regular and proactive engagement with the Company's key stakeholders, allowing it to effectively work on its ESG strategies and be transparent about the outcomes. In response to current regulations and interactions with stakeholders, the Company performs periodic evaluations to update and reissue policies as needed.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   There are no vulnerable or marginalized Stakeholders pertaining to Company's Business. The Company has taken several CSR Initiatives as per the CSR policy of the Company.

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers (Permanent and other than Permanent) who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1,237	1,237	100	1,196	1,196	100
Other than permanent	27	27	100	57	57	100
Total Employees	**1,264**	**1,264**	**100**	**1,253**	**1,253**	**100**
Workers						
Permanent	355	355	100	1,988	1,988	100
Other than permanent	1,764	1,764	100	91	91	100
Total Workers	**2,119**	**2,119**	**100**	**2,079**	**2,079**	**100**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**1,237**	Employees were paid more than minimum wages		**1,237**	**100**	**1,253**	Employees were paid more than minimum wages		**1,253**	**100**
Male	1,170			1,170	100	1,196			1,196	100
Female	67			67	100	57			57	100
Other than Permanent	**27**			**27**	**100**	**60**			**60**	**100**
Male	26			26	100	60			60	100
Female	1			1	100	nil			nil	nil
Workers										
Permanent	**355**	Workers were paid more than minimum wages		**355**	**100**	**342**	Workers were paid more than minimum wages		**342**	**100**
Male	354			354	100	341			341	100
Female	1			1	100	1			1	100
Other than Permanent	**1,764**			**1,764**	**100**	**1,737**	**180**	**10.36**	**1,557**	**1,737**
Male	1,582			1,582	100	1,647	180	11	1,467	1,647
Female	182			182	100	90	-	-	90	90

3. **Details of remuneration/salary/wages, in the following format:**

   a. **Median remuneration/wages**

(₹ in Lacs)

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (**BoDs**)	5	-*	2	-*
Key Managerial Personnels **(KMPs)**@	1	-	1	-
Employees other than BoDs and KMPs	1,168	6.60	66	8.00
Workers	354	3.00	1	2.20

** Excludes Sitting Fees paid to Independent Directors.*

@ Excluding Managing Director & CEO who is forming part of BoDs.

Note: Non-Independent Non-Executive Director forgone their entitlement of sitting fee.

b. **Gross Wages paid to females as % of total wages paid by the entity, in the following format;**

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages*	0.20	0.00

* *Wages considered for permanent workmen*

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

The Company does not have a single focal point for addressing Human Rights related issues. However, the People & Culture team is responsible for addressing the same. In this regard Employees and Workers are encouraged to communicate such issues to People & Culture team at Corporate Office and/or Manufacturing Facilities or they can also write to the available compliance helpline.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The mechanism works by following the instructions outlined below:

a. The employees/ affiliates address their complaints or grievances or report instances to the People & Culture department/ Senior Management. No reprisal or retaliatory action is taken against any employee/ affiliate for raising concerns under this policy.

b. A committee is formed/ designated to investigate the violations reported. The Committee evaluates the violations reported and ensures that the same is addressed and resolved. The Committee also, in consultation with the Senior Management, provides a suitable remedy.

c. The Company periodically undertakes a human rights due diligence process for management and oversight/monitoring of the policy and identify any shortcomings.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2023-24		FY 2022-23	
	Filed during the year	Pending resolution at the end of year	Filed during the year	Pending resolution at the end of year
Sexual Harassment	1	nil	1	nil
Discrimination at Workplace	nil	nil	nil	nil
Child Labour	nil	nil	nil	nil
Forced Labour/Involuntary Labour	nil	nil	nil	nil
Wages	nil	nil	nil	nil
Other human rights related issues	nil	nil	nil	nil

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (**POSH**)	1	1
Complaints on POSH as a % of female employees / workers	0.40	1.72
Complaints on POSH upheld	nil	nil

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has a Vigil Mechanism i.e. Diversity and Inclusion and Whistle Blower Policy, whereunder complaints for discrimination and harassment or any other wrongdoing can be lodged without fear of retaliation to adverse consequences. The Company's Code of Conduct also requires Employees at large to behave responsibly. Besides this, the Company has also put in Place a Policy on Prevention of Sexual Harassment of Women at the Workplace.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, human rights requirements form part of RHIM Supplier Code of Conduct. Suppliers are mandated to comply with internationally recognized human rights standards and to work towards them in all business activities within their own sphere of influence. Any forced or compulsory labour is prohibited.

To be a part of the Company's value chain, the supplier must meet the following human rights requirements:

a. **Child Labour:** Only workers who meet the minimum employment age requirement in the country where they are working, may be hired by a Supplier. The Suppliers must comply with all the applicable labour laws, including those related to hiring, wages, hours worked, overtime and working conditions. The Suppliers are urged to formulate work-study programs and government-sponsored educational programs for the younger working section of the society.

b. **Wages and Hours:** Working hours, wages and overtime pay must comply with all applicable laws. Workers must be paid at least the minimum legal wage or a wage that meets local industry standards. Workers should be paid annual leave and holidays as per the applicable laws.

c. **Equal Opportunities / Anti-Discrimination:** Suppliers are obliged to refrain from any discrimination and to ensure equal employment. Supplier shall not discriminate against the employees, based on nationality, color, origin, ideology, religion, race, caste, creed, trade union or political activity, sexual orientation, age, sex, illness, disability, pregnancy or any medical condition.

10. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100% of Company's Manufacturing Facilities are assessed internally and through Statutory bodies (such as Labour Department, Directorate of Industrial Safety and Health etc.) from time to time on these aspects.
Forced Labour/Involuntary Labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

Not applicable

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

nil

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

Human rights due diligence is being covered as part of the other audits presently. EHS and People & Culture department of the Company regularly conducts audits and inspections through internal audit protocols on Human Rights related issues. Exclusive Human rights due diligence is yet to be conducted.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

4. **Details on assessment of value chain partners:**

Parameter	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Company has no formal procedure to assess the business partners for these matters.
Discrimination at Workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

In compliance with RHIM's Supplier Code of Conduct, suppliers are audited and monitored on a variety of sustainability topics. Health and safety topics are given high priority in this operation. The corporation recognizes the significance of health and safety regulations in every business. As a result, the Company has offered its assistance in developing such policies for suppliers who do not have them.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

The Company uses electricity supplied by State Industrial Grids in its manufacturing facilities in India. Diesel-driven generator sets and forklifts are also used as emergency backups and internal transportation and Liquified Petroleum Gas (**LPG**), Fuel Oil (**FO**), Coal, and Natural Gas (**NG**) are used in production activities at the manufacturing facilities.

Parameter	Unit	FY 2023-24	FY 2022-23*
From renewable sources			
Total electricity consumption **(A)**	GJ	1,361.01	Nil
Total fuel consumption **(B)**	GJ	Nil	Nil
Energy consumption through other sources **(C)**	GJ	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	GJ	**1,361.01**	**Nil**
From non-renewable sources			
Total electricity consumption **(D)**	GJ	126,882.93	101,108.56
Total fuel consumption **(E)** – (LPG, FO, NG, Coal)	GJ	343,327.09	406,812.29
Energy consumption through other sources **(F)** — (Diesel)	GJ	20,004.72	10,489.28
Total energy consumed from non-renewable sources (D+E+F)	GJ	**490,214.74**	**518,410.13**
Total energy consumed (A+B+C+D+E+F)	GJ	**491,575.75**	**518,410.13**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	GJ/ Turnover	**0.0000174**	**0.0000208**
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	GJ/PPP turnover	**0.0003899**	**0.0004667**
Energy intensity in terms of physical output	GJ/t	**2.8177**	**3.8866**

* *Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Cuttack and Visakhapatnam. Jamshedpur plant data, which was acquired on 31 January 2023, is not included.*

No independent assessment/evaluation/assurance has been carried out by an external agency.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	Units	FY 2023-24	FY 2022-23*
Water withdrawal by source (in kilolitres)			
(i) Surface water	Kl	nil	nil
(ii) Groundwater	Kl	88,353	61,625.4
(iii) Third party water	Kl	nil	nil
(iv) Seawater / desalinated water	Kl	nil	nil
(v) Others by the entity	Kl	nil	nil
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	Kl	**88,353**	**61,625.4**
Total volume of water consumption (in kilolitres)	Kl	**88,353**	**61,625.4**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	Kl/ Turnover	**0.0000031**	**0.0000025**
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	Kl /PPP turnover	**0.0000701**	**0.0000555**
Water intensity in terms of physical output	Kl/t	0.5064	0.4620

* *Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Cuttack and Visakhapatnam. Jamshedpur plant data, which was acquired on 31 January 2023, is not included.*

No independent assessment/evaluation/assurance has been carried out by an external agency.

4. **Provide the following details related to water discharged:**

Parameter	FY 2023-24	FY 2022-23*
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	nil	nil
- With treatment — Please specify level of treatment	nil	nil
(ii) To Groundwater		
- No treatment	nil	nil
- With treatment — Please specify level of treatment	nil	nil
(iii) To Seawater		
- No treatment	nil	nil
- With treatment — Please specify level of treatment	nil	nil
(iv) Sent to third-parties		
- No treatment	nil	nil
- With treatment — Please specify level of treatment -Tertiary	31.50	nil
(v) Others		
- No treatment	nil	436.78
- With treatment — Please specify level of treatment-Tertiary	nil	22,418
Total water discharged (in kiloliters)	**31.50**	**436.78**

* *Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Cuttack and Visakhapatnam. Jamshedpur plant data, which was acquired on 31 January 2023, is not included.*

No independent assessment/evaluation/assurance has been carried out by an external agency.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

The Company recognize the fact that out of four plants one plant i.e. Bhiwadi plant is in water-scarce area. The Company adopt water-saving technologies and closed-loop water circuit technology in all plants, which account for less than 10% of our total water use. Due to the efforts put in, RHIM has been able to reduce groundwater consumption by 50% and wastewater generation has significantly been reduced. Three of our plants, which are located at Jamshedpur, Visakhapatnam and Cuttack have been able to achieve zero discharge. Projects for setting up rainwater harvesting plants in the plants are currently on.

6. **Please provide details of air emissions (other than GHG emissions) by the entity**

Parameter	Units	FY 2023-24	FY 2022-23*
NO_x	Tons	68.39	41.06
SO_x	Tons	81.86	28.76
Particulate Matter (**PM**)	Tons	60.53	53.58
Persistent Organic Pollutants (**POP**)	NA	nil	nil
Volatile Organic Compounds (**VOC**)	Tons	0.068	0.039
Hazardous Air Pollutants (**HAP**)	NA	nil	nil
Others — please specify	NA	nil	nil

* *Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Cuttack and Visakhapatnam. Jamshedpur plant data, which was acquired on 31 January 2023, is not included.*

The Company has engaged external National Accreditation Board for Testing and Calibration Laboratories (**NABL**) accredited monitoring agencies to monitor emissions.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23*
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	35,025.02	33,768.23
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	23,427.96	22,184.85
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	t CO_2 e / Turnover	**0.0000021**	**0.0000022**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	t CO_2 e / PPP turnover	**0.0000464**	**0.0000504**
Total Scope 1 and Scope 2 emission intensity in terms of physical output	t CO_2 e /t	**0.3351**	**0.4195**

* *Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Cuttack and Visakhapatnam. Jamshedpur plant data, which was acquired on 31 January 2023, is not included.*

No independent assessment/evaluation/assurance has been carried out by an external agency.

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details**

Yes, the Company has undertaken following initiatives:

- Change in fuel from Light Diesel Oil (**LDO**) to Piped Natural Gas (**PNG**) has resulted in a substantial emission reduction.
- Conversion of Slide Gate Refractory (**SGR)** Oil-fired kilns into Gas-fired kilns.
- Modification of roller conveyor to closed Z conveyor in impact mills.
- Developing suppliers in India for making an incineration system for curing ovens.
- Installation and regular monitoring of sewage treatment plants.
- Improving the power factor of 0.99 and above through Auto Manual Power Factor **(AMPF)** system.
- Modification of drying cycles for precast driers to reduce energy consumption.
- Replacement of conventional contactors with Thyristorised system in electrical driers.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-24	FY 2022-23*
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	164.26	116.53
E-waste **(B)**	0.39	3.52
Biomedical waste **(C)**	nil	nil
Construction and demolition waste **(D)**	nil	nil
Battery waste **(E)**	2.49	2.59
Radioactive waste **(F)**	nil	nil
Hazardous Waste		
Used Oil / Grease or Spent Oil, Oily Cotton Waste, ETP Sludge **(G)**	14.97	25.54
Non-Hazardous Waste		
Metal waste, Paper and cardboard Waste, Wood Waste, Plastic Jumbo bags, Plastic & Iron barrel scrap **(H)**	2,143.38	950.36
Total Waste Generated (A+B+C+D+E+F+G+H)	**2,325.49**	**1,098.54**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (in ₹)	**0.00000008**	**0.00000004**
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	**0.00000184**	**0.00000099**
Waste intensity in terms of physical output	**0.0128**	**0.0082**

Parameter	FY 2023-24	FY 2022-23*
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	nil	nil
(ii) Re-used	nil	nil
(iii) Other recovery operations	nil	nil
Total	**nil**	**nil**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	nil	0.27
(ii) Landfilling	nil	nil
(iii) Other disposal operations	2,325.49	1,098.27
Total	**2,325.49**	**1,098.54**

** Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Cuttack and Visakhapatnam. Jamshedpur plant data, which was acquired on 31 January 2023, is not included.*

No independent assessment/evaluation/assurance has been carried out by an external agency.

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

By FY 2024-25, RHI Magnesita group aims to include 10% Secondary Raw Materials (**SRM**) per tonne of production. In India, the Bhiwadi plant has been able to put into practice a successful product recycling process, wherein approx. 22% of its products are now being recycled. There have been continuous process innovations being done in this regard at the plants of RHI Magnesita to meet the global group targets. The Company sites maintain the data of waste generated and disposal thereof and include the same in their monthly environmental dashboard. Hazardous waste is managed as per the regulatory requirement and a record is maintained for the same. Waste is disposed of through authorized handling agencies. Products are stored and handled as per the prescribed standards. Wherever applicable the Company follows 6R principles (Rethink, Reduce, Reuse, Recycle, Refuse and Repair) for waste management. Awareness sessions are undertaken for the employees who have a role and responsibility towards waste management.

Following are the key aspects of the waste management program implemented by the Company:

- To comply with the waste-related statutory requirements as applicable. Further, the Company submits waste-related returns to the regulatory authorities as per the statutory requirement.
- Disposal of Hazardous and other categories of waste such as e-waste and used batteries through authorised recyclers and disposal agencies only.
- To the extent possible, recycle product process wastes.

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

No, as on the date of this Report the Company does not have any facility(ies) in/around ecologically sensitive areas.

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Sr. no.	Name and brief details of project	EIA Notification No.	Date	Whether conducted By independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
nil						

13. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, the Company complies with applicable Environment Regulations for its operations in India.

Sr. no.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable				

Leadership Indicators

1. **Water Withdrawal, Consumption and Discharge in areas of water stress (in kiloliters):**

For each facility/plant located in areas of water stress, provide the following information:

i. **Name of the area** : Bhiwadi, Dist.-Alwar, Rajasthan

ii. **Nature of operations** : Manufacturing of refractory

iii. **Water withdrawal, consumption and discharge in the following format:**

Parameter	Units	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)			
(i) Surface water	Kl	nil	nil
(ii) Groundwater	Kl	33,226	31,972
(iii) Third party water	Kl	nil	nil
(iv) Seawater / desalinated water	Kl	nil	nil
(v) Others by the entity	Kl	nil	nil
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	Kl	33,226	31,972
Total volume of water consumption (in kilolitres)	Kl	33,226	31,972
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	Kl/ Turnover	0.0000012	0.0000013
Water discharge by destination and level of treatment (in kilolitres)			
(i) To Surface water			
- No treatment		nil	nil
- With treatment — Please specify level of treatment		nil	nil
(ii) To Groundwater			
- No treatment		nil	nil
- With treatment — Please specify level of treatment		nil	nil
(iii) To Seawater			
- No treatment		nil	nil
- With treatment — Please specify level of treatment		nil	nil
(iv) Sent to third-parties			
- No treatment		nil	nil
- With treatment — Please specify level of treatment- Tertiary treatment		31.50 KL	nil
(v) Others			
- No treatment		nil	nil
- With treatment — Please specify level of treatment		nil	nil
Total water discharged (in kiloliters)		**31.50**	**nil**

2. **Please provide details of total scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	nil	nil
Total Scope 3 emissions per rupee of turnover		**nil**	**nil**

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

None of the manufacturing facility of the Company is situated in ecologically sensitive area.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. no.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Variable Frequency Drive **(VFD)** installed for machineries	14 nos. VFDs are installed for the machinery in the production area of Visakhapatnam manufacturing facility	Reduction of emissions
2.	Roof Top Solar Panels	0.5 MW solar panels have been installed at the Visakhapatnam manufacturing facility	Use of Renewable Energy
3.	Dual fuel and Retrofitted Emission Control Device **(RECD)** for DG sets	1 no. of 500 KVA DG set modified with dual fuel system and RECD at Bhiwadi manufacturing facility	Reduction of emissions
4.	Dust collector installation	Dust collector for spray paint booth in ISO -1 installed at Bhiwadi manufacturing facility	Reduction of dust emissions
5.	Fume extractors installation	Fume extractors installed for induction furnace in purging plug area and plasma cutter area at Bhiwadi manufacturing facility	Reduction of fume emissions
6.	LED lights installation & Timer for lighting circuit	Conventional lights were replaced with LED lights and automatic timer installed for the lighting circuit at Cuttack manufacturing facility	Reduction of emissions

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The Company has developed a Business Continuity Plan (**BCP**) and an on-site Emergency Management Plan. The BCP of the Company has identified potential business disruption issues and a recovery plan. The key issues that have been identified in the BCP are the supply of raw materials, use of natural resources, operational continuity etc. The onsite Emergency Management Plan has identified potential emergency scenarios and disruptions that could affect business operations on a short-term and long-term basis. This plan has also included guidelines on emergency response and post-emergency measures.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No such impact is observed in FY 2023-24. The Company has no formal reporting data collection method, this is monitored through the public domain. We do not find any material negligence by our value chain partners on environmental matters.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

No formal assessment methodology is available in the Company.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

The Company is affiliated with Six (6) Trade and Industry Chambers.

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sr. no.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	World Refractory Association	International
2.	Indian Refractory Makers Association	National
3.	Chemical & Allied Export Promotion Council (**CAPEXIL**)	National
4.	Indian Chamber of Commerce	State
5.	Confederation of Indian Industry	State
6.	Bhiwadi Manufacturers Association	State

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

nil

Leadership Indicators

1. **Details of public policy positions advocated by the entity**

   The Company, either directly or through trade bodies and other associations, provides various recommendations related to the industry as a whole and its specific activities.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
Not applicable					

3. **Describe the mechanisms to receive and redress grievances of the community.**

   RHI Magnesita has a CSR Team to monitor the CSR Projects regularly which continuously interacts with the concerned communities in the areas of operation. The grievances as and when they arise are timely addressed & resolved by the CSR Team.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	37.00	63.50
Sourced directly from within the district and neighboring districts	less than 5.00	less than 2.00

5. **Job creation in smaller towns — Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location*	FY 2023-24	FY 2022-23
Rural	6.93	7.04
Semi - Urban	23.26	27.38
Urban	41.07	40.55
Metropolitan	28.74	25.04

**Location categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan*

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Sr. no.	State	Aspirational District	Amount spent (in ₹ Lacs)
1.	Andhra Pradesh	Visakhapatnam	114.87

3. a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)**

   No, we do not have a policy on this as yet.

b. **From which marginalized /vulnerable groups do you procure?**

Not applicable

c. **What percentage of total procurement (by value) does it constitute?**

Not applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

nil

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

nil

6. **Details of beneficiaries of CSR Projects:**

CSR initiatives mentioned below and pursued by the Company are meant to benefit vulnerable and marginalized groups of communities neighboring the manufacturing facilities of the Company. However, the exact percentage of beneficiaries therefrom is not ascertainable.

Sr. no.	CSR Project	No. of person benefitted from CSR Projects	Percentage of beneficiaries from vulnerable and marginalized groups
1.	Promoting Education	not ascertainable	
2.	Promoting Health care		
3.	Employment Enhancing Vocation Skills		
4.	Rural Transformation		
5.	Ensuring Environmental Sustainability		

PRINCIPLE 9

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

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Customer response and customer satisfaction are one of the most important factors of RHI Magnesita. The Company engages with its customers on various platforms to understand their expectations. Accordingly, corrective measures have been planned and implemented. Customer satisfaction trends are compiled, monitored and reviewed by top management at defined intervals for to get the directives for improvement.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

Environmental and social parameters relevant to the product, Safe and responsible usage, Recycling and/or safe disposal are not being calculated as a percentage of total turnover.

3. **Number of consumer complaints in respect of the following:**

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	nil	nil	nil	nil	nil	nil
Advertising	nil	nil	nil	nil	nil	nil
Cyber-security	nil	nil	nil	nil	nil	nil
Delivery of essential services	nil	nil	nil	nil	nil	nil
Restrictive Trade Practices	nil	nil	nil	nil	nil	nil
Unfair Trade Practices	nil	nil	nil	nil	nil	nil
Other	nil	nil	nil	nil	nil	nil

4. **Details of instances of product recalls on account of safety issues:**

nil

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, the Company has a detailed framework on cyber security and risk related to data privacy and the same is available on the website of the Company at https://intranet.rhimagnesita.com/ethics-compliance/policies-guidelines/#skip. This framework is aligned with ISO 27001:2022 (Information Security Management Systems.)

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not applicable

7. **Provide the following information relating to data breaches:**

a.	Number of instances of data breaches	nil
b.	Percentage of data breaches involving personally identifiable information of customers	nil
c.	Impact, if any, of the data breaches	nil

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Details on the products and services of the Company are available at its website *www.rhimagnesitaindia.com.*

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   To educate the consumers about the safe usage of the products, the Company has created various Product Information sheets. Product application videos have also been created for quick reference and links to videos are shared with the customers on a need basis. One-to-one briefing meetings are also held with Customers as and when necessary.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   In order to inform Customers of the disruption/discontinuation of essential services, the Company sends E-mail communications. Our site and application team are in regular contact with customers to train and educate them.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   The Company displays product information on packaging as per the Customer requirements and applicable laws. This includes various technical specifications as required by the customer. At various platforms, the Company engages with customer to understand their concerns.

On behalf of the Board of Directors

Azim Syed
Chief Financial Officer

Parmod Sagar
Managing Director & CEO
(DIN: 06500871)

Dr. Vijay Sharma
Chairman
(DIN:00880113)

Gurugram, 14 August 2024

Independent Auditor's Report

To the Members of RHI Magnesita India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of RHI Magnesita India Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of loss and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key audit matters

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

(a) Revenue Recognition

(Refer Note 18 to the Standalone Financial Statements)

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

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

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

How our audit addressed the key audit matter

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

- Obtained an understanding and evaluated the design and tested the operating effectiveness of controls over revenue recognition.
- Assessed appropriateness of management's judgements in accounting for identified contracts such as:
  - o Identification of performance obligation and allocation of consideration to identified performance obligation;
  - o Evaluated the contract terms for assessment of the timing of transfer of control to the customer to assess whether revenue is recognised appropriately over a period of time or at a point in time (as the case may be) based on timing when control is transferred to customer;
  - o Tested whether the revenue recognition is in line with the terms of customer contracts and the transfer of control; and
  - o Evaluated adequacy of the presentation and disclosures.

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

(b) Valuation of intangible assets and goodwill identified on acquisition of refractory business of Hi-Tech Chemicals Limited

(Refer Note 39 to the Standalone Financial Statements)

Pursuant to a Business Transfer Agreement (BTA) executed with Hi-Tech Chemicals Limited ("Hi-Tech"), the Company acquired the refractory business of Hi-Tech by way of a slump sale on a going concern basis on January 31, 2023 for an aggregate consideration of ₹ 88,414.51

lacs. The acquisition was determined to be a business combination and accounted for in accordance with the acquisition method prescribed under Ind AS 103 'Business Combinations'. During the year, the Company has finalised the purchase price allocation and recognised the intangible assets and goodwill of ₹ 21,103 lacs and ₹ 31,091.69 lacs respectively as at the acquisition-date.

Significant management judgement is involved in the identification of identifiable assets, including those assets that meet the definition of, and recognition criteria for, intangible assets in accordance with Ind AS 38 'Intangible Assets', and their valuation and determination of the resultant goodwill based on allocation of the purchase price on fair values of the identified assets and liabilities. The management engaged independent valuers ("management's experts") for carrying out the valuation.

We considered this area as a key audit matter, due to the significant management judgement required in identification and valuation of assets acquired and liabilities assumed, determining the key assumptions underlying such valuation such as the revenue growth rates, customer churn rates, EBITDA growth rates, capital expenditures, weighted average cost of capital and considering the changes in these assumptions can have a material impact on the valuation of goodwill and intangible assets.

How our audit addressed the key audit matter

Our audit procedures included the following:

- Obtained an understanding, evaluated the design and tested the operating effectiveness of controls over accounting for business combinations.
- Read the Business Transfer Agreement (BTA) and other documents related to acquisition through BTA in order to obtain an understanding of the transaction in accordance with Ind AS 103 'Business Combinations' and to verify the consideration paid for the aforesaid acquisition.
- Assessed the competence, capabilities, and objectivity of management's experts, perused the report issued by them and evaluated the appropriateness of the valuation model and underlying assumptions considered by them.
- Tested the fair value of the acquired identifiable intangible assets, with the assistance of auditor's valuation experts, which involved:
    - o evaluation of the prospective financial information used in the valuation models, testing the completeness and accuracy of underlying data and evaluation of the valuation methodology.
    - o evaluation of the key assumptions, by comparing the same to current industry, market, economic trends and historical results.
    - o performance of sensitivity analysis to evaluate the impact of changes in key assumptions to the valuation of the acquired identifiable intangible assets.
- Verified the arithmetical accuracy of the management's computation of goodwill.
- Assessed the appropriateness of the disclosures in the Standalone Financial Statements in accordance with Ind AS 103.

Based on the above stated procedures, no significant exceptions were noted in valuation of intangible assets and resulting goodwill identified on the acquisition.

(c) Assessment of carrying value of equity investments in subsidiaries

(Refer Note 5(a) and 27 to the Standalone Financial Statements)

The Company has equity investments in subsidiaries carried at cost less accumulated impairment losses of ₹ 186,490.66 lacs. During the year, the Company has recognised an impairment loss of ₹ 30,936 lacs.

The Company reviews the carrying values of these investments at every balance sheet date and where there is an indication of impairment, the carrying value is assessed for impairment in accordance with Ind AS 36 'Impairment of Assets', and an impairment provision is recognised, where applicable. The management has determined each of the subsidiaries as a separate cash generating unit ("CGU") for the purpose of impairment assessment, and with the involvement of independent valuation experts ("management's experts"), the recoverable value of the CGUs has been determined.

The assessment of carrying value of investments has been considered a key audit matter as the determination of recoverable value of the investments involves significant management judgement and estimates such as future expected level of operations and related forecast of cash flows, market conditions, discount rate, growth rate, terminal growth rate etc.

How our audit addressed the key audit matter

Our audit procedures included the following:

- Obtained an understanding and evaluated the design and tested the operating effectiveness of controls over the impairment assessment.
- Assessed whether the Company's determination of CGUs was consistent with our knowledge of the Company's operations.
- Assessed the competence, capabilities and objectivity of management's experts and perused the report issued by them.
- Involved our valuation experts to assist in
    - o assessing the appropriateness of the valuation model including the independent assessment of the underlying assumptions relating to discount rate, terminal growth rate etc.
    - o evaluation of the cash flow forecasts (with underlying economic growth rate) by comparing them to the approved budgets and our understanding of the internal and external factors.
- Verified the mathematical accuracy of the computations involved in the valuation model.
- Assessed the sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment or material change in fair valuation.
- Discussed the key assumptions and sensitivities with those charged with governance.

- Evaluated the adequacy of the disclosures made in the Standalone Financial Statements.

Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in relation to the carrying value of equity investments in subsidiaries as per Ind AS 36 'Impairment of Assets'.

Other Information

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

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

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

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

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

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

   - Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. 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.

11. 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.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter

should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India and the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

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

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements — Refer Note 32 to the Standalone Financial Statements.

        ii. The Company has long-term contracts for which there were no material foreseeable losses. The Company has made provision as at March 31, 2024, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

        iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 42(vii)(a) to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

        (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 {Refer Note 42(vii)(b) to the Standalone Financial Statements}; and

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

        v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

        vi. Based on our examination, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit log is not maintained in case of modification by certain users with specific access and for direct data changes at the database level. During the course of performing our procedures, except for the aforesaid instances where our commenting on whether the audit trail feature was tampered with does not arise, we did not notice any instance of the audit trail feature being tampered with.

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

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

Abhishek Rara
Partner
Membership Number: 077779
UDIN: 24077779BKEHVG9966

Place: Gurugram
Date: May 29, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of RHI Magnesita India limited on the Standalone Financial Statements for the year ended March 31, 2024

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

1. We have audited the internal financial controls with reference to financial statements of RHI Magnesita India limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Abhishek Rara
Partner
Membership Number: 077779
UDIN: 24077779BKEHVG9966

Place: Gurugram
Date: May 29, 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of RHI Magnesita India Limited on the Standalone Financial Statements for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

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

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 43 to the Standalone Financial Statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ in lacs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Land with respect to Vishakhapatnam manufacturing unit	79.79	Arsha Ceramics Private Limited (previous name of RHI Clasil Private Limited i.e. erstwhile fellow subsidiary)	No	Since December 2005	Stamp duty is under assessment with Revenue Department of the Andhra Pradesh. Title deed will be transferred in the name of the Company once stamp duty is deposited after assessment is completed.
Land with respect to Vishakhapatnam manufacturing unit	41.03	Clasil Refractories Private Limited (previous name of RHI Clasil Private Limited i.e. erstwhile fellow subsidiary)	No	Since December 2006	
Land with respect to Vishakhapatnam manufacturing unit	626.53	RHI Clasil Limited (previous name of RHI Clasil Private Limited i.e. erstwhile fellow subsidiary)	No	Since September 2007	Stamp duty is under assessment with Revenue Department of Andhra Pradesh. Title deed will be transferred in the name of the Company once stamp duty is deposited after assessment is completed.
Building of Vishakhapatnam unit	2,931.70	RHI Clasil Private Limited (i.e. erstwhile fellow subsidiary)	No	Since March 2007	
Building of Cuttack manufacturing unit	2,054.28	Orient Refractories Limited	No	Since September 2019	Title deed registered in name of Orient Refractories Limited are in the process for change consequent to change of name of the Company to RHI Magnesita India Limited
Land at Vishakhapatnam	1,268.39	Orient Refractories Limited	No	Since February 2020	
Land with respect to Cuttack manufacturing unit	1,833.96	Orient Refractories Limited	No	Since September 2019	
Building with respect to guest house in Jamshedpur	139.75	Hi-Tech Chemicals Limited	No	Since January 2023	The Company is in the process for change of name in title deed pursuant to business acquisition from Hi-Tech Chemicals Limited.

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

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

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

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are not in agreement with the unaudited books of account as set out below. {Also, refer note 42 (ii) to the Standalone Financial Statements}.

Name of the Bank	Aggregate working capital limits sanctioned (₹ in lacs)	Nature of Current Asset offered as Security (₹ in lacs)	Nature of current asset underlying quarterly return/ statement	Quarter ended	Amount disclosed as per quarterly return/ statement (₹ in lacs)	Amount as per books of account (₹ in lacs)	Difference (₹ in lacs)	Reasons for difference
HDFC Bank Limited	2,500	Fixed Deposits valued at ₹ 1,000	Inventory	December 2023	73,080.00	73,080.20	0.20	Rounding off difference because return has been filed in crores and financials have been prepared in Lacs
			Trade receivables	December 2023	43,748.00	57,140.96	13,392.96	Trade receivables from related parties and Allowance for doubtful debts have not been considered in the return
			Trade payables	December 2023	57,524.00	57,523.96	(0.04)	Rounding off difference because return has been filed in crores and financials have been prepared in Lacs
			Inventory	March 2024	62,000.00	61,943.15	(56.85)	Return is filed considering numbers as per provisional Financial Statements
			Trade receivables	March 2024	54,700.00	70,140.98	15,440.98	Return is filed considering numbers as per provisional Financial Statements
			Trade payables	March 2024	45,200.00	49,477.90	(4,277.90)	Return is filed considering numbers as per provisional Financial Statements

For the first two quarters, the Company has taken waiver from the bank to file the quarterly returns/statement.

iii. (a) During the year, the Company has made investment in one company and the Company has not granted any secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

(b) In respect of the aforesaid investment, the terms and conditions under which such investment were made are not prejudicial to the Company's interest.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of the investments made by it. The Company has not granted any loans or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Companies Act, 2013.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, except for the dues in respect of Stamp Duty, the Company is generally regular in depositing undisputed statutory dues in respect of professional tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and services tax and provident fund, employees' state insurance, income tax, duty of customs, labour welfare fund and other material statutory dues, as applicable with the appropriate authorities.

The extent of the arrears of statutory dues outstanding as at March 31, 2024, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Due date*	Date of Payment	Remarks, if any
Registration Act, 1908	Stamp Duty	800	2021-22	May 05, 2021	Not applicable	-

*The Stamp Duty is payable on transfer of immovable property to the name of the Company from its erstwhile fellow subsidiary i.e. RHI Clasil Private Limited per the scheme of amalgamation approved by the Hon'ble National Company Law Tribunal ('NCLT') vide its Order dated May 05, 2021.

(b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	143.39	3.09	January 2013 to February 2015	Goods and Services Tax Appellate Tribunal
Finance Act, 1994	Service Tax	147.64	-	December 2012 to January 2015	High Court
Customs Act, 1962	Duty of Customs	0.86	-	April 2016 to June 2017	Commissioner of Customs (Appeals)
Foreign Trade Policy (FTP 2004-2009 & FTP 2009-2014) and Customs Act, 1962	Duty of Customs	257.27	-	April 2013 to August 2016	Directorate of Revenue Intelligence
Foreign Trade Policy (FTP 2004-2009 & FTP 2009-2014) and Customs Act, 1962	Duty of Customs	33.74	33.74	November 2019 to March 2020	Commissioner of Customs (Appeals)
Central Excise Act, 1944	Duty of Excise	38.53	1.11	April 2016 to March 2017	Commissioner (Appeals)
Central Sales Tax, 1956	Sales Tax	3.12	0.22	April 2016 to March 2017	Deputy commissioner Appeals
Goods and Services Tax Act, 2017	Goods and Services Tax	230.97	-	July 2017 to March 2020	Assistant Commissioner of Central Tax
Goods and Services Tax Act, 2017	Goods and Services Tax	5.91	0.38	April 2021 to March 2022	GST Appellate Authority
Goods and Services Tax Act, 2017	Goods and Services Tax	19.63	0.86	July 2017 to March 2018	GST Appellate Authority
Goods and Services Tax Act, 2017	Goods and Services Tax	768.08	34.72	July 2017 to March 2018	GST Appellate Authority
Goods and Services Tax Act, 2017	Goods and Services Tax	194.21	-	April 2018 to March 2019	Additional Commissioner of State Tax

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where the dispute is pending
Goods and Services Tax Act, 2017	Goods and Services Tax	3.61	0.08	July 2017 to March 2018	GST Appellate Authority
Goods and Services Tax Act, 2017	Goods and Services Tax	6.64	0.31	July 2017 to March 2018	GST Appellate Authority
Goods and Services Tax Act, 2017	Goods and Services Tax	407.26	-	April 2018 to March 2019	Assistant Commissioner of State Tax
Goods and Services Tax Act, 2017	Goods and Services Tax	0.85	-	April 2018 to March 2019	State Tax Officer
Goods and Services Tax Act, 2017	Goods and Services Tax	257.32	-	April 2018 to March 2019	Commercial Tax Officer
Income Tax Act, 1961	Income Tax	18.63	-	April 2012 to March 2013	Income tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	54.74	-	April 2016 to March 2017	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	209.20	41.84	April 2017 to March 2018	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	35.42	-	April 2019 to March 2020	Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income Tax	2,467.28	-	April 2020 to March 2021	Assistant Director of Income Tax
Income Tax Act, 1961	Income Tax	140.25	-	April 2021 to March 2022	Assessing Officer

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

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

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans have been applied for the purposes for which they were obtained. (Also, refer Note 42(xii) to the Standalone Financial Statements).

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Standalone Financial Statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and the Company did not have any associates or joint ventures during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries and the Company did not have any associates or joint ventures during the year.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has made a preferential allotment during the year, in compliance with the requirements of Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised. (Also, refer Note 46 to the Standalone Financial Statements).

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors)

Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the Standalone Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

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

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios (Refer Note 44 to the Standalone Financial Statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing project/(s) to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. (Also, refer Note 26(b) to the Standalone Financial Statements).

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Abhishek Rara
Partner
Membership Number: 077779
UDIN: 24077779BKEHVG9966

Place: Gurugram
Date: May 29, 2024

Standalone Balance Sheet as at 31 March, 2024

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	As at 31 March, 2024	As at 31 March, 2023
Assets			
Non-current assets			
Property, plant and equipment	3(a)	39,842.37	41,420.84
Right-of-use assets	3(b)	10,928.96	8,233.95
Capital work-in-progress	3(a)	3,402.34	2,746.85
Goodwill	4	31,091.69	36,724.63
Other intangible assets	4	20,236.31	16,621.48
Financial assets			
(i) Investments	5(a)	186,491.63	171,789.27
(ii) Other financial assets	5(b)	745.21	543.63
Other non-current assets	6	2,570.12	2,896.19
Total non-current assets		**295,308.63**	**280,976.84**
Current assets			
Inventories	7	61,943.15	63,389.81
Financial assets			
(i) Trade receivables	5(c)	70,140.98	51,124.50
(ii) Cash and cash equivalents	5(d)	3,215.62	11,949.34
(iii) Bank balances other than (ii) above	5(e)	246.80	290.38
(iv) Other financial assets	5(f)	1,278.07	44.54
Contract assets	5(g)	20,995.38	26,821.82
Other current assets	6	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	8(a)	2,065.01	1,879.96
Other equity	8(b)	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(b)	3,835.16	983.28
Deferred tax liabilities (net)	9	1,709.49	2,590.17
Other non-current liabilities	10	190.77	158.08
Total non-current liabilities		**5,735.42**	**3,731.53**
Current liabilities			
Financial liabilities			
(i) Borrowings	11	7,085.31	60,655.04
(ii) Lease liabilities	3(b)	194.45	159.29
(iii) Trade payables	12		
(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	13	4,019.83	17,679.44
Contract liabilities	14	315.96	728.38
Provisions	15	37.98	233.55
Employee benefit obligations	16	2,294.99	1,793.91
Other current liabilities	17	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**

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

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

Abhishek Rara
Partner
Membership Number: 077779

Place: Gurugram
Date : May 29, 2024

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Azim Syed
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Standalone Statement of Profit and Loss for the year ended 31 March, 2024

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2024	Year ended 31 March, 2023
Income			
Revenue from operations	18	282,409.45	248,836.87
Other income	19	742.89	1,303.98
Total income		**283,152.34**	**250,140.85**
Expenses			
Cost of raw materials and components consumed	20	99,328.07	90,061.71
Purchases of stock-in-trade (traded goods)	21	64,491.48	70,205.85
Changes in inventories of finished goods, work-in-progress and stock-in-trade (traded goods)	22	11,072.11	(2,462.77)
Employee benefits expense	23	23,059.01	17,069.48
Finance costs	24	1,603.10	2,060.72
Depreciation and amortisation expense	25	6,814.85	4,177.88
Other expenses	26	42,406.30	37,444.28
Total expenses		**248,774.92**	**218,557.15**
Profit before exceptional items and tax		**34,377.42**	**31,583.70**
Exceptional item			
Impairment of investment in a subsidiary	27	30,936.00	66,068.22
Profit/(Loss) before tax		**3,441.42**	**(34,484.52)**
Income tax expense:	28		
- Current tax		8,790.66	7,760.47
- Deferred tax		319.55	347.34
- (Excess) / Short provision for tax relating to prior years		(131.27)	86.66
Total tax expense		**8,978.94**	**8,194.47**
Loss for the year		**(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	16	(7.64)	(54.86)
- Income tax relating to the above		1.92	13.81
Other comprehensive loss for the year, net of tax		**(5.72)**	**(41.05)**
Total comprehensive loss for the year		**(5,543.24)**	**(42,720.04)**
Basic loss per equity share (Face value of ₹ 1 each share) (₹)	34	(2.69)	(25.50)
Diluted loss per equity share (Face value of ₹ 1 each share) (₹)	34	(2.69)	(25.50)

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

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

Abhishek Rara
Partner
Membership Number: 077779

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

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Azim Syed
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Standalone Statement of Changes in Equity for the year ended 31 March, 2024

Equity Share Capital

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Amount
As at 1 April, 2022	8(a)	1,609.96
Add: Shares issued during the year ended 31 March, 2023	40	270.00
Balance as at 31 March, 2023		**1,879.96**
Add: Shares issued during the year ended 31 March, 2024	45 & 46	185.05
Balance as at 31 March, 2024		**2,065.01**

Other Equity

Particulars	Notes	Attributable to Owners of RHI Magnesita India Limited				Total other equity
		Reserves and Surplus				
		Securities Premium	General Reserve	Capital Reserve	Retained Earnings	
Balance as at 1 April, 2022	8(b)	6,493.97	8,681.48	1,465.71	84,485.19	**101,126.35**
Loss for the year		-	-	-	(42,678.99)	**(42,678.99)**
Other comprehensive income		-	-	-	(41.05)	**(41.05)**
Total comprehensive income for the year		**-**	**-**	**-**	**(42,720.04)**	**(42,720.04)**
Transaction with owners in their capacity as owners :						
Issue of equity shares	40	236,574.00	-	-	-	236,574.00
Dividend paid		-	-	-	(4,024.91)	(4,024.91)
		236,574.00	**-**	**-**	**(4,024.91)**	**232,549.09**
Balance as at 31 March, 2023		**243,067.97**	**8,681.48**	**1,465.71**	**37,740.24**	**290,955.40**

Standalone Statement of Changes in Equity for the year ended 31 March, 2024 (Cont.)

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Attributable to Owners of RHI Magnesita India Limited				Total other equity
		Reserves and Surplus				
		Securities Premium	General Reserve	Capital Reserve	Retained Earnings	
Balance as at 1 April, 2023	8(b)	**243,067.97**	**8,681.48**	**1,465.71**	**37,740.24**	**290,955.40**
Loss for the year		-	-	-	(5,537.52)	**(5,537.52)**
Other comprehensive loss		-	-	-	(5.72)	**(5.72)**
Total comprehensive loss for the year		**-**	**-**	**-**	**(5,543.24)**	**(5,543.24)**
Transaction with owners in their capacity as owners :						
Issue of equity shares	45 & 46	107,844.82	-	-	-	**107,844.82**
Dividend paid		-	-	-	(5,162.54)	**(5,162.54)**
		107,844.82	**-**	**-**	**(5,162.54)**	**102,682.28**
Balance as on 31 March, 2024		**350,912.79**	**8,681.48**	**1,465.71**	**27,034.46**	**388,094.44**

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

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

Abhishek Rara
Partner
Membership Number: 077779

Place: Gurugram
Date : May 29, 2024

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Azim Syed
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Standalone Statement of Cash Flows for the year ended 31 March, 2024

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	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	25	6,814.85	4,177.88
Interest income	19	(255.22)	(433.05)
Net gain on retirement of right-of-use asset (refer note 3(b))	19	(96.28)	-
Allowance/(writeback) for doubtful export incentives receivable (Net)	26	11.53	-
Allowance for doubtful debts - trade receivables (Net)	26	440.58	(56.34)
Allowance for doubtful debts - contract assets (Net)	26	504.13	(19.06)
Impairment of investment in a subsidiary	27	30,936.00	66,068.22
Liabilities / provisions no longer required written back	19	-	(108.56)
Bad debts written off	26	593.22	1,020.36
Finance costs	24	1,603.10	2,060.72
Loss on property, plant and equipment sold / scrapped (Net)	26	736.54	120.90
Net unrealised foreign exchange (loss)		312.98	366.89
Impairment loss /(reversal) on capital work-in-progress	26	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 39)		(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)**

Standalone Statement of Cash Flows for the year ended 31 March, 2024 (Cont.)

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2024	Year ended 31 March, 2023
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
Cash and cash equivalent included in Statement of Cash Flows 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**

The above Statement of Cash Flows has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash Flows'.

The above Standalone Statement of Cash Flows should be read in conjunction with the accompanying notes.

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

Abhishek Rara
Partner
Membership Number: 077779

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

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Azim Syed
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Notes to Standalone Financial Statements

1. Corporate Information

RHI Magnesita India Limited ('the Company'), is domiciled and incorporated in India and publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. The registered office of the Company is located at Unit No.705, 7th Floor, Lodha Supremus, Kanjurmarg Village Road, Kanjurmarg (East), Mumbai-400042. The Company is primarily engaged in the business of manufacturing and trading of refractories, monolithics, bricks and ceramic paper, rendering management services and has manufacturing facilities in Bhiwadi (Rajasthan), Visakhapatnam (Andhra Pradesh), Cuttack (Odisha) and Jamshedpur (Jharkhand).

The Standalone Financial Statements were approved by the Board of Directors and authorised for issue on 29 May, 2024.

2.1 Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

(iii) New and amended standards adopted by the Company

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

a) Disclosure of accounting policies- amendments to Ind AS 1;

b) Disclosure of accounting estimates- amendments to Ind AS 8;

c) Deferred tax assets related to assets and liabilities arising from a single transaction- amendments to Ind AS 12

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

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

(iv) Functional and presentation currency:

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

(v) Current versus non-current classification

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

2.2 Critical accounting estimates, assumptions and judgements

The preparation of Standalone Financial Statements requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the date of the Standalone Financial Statements and the results of operations during the reporting period. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

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

(a) Property, plant and equipment

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

(b) Intangibles assets

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

(c) Impairment of assets

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

Notes to Standalone Financial Statements

(d) Income taxes

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

(e) Contingencies

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

(f) Allowance for doubtful trade receivables

Trade receivables are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

(g) Revenue from contracts with customers

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

(h) 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 thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations.

2.3 Material Accounting Policies

(a) Property Plant and Equipment

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

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

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

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

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

(b) Intangible Assets

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

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

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

Notes to Standalone Financial Statements

Amortisation is recognised in the Standalone Statement of Profit and Loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Standalone Statement of Profit and Loss.

(i) Software

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

Software 1-5 years

(ii) Goodwill

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

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

(iii) Customer relationships

Customer relationships are recognised in the course of purchase price allocations of acquired business and are amortised on a straight-line basis over their expected useful life as follows.

Customer relationships - 20 years

(c) Impairment of assets

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

(d) Revenue recognition

At the inception of the contract, the Company identifies the goods or services promised in the contract and assesses which of the promised goods or services shall be identified as separate performance obligations. Promised goods or services give rise to separate performance obligations if they are capable of being distinct. Where the customer expects supply of refractory material and its related services together to produce the steel, the management has determined that both supply of goods and services are not distinct and the arrangement is considered to have only one single performance obligation.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation, which is the expected consideration to be received, to the extent that it is highly probable that there will not be a significant reversal of revenue in future periods. If the consideration in a contract includes a variable amount, at the inception of the contract, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer.

(i) Sale of products

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

Notes to Standalone Financial Statements

receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Total Refractories Management Services

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

(iii) Sale of Services

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

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due.

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(All amount in ₹ Lacs, unless otherwise stated)

Note 3(a) : Property, plant and equipment and capital work-in-progress

Particulars	Freehold Land *	Buildings*	Plant and machineries	Furniture and fixtures	Office equipments	Vehicles	Total	Capital work in progress
Balance as at 1 April, 2022	3,849.70	5,982.83	26,060.40	192.40	645.92	831.80	**37,563.05**	3,465.30
Additions on account of acquisition through business combination (Refer note 39)	-	6,838.64	4,357.72	86.57	28.81	19.05	**11,330.79**	1,466.09
Additions	-	1,030.53	6,072.16	17.85	299.16	149.53	**7,569.23**	5,235.17
Disposals	-	-	(188.28)	-	-	(239.00)	**(427.28)**	(7,419.71)
Balance as at 31 March, 2023	**3,849.70**	**13,852.00**	**36,302.00**	**296.82**	**973.89**	**761.38**	**56,035.79**	**2,746.85**
Addition on account of measurement period adjustment relating to business combination (Refer note 39)	-	-	-	-	-	-	-	17.19
Additions	-	241.71	3,122.69	88.87	614.47	303.16	**4,370.90**	4,816.71
Disposals	-	(8.99)	(960.41)	(4.24)	(130.69)	(115.46)	**(1,219.79)**	(4,067.74)
Balance as at 31 March, 2024	**3,849.70**	**14,084.72**	**38,464.28**	**381.45**	**1,457.67**	**949.08**	**59,186.90**	**3,513.01**
Accumulated depreciation and impairment								
Balance as at 1 April, 2022	-	951.93	9,514.02	70.56	334.00	298.62	**11,169.13**	81.75
Charge for the year	-	354.75	3,085.19	18.78	127.81	85.95	**3,672.48**	-
Depreciation on assets disposed off during the year	-	-	(31.39)	-	-	(195.27)	**(226.66)**	-
Reversal of Impairment loss	-	-	-	-	-	-	-	(81.75)
Accumulated depreciation and impairment as at 31 March, 2023	**-**	**1,306.68**	**12,567.82**	**89.34**	**461.81**	**189.30**	**14,614.95**	**-**
Charge for the year	-	618.14	4,180.18	27.39	237.33	97.29	**5,160.33**	-
Depreciation on assets disposed off during the year	-	-	(150.71)	(2.60)	(217.71)	(59.73)	**(430.75)**	-
Impairment Loss	-	-	-	-	-	-	-	**110.67**
Accumulated depreciation and impairment as at 31 March, 2024	**-**	**1,924.82**	**16,597.29**	**114.13**	**481.43**	**226.86**	**19,344.53**	**110.67**
Carrying amount								
Balance as at 31 March, 2023	**3,849.70**	**12,545.32**	**23,734.18**	**207.48**	**512.08**	**572.08**	**41,420.84**	**2,746.85**
Balance as at 31 March, 2024	**3,849.70**	**12,159.90**	**21,866.99**	**267.32**	**976.24**	**722.22**	**39,842.37**	**3,402.34**

* Refer note 43

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 3(a): Capital work-in progress

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

As at 31 March, 2024

	Amounts in capital work-in progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	1,321.55	2,035.75	73.96	-	3,431.26
(ii) Projects temporarily suspended	-	-	-	81.75	81.75
Less: Impairment loss	-	(28.92)	-	(81.75)	(110.67)
Total	**1,321.55**	**2,006.83**	**73.96**	**-**	**3,402.34**

As at 31 March, 2023

	Amounts in capital work-in-progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	1,370.17	1,284.28	-	81.75	2,736.20
(ii) Projects temporarily suspended	-	-	-	10.65	10.65
Total	**1,370.17**	**1,284.28**	**-**	**92.40**	**2,746.85**

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

As at 31 March, 2024

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress					
Project A - Gas Fired Dryer	73.96	-	-	-	**73.96**
Project B - ISO Expansion project	1,997.72	-	-	-	**1,997.72**
(ii) Projects temporarily suspended					
Project A - Purging Management	-	15.13	-	-	**15.13**
Project B - Slide Gate Management	-	66.62	-	-	**66.62**
Less: Impairment loss	(28.92)	(81.75)	-	-	**(110.67)**
Total	**2,042.76**	**-**	**-**	**-**	**2,042.76**

As at 31 March, 2023

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress					
Project A - Purging Management	15.13	-	-	-	**15.13**
Project B - Slide Gate Management	66.62	-	-	-	**66.62**
Project C - Gas Fired Dryer	73.96	-	-	-	**73.96**
Project D - Electric Arc Furnace	33.60	-	-	-	**33.60**
(ii) Projects temporarily suspended					
Project A - Mixer	-	-	-	10.65	**10.65**
Total	**189.31**	**-**	**-**	**10.65**	**199.96**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 3(b): Leases

This note provides information for leases where the Company is a lessee. The Company has taken on lease offices, land, guest houses and warehouses. There is no case where the Company is acting as a lessor.

Particulars	Note	As at 31 March, 2024	As at 31 March, 2023
(i) Amount recognised in balance sheet			
The balance sheet shows the following amounts relating to leases:			
Right-of-use assets			
Land		7,089.89	7,225.47
Buildings		3,839.07	1,008.48
Total		**10,928.96**	**8,233.95**
Lease liabilities			
Current		194.45	159.29
Non-Current		3,835.16	983.28
Total		**4,029.61**	**1,142.57**

Additions to the right-of-use assets during the year were ₹ 3,878.05 lacs (31 March, 2023: ₹ 731.87 lacs)

Additions on account of acquisition through business combination in right-of-use assets of ₹ Nil (31 March, 2023: ₹ 6,925.68 lacs) (Refer note 39).

Addition on account of acquisition through business combination in lease liabilities of ₹ Nil (31 March, 2023: ₹ 63.40 lacs) (Refer note 39).

Particulars	Note	Year ended 31 March, 2024	Year ended 31 March, 2023
(ii) Amounts recognised in the statement of profit and loss			
The statement of profit and loss shows the following amounts relating to leases:			
Net Gain on retirement of right-of-use asset	19	96.28	-
Interest expense (included in Finance costs)	24	125.56	72.65
Depreciation charge of right-of-use assets	25	413.96	235.42
Expense relating to short-term leases (included in Other expenses)	26	420.51	361.18

The total cash outflow for leases for the year was ₹ 251.21 lacs (31 March, 2023: ₹ 218.90 lacs)

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

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

(iv) Extension and Termination option:

Extension and termination options are included in a number of leases. Extension and termination options held are exercisable at mutual consent of lessor and lessee.

Note 4: Goodwill and intangible assets

Particulars	Software	Customer relationships	Total	Goodwill
Balance as at 1 April, 2022	693.91	-	693.91	-
Additions on account of acquisition through business combination (Refer note 39)	-	16,328.32	16,328.32	36,724.63
Additions	0.62	-	0.62	-
Balance as at 31 March, 2023	**694.53**	**16,328.32**	**17,022.85**	**36,724.63**
Additions	83.28	-	83.28	-
Addition on account of measurement period adjustment relating to business combination (Refer note 39)	-	4,774.68	4,774.68	(5,632.94)
Disposal	(59.41)	-	(59.41)	-
Balance as at 31 March, 2024	**718.40**	**21,103.00**	**21,821.40**	**31,091.69**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Software	Customer relationships	Total	Goodwill
Accumulated amortisation				
Balance as at 1 April, 2022	**131.39**	**-**	**131.39**	**-**
Charge for the year	133.91	136.07	269.98	-
Balance as at 31 March, 2023	**265.30**	**136.07**	**401.37**	**-**
Charge for the year	143.31	1,097.25	1,240.56	-
Amortisation on assets disposed off during the year	(56.84)		(56.84)	
Accumulated amortisation as at 31 March, 2024	**351.77**	**1,233.32**	**1,585.09**	**-**
Net Carrying amount				
Balance as at 31 March, 2023	**429.23**	**16,192.25**	**16,621.48**	**36,724.63**
Balance as at 31 March, 2024	**366.63**	**19,869.68**	**20,236.31**	**31,091.69**

The Company tests whether the goodwill has suffered any impairment on annual basis. For the current year, the recoverable amount of the cash generating unit is being considered more than the carrying value of the goodwill as the profit before exceptional items of the current year is more than the carrying value of the goodwill. Accordingly, the management expects that detailed discounted cashflow model working is not required.

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 5(a): Non-current investments		
(i) Investment in equity instruments - measured at cost		
Unquoted		
- Subsidiary		
1,597 (31 March, 2023: 1,597) equity shares of ₹ 100 each fully paid up of Intermetal Engineers (India) Private Limited	1,012.52	1,012.52
104,531,157 (31 March, 2023: 82,483,642) equity shares of ₹ 10 each fully paid up of RHI Magnesita India Refractories Limited ('RHIMIRL') (formerly known as Dalmia OCL Limited) #(Refer note 47)	282,482.36	236,844.00
(ii) Investment in government securities -measured at amortised cost		
Unquoted		
National Savings Certificates*	0.97	0.97
*The National Saving Certificates have been given to the sales tax department, as security		
#Aggregate provision amount of impairment in the value of investments (refer note 27)	(97,004.22)	(66,068.22)
Total	**186,491.63**	**171,789.27**
Aggregate amount of unquoted investments	**283,495.85**	**237,857.49**
Aggregate amount of impairment in the value of investments	(97,004.22)	(66,068.22)
Note 5(b): Other financial assets-non-current - unsecured, considered good		
Security deposits	504.34	130.17
Bank deposits with remaining maturity more than 12 months*	218.85	393.77
Others	22.02	19.69
*Margin money against bank guarantee		
Total	**745.21**	**543.63**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 5(c): Trade receivables*		
Trade receivables from contract with customer - billed	60,400.81	49,338.43
Trade receivables from contract with customer-related parties (Refer note 35)	10,868.20	2,473.52
Less: Allowance for doubtful debts	(1,128.03)	(687.45)
Total receivables	**70,140.98**	**51,124.50**
Break-up of security details		
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	70,140.98	51,124.50
Trade receivables considered doubtful-unsecured	1,128.03	687.45
	71,269.01	**51,811.95**
Less: Loss allowance	(1,128.03)	(687.45)
Total	**70,140.98**	**51,124.50**

*Includes foreign currency receivables amounting to ₹ 920.56 lacs as at 31 March, 2024 (31 March, 2023: ₹ 465.19 lacs) which are overdue for more than nine months. The Company has approached the authorised dealer, under the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015, to condone the delay and seeking permission of extension of time period for settlement of these balances. Pending resolution of this matter, no adjustments are considered necessary in these Standalone Financial Statements.

Aging of trade receivables:

As at 31 March, 2024

	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	43,825.85	25,932.80	354.45	27.88	-	-	**70,140.98**
Considered doubtful	-	296.48	231.27	173.12	356.63	14.00	**1,071.50**
Disputed trade receivables							
Considered good	-	-	-	-	-	-	**-**
Considered doubtful	-	-	7.92	5.86	-	42.75	**56.53**
	43,825.85	**26,229.28**	**593.64**	**206.86**	**356.63**	**56.75**	**71,269.01**
Less: Allowance for doubtful debts	-	(296.48)	(239.19)	(178.98)	(356.63)	(56.75)	**(1,128.03)**
Total	**43,825.85**	**25,932.80**	**354.45**	**27.88**	**-**	**-**	**70,140.98**

As at 31 March, 2023

	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	32,204.86	18,770.32	124.01	25.31	-	-	**51,124.50**
Considered doubtful	-	42.80	92.30	459.57	13.23	36.80	**644.70**
Disputed trade receivables							
Considered good	-	-	-	-	-	-	**-**
Considered doubtful	-	-	-	-	9.19	33.56	**42.75**
	32,204.86	**18,813.12**	**216.31**	**484.88**	**22.42**	**70.36**	**51,811.95**
Less: Allowance for doubtful debts	-	(42.80)	(92.30)	(459.57)	(22.42)	(70.36)	**(687.45)**
Total	**32,204.86**	**18,770.32**	**124.01**	**25.31**	**-**	**-**	**51,124.50**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 5(d): Cash and cash equivalents		
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
Total	**3,215.62**	**11,949.34**
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods		
Note 5(e): Bank balances other than cash and cash equivalents		
On dividend account	246.80	290.38
Total	**246.80**	**290.38**
Note 5(f): Other financial assets – current		
Interest accrued on deposits	29.45	23.01
Loans and advances to employees	31.63	21.53
Receivable from related parties [Refer note 35(c)]	1,216.99	-
Total	**1,278.07**	**44.54**
Note 5(g): Contract assets		
Contract assets	21,506.87	26,829.18
Less: Loss allowance	(511.49)	(7.36)
Total	**20,995.38**	**26,821.82**

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 6: Other assets		
Unsecured, considered good unless otherwise stated		
Non-current		
Capital advances	391.91	506.29
Security deposits	571.91	568.79
Advance income tax Net of provision of ₹ 52,999.12 lacs (31 March, 2023: ₹ 44,339.73 lacs)	1,288.85	1,586.62
Balances with government authorities {includes amounts paid under protest ₹ 116.35 lacs (31 March, 2023 ₹ 38.16 lacs)}	293.33	216.37
Prepaid expenses	24.12	18.12
Total	**2,570.12**	**2,896.19**
Current		
Prepaid expenses	415.60	464.47
Deferred share issue expenses*	-	2,269.02
Balances with government authorities	184.52	-
Goods and Services tax input credit recoverable	7,015.65	4,864.02
Advances to creditors	1,363.72	889.69

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Export incentives receivable (government grant)		
- Considered good	152.92	526.66
- Considered doubtful	21.30	9.77
	174.22	536.43
Less: Allowance for doubtful export incentives receivable	(21.30)	(9.77)
	152.92	526.66
Others	12.67	6.19
Total	**9,145.08**	**9,020.05**
*In the previous year, the Company incurred expenses towards Qualified Institutional Placement (QIP) of equity shares and the qualifying expenses attributable to the offering of equity shares were recognised as other current assets. The amount has been adjusted against the securities premium account after issuance of the equity shares. Refer note 8(b).		
Note 7: Inventories		
Raw materials {including goods in transit of ₹ 761.01 lacs (31 March, 2023 ₹ 980.83 lacs)}	26,411.29	17,904.48
Work-in-progress	4,700.97	4,088.28
Finished goods	11,959.23	14,087.50
Traded goods {including goods in transit of ₹ 1,492.30 lacs (31 March, 2023 ₹ 7,786.79 lacs)}	14,369.10	23,791.63
Stores and spares	4,502.56	3,517.92
Total	**61,943.15**	**63,389.81**

Amounts recognised in the Standalone Statement of Profit and Loss

Provisions for slow moving/obsolete inventory along with write downs of inventories to net realisable value amounted to ₹ 787.08 lacs (31 March, 2023: ₹ 277.73 lacs). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods in the Standalone Statement of Profit and Loss.

Particulars	Number of shares	Amount
Note 8(a): Equity share capital		
Authorised equity share capital		
308,000,000 equity shares (31 March, 2023 - 308,000,000) of ₹ 1 each	308,000,000	3,080.00
Issued, subscribed and fully paid up share capital		
206,501,426 equity shares (31 March, 2023 - 187,996,331) of ₹ 1 each	206,501,426	2,065.01

(i) Movement in equity share capital

Authorised

Particulars	Number of shares	Amount
Balance as at 1 April, 2022	308,000,000	3,080.00
Change during the year	-	-
Balance as at 31 March, 2023	**308,000,000**	**3,080.00**
Change during the year	-	-
Balance as at 31 March, 2024	**308,000,000**	**3,080.00**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Number of shares	Amount
Issued, subscribed and fully paid up share capital		
Balance as at 1 April, 2022	160,996,331	1,609.96
Add: Shares issued during the year ended 31 March, 2023 (Refer note 40)	27,000,000	270.00
Balance as at 31 March, 2023	**187,996,331**	**1,879.96**
Balance as at 1 April, 2023	**187,996,331**	**1,879.96**
Add: Shares issued during the year ended 31 March, 2024 (Refer note 45 and 46)	18,505,095	185.05
Balance as at 31 March, 2024	**206,501,426**	**2,065.01**

Terms and rights attached to equity shares

Equity share has a par value of ₹ 1. They entitle the holder to participate in dividend, and to share in the proceeds of winding up of the Company in proportion to number of and amounts paid on shares held.

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

(ii) Shares of the Company held by the intermediate holding company through its subsidiaries

	Number of equity shares	
	As at 31 March, 2024	As at 31 March, 2023
Veitscher Vertriebsgesellschaft m.b.H., Austria (intermediate holding company)	-	-
Subsidiaries of intermediate holding company		
Dutch US Holding B.V., Netherlands	82,667,832	79,877,771
Dutch Brasil Holding B.V., Netherlands	20,620,887	20,620,887

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

	Number of equity shares	
	As at 31 March, 2024	As at 31 March, 2023
Dutch US Holding B.V., Netherlands	82,667,832	79,877,771
Dalmia Bharat Refractories Limited (refer note 40)	27,020,000	27,000,000
Dutch Brasil Holding B.V., Netherlands	20,620,887	20,620,887
VRD Americas B.V., Netherlands	12,503,807	12,503,807

	Percentage of shares held	
Dutch US Holding B.V., Netherlands	40.03%	42.49%
Dalmia Bharat Refractories Limited	13.08%	14.36%
Dutch Brasil Holding B.V., Netherlands	9.99%	10.97%
VRD Americas B.V., Netherlands	6.06%	6.65%

(iv) Aggregate number of shares issued for consideration other than cash (refer note 40)

	As at 31 March, 2024	As at 31 March, 2023
Shares issued under share swap agreement with Dalmia Bharat Refractories Limited	27,000,000	27,000,000
Shares issued as per the scheme of amalgamation of the Company with its erstwhile two fellow subsidiaries	40,857,131	40,857,131

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(v) Details of shareholding of promoters

As at 31 March, 2024

Name of Promoter	Number of shares at beginning of year	Change during the year *	Number of shares at the end of year	Percentage of total number of shares at the end of year	Percentage change during the year
Dutch US Holding B.V., Netherlands	79,877,771	2,790,061	82,667,832	40.03%	(2.46%)
Dutch Brasil Holding B.V., Netherlands	20,620,887	-	20,620,887	9.99%	(0.98%)
VRD Americas B.V., Netherlands	12,503,807	-	12,503,807	6.06%	(0.59%)

*Refer note 46

As at 31 March, 2023

Name of Promoter	Number of shares at beginning of year	Change during the year	Number of shares at the end of year	Percentage of total number of shares at the end of year	Percentage change during the year
Dutch US Holding B.V., Netherlands	79,877,771	-	79,877,771	42.49%	(7.13%)
Dutch Brasil Holding B.V., Netherlands	20,620,887	-	20,620,887	10.97%	(1.84%)
VRD Americas B.V., Netherlands	12,503,807	-	12,503,807	6.65%	(1.12%)

The percentage change disclosed in the above table is absolute change in the shareholding of the respective promoters during the year as compared to their opening balance.

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 8(b): Other equity		
Securities premium	350,912.79	243,067.97
General reserve	8,681.48	8,681.48
Capital reserve	1,465.71	1,465.71
Retained earnings	27,034.46	37,740.24
Total	**388,094.44**	**290,955.40**
(i) Securities Premium		
Opening balance	243,067.97	6,493.97
Add: Securities Premium on issue of shares (net of expenses incurred of ₹ 2,309.34 lacs and interest earned of ₹ 339.22 lacs on short term bank deposits) (Refer note 45 & 46)	107,844.82	-
Add: Securities Premium on issue of shares (Refer note 40)	-	236,574.00
Closing balance	**350,912.79**	**243,067.97**
(ii) General Reserve		
Opening balance	8,681.48	8,681.48
Closing balance	**8,681.48**	**8,681.48**
(iii) Capital Reserve		
Opening balance	1,465.71	1,465.71
Closing balance	**1,465.71**	**1,465.71**
(iv) Retained earnings		
Opening balance	37,740.24	84,485.19
Net loss for the year	(5,537.52)	(42,678.99)
Remeasurements of post employment benefit obligation, net of tax	(5.72)	(41.05)
Dividend paid	(5,162.54)	(4,024.91)
Closing balance	**27,034.46**	**37,740.24**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Nature and purpose of Reserves

Securities premium

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

General reserve

General reserve represents profits transferred from retained earnings from time to time to general reserve for appropriate purposes based on the provisions of the erstwhile Companies Act, 1956. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. It can be utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings

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

Capital Reserve

Capital reserve is the difference between the consideration and the Share Capital of the erstwhile fellow subsidiaries on 01 April, 2019.

Note 9: Deferred tax assets/(liabilities) (net)

Particulars	Depreciation/ Amortisation	Defined Benefit obligations	Allowances for doubtful debts	Transaction costs (stamp duty) on issue of shares	Merger Expenses	Others	Total
At 1 April, 2022	**(341.15)**	**317.33**	**193.86**	**120.93**	**230.71**	**143.88**	**665.56**
(Charged)/ Credited							
– Additions on account of acquisition through business combination (Refer note 39)	(2,942.77)	4.61	–	–	–	15.96	**(2,922.20)**
– to statement of profit and loss	(517.56)	124.01	(20.83)	(22.67)	2.91	86.80	**(347.34)**
– to other comprehensive income	–	13.81	–	–	–	–	**13.81**
At 1 April, 2023	**(3,801.48)**	**459.76**	**173.03**	**98.26**	**233.62**	**246.64**	**(2,590.17)**
(Charged)/ Credited							
– Addition on account of measurement period adjustment relating to business combination (Refer note 39)	**1,198.31**	**-**	**-**	**-**	**-**	**-**	**1,198.31**
– to statement of profit and loss	**(759.89)**	**124.19**	**239.62**	**(6.14)**	**(35.25)**	**117.92**	**(319.55)**
– to other comprehensive income	**-**	**1.92**	**-**	**-**	**-**	**-**	**1.92**
As at 31 March, 2024	(3,363.06)	585.87	412.65	92.12	198.37	364.56	(1,709.49)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 10: Other liabilities - non-current		
Deposit from employees	190.77	158.08
Total	**190.77**	**158.08**
Note 11: Borrowings		
Current - Unsecured		
Current maturities of External Commercial Borrowings {including accrued interest of ₹ 90.38 lacs (31 March, 2023 - ₹ 64.92 lacs)}	6,336.58	6,280.74
Loan from bank (including accrued interest of ₹ Nil (31 March, 2023 - ₹ 12.92 lacs))	-	54,374.30
Cash Credit (including accrued interest of ₹ 0.11 lacs (31 March, 2023 - ₹ Nil))	748.73	-
Total	**7,085.31**	**60,655.04**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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

Term loan 1: External commercial borrowing of EUR 3,000,000 was taken from VRD Americas B.V. Netherland (Fellow subsidiary) during the financial year 2014-15 which carries interest at applicable 6 month Euribor plus 200 basis points. It was repayable in single instalment of EUR 3,000,000 on 31 December 2022. The repayment date has been extended to 31 December, 2024 on mutual agreement of both the parties.

Term loan 2: External commercial borrowing of EUR 3,950,000 was taken from VRD Americas B.V. Netherland (Fellow subsidiary) during the financial year 2016-17 which carries interest at applicable 6 month Euribor plus 150 basis points. It is originally repayable in single instalment of EUR 3,950,000 on 31 December, 2023. The repayment date has been extended to 31 December, 2024 on mutual agreement of both the parties.

Cash Credit: The Company has cash credit facility available from Deutche Bank A.G. amounting to Euro 12,000,000 which carries interest rate of 8.68%. It is repayable on demand.

Loan from bank: During the previous year, the Company has taken loan from The Hongkong and Shanghai Banking Corporation Limited Bank for 12 months of ₹ 61,500 lacs which carried interest at Benchmark rate plus margin; where Benchmark rate was T-bill (1 month) and Margin was 2%, which will further increase by 25 basis points every three months. The loan was originally repayable after 12 months from first utilisation date and partial repayment was also allowed. The Company has prepaid the loan during the year.

Net debt reconciliation

Particulars	As at 31 March, 2024	As at 31 March, 2023
Cash and cash equivalents	3,215.62	11,949.34
Current borrowings	(7,085.31)	(60,655.04)
Lease liabilities	(4,029.61)	(1,142.57)
Net debt	**(7,899.30)**	**(49,848.27)**

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 12: Trade payables *		
Trade Payables: Micro enterprises and small enterprises (refer note 37)	5,592.43	6,571.16
Trade Payables: Others	43,885.47	57,925.52
Total	**49,477.90**	**64,496.68**

*Includes foreign currency trade payables amounting to ₹ 11,306.70 lacs as at 31 March, 2024 (31 March, 2023: ₹ 14,404.18 lacs) which are overdue for more than 180 days. The Company has approached the authorised dealer, under the Foreign Exchange Management (Import of Goods and Services) Regulations, 2015, to condone the delay and seeking permission of extension of time period for settlement of these balances. Pending resolution of this matter, no adjustments are considered necessary in these Standalone Financial Statements.

Aging of trade payables

As at 31 March, 2024

	Not Due*	Outstanding for following periods from the due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Micro enterprises and small enterprises	5,280.21	229.07	72.09	2.72	8.34	5,592.43
Others	21,331.63	19,515.85	2,341.03	239.98	456.98	43,885.47
Total	**26,611.84**	**19,744.92**	**2,413.12**	**242.70**	**465.32**	**49,477.90**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

As at 31 March, 2023

	Not Due*	Outstanding for following periods from the due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Micro enterprises and small enterprises	6,341.24	214.84	6.66	7.59	0.83	6,571.16
Others	31,217.99	25,335.95	905.73	333.46	132.39	57,925.52
Total	**37,559.23**	**25,550.79**	**912.39**	**341.05**	**133.22**	**64,496.68**

* Includes Unbilled

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 13: Other financial liabilities - current		
Unpaid dividend	246.80	290.38
Employee benefits payable	2,802.07	2,151.57
Payables on purchase of property, plant and equipment	520.71	706.85
Payable towards business acquisition	419.50	14,530.64
Others	30.75	-
Total	**4,019.83**	**17,679.44**
Note 14: Contract liabilities		
Advances from customers	315.96	728.38
Total	**315.96**	**728.38**
Note 15: Provisions		
Provision for unspent corporate social responsibility expenditure as at year end (Refer note 26(b))	37.98	233.55
Total	**37.98**	**233.55**
Movement in provision is set out below:-		
Balance as at beginning of the year	233.55	291.08
Add: Expense recognised in statement of profit and loss during the year	578.46	488.71
Less: Amount spent during the year	774.03	546.24
Balance as at end of the year	**37.98**	**233.55**

Note 16: Employee benefit obligations

Employee benefit obligations		As at 31 March, 2024	As at 31 March, 2023
		Current	
(i)	Leave obligations	1,562.21	1,223.22
(ii)	Gratuity	732.78	570.69
	Total	**2,294.99**	**1,793.91**
(i)	**Leave obligations**		
	The leave obligation cover the Company's liability for earned leave and sick leave. The entire amount of provision of ₹ 1,562.21 Lacs (31 March, 2023 - ₹ 1,223.22 Lacs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leaves or require payment for such leave within the next 12 months.		
	Leave obligation not expected to be settled within the next 12 months	**1,307.18**	**1,146.10**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(ii) **Post employment benefits**

(a) **Defined Contribution Plan:**

The Company has certain defined contribution plans including provident fund, employee state insurance and national pension scheme. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. Contributions are made to employee state insurance for employees at the rate of 3.25% of basic salary as per regulations. Defined contributions are made to national pension funds. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards contribution to provident and other fund is:

	Year ended 31 March, 2024	Year ended 31 March, 2023
Contribution to provident and other funds:		
Contribution to Employee state insurance	19.69	27.94
Contribution to Provident fund	848.71	602.48
Contribution to National pension scheme	61.60	52.69
Total	**930.00**	**683.11**

(b) **Defined Benefit Plan - Gratuity:**

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

		As at 31 March, 2024	As at 31 March, 2023
		Gratuity - Funded	
(A)	**Changes in Defined Benefit Obligation**		
	Defined benefit obligation as at the beginning of the year	2,781.60	2,040.67
	Acquisition adjustment (refer note 39)	-	298.63
	Current service cost	331.31	236.78
	Interest cost	205.28	151.04
	Past Service Cost including curtailment gains/losses	-	211.30
	Benefit paid	(268.18)	(126.11)
	Actuarial loss/(gain) on obligation	(9.40)	(30.71)
	Defined Benefit Obligation at end of year	**3,040.61**	**2,781.60**
	Change in fair value of plan assets		
	Fair value of plan assets at beginning of the year	2,210.91	1,707.73
	Acquisition adjustment (refer note 39)	-	280.32
	Expected return on plan assets	163.17	126.77
	Employer contribution	218.97	304.38
	Benefit payments from plan assets	(268.18)	(122.72)
	Actuarial (loss) on plan assets	(17.04)	(85.57)
	Fair value of plan assets at end of year	**2,307.83**	**2,210.91**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

	As at 31 March, 2024	As at 31 March, 2023
	Gratuity - Funded	
Net defined benefit (asset)/liability		
Present value of obligation at the end of the year	3,040.61	2,781.60
Fair value of plan assets at the end of the year	2,307.83	2,210.91
Unfunded liability/provision in Balance Sheet	**732.78**	**570.69**
Total expense recognised in the statement of profit and loss		
Current service cost (including Past Service Cost and curtailment Gains/Losses)	331.31	448.08
Interest cost on defined benefit obligation	205.28	151.04
Interest income on plan assets	(163.17)	(126.77)
Total Expense recognised under employee benefits expense (refer note 23)	**373.42**	**472.35**
Total expense recognised in OCI		
Actuarial Loss / (Gain) on defined benefit obligation arising from change in financial assumption	140.75	(29.61)
Actuarial (Gain) due to Demographic Assumption changes	(105.50)	-
Actuarial Gain on defined benefit obligation arising from experience adjustment	(44.65)	(1.10)
Actuarial loss of plan assets	17.04	85.57
Unrecognised actuarial loss at the end of year	**7.64**	**54.86**

(B) Actuarial Assumptions:

		As at 31 March, 2024	As at 31 March, 2023
i)	Discounting Rate	6.95%	7.38%
ii)	Future Salary Increase	10% for 2 Years, 8% thereafter	8%
iii)	Retirement Age (Years)	60	60
iv)	Ages	Withdrawal Rate %	
	Up to 30 Years	-	3%
	From 31 to 44 years	-	2%
	Above 44 years	-	1%
	For All Ages	10%	-

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

(C) Expected contribution for the next 12 months

		As at 31 March, 2024	As at 31 March, 2023
i)	Service cost	317.37	331.30
ii)	Net Interest cost	39.90	42.12
	Total	**357.27**	**373.42**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(D) The weighted average duration of the defined benefit obligation is 6.04 years (31 March 2023 — 16.03 years). The expected maturity analysis of undiscounted gratuity benefit is as follows:

Maturity profile of Defined Benefit Obligation

Years :

		As at 31 March, 2024	As at 31 March, 2023
i)	0 to 1 Year	429.46	211.83
ii)	1 to 2 Year	475.44	215.85
iii)	2 to 3 Year	321.35	213.82
iv)	3 to 4 Year	403.85	200.52
v)	4 to 5 Year	321.90	219.62
vi)	5 to 6 Year	298.23	196.06
vii)	6 Year onwards	2,610.88	5,661.47
	Total	**4,861.11**	**6,919.17**

(E) **Sensitivity analysis on defined benefit obligation**

Discount rate			
a.	Discount rate - 0.5% - the liability to increase by	85.44	132.58
b.	Discount rate + 0.5% - the liability to decrease by	(80.92)	(122.59)
Salary increase rate			
a.	Rate - 0.5% - the liability to decrease by	(78.04)	(118.84)
b.	Rate + 0.5% - the liability to increase by	81.38	126.11

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

(F) **Risk Exposures:**

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

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

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

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

(G) **Defined benefit liability and employer contribution**

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 17: Other current liabilities		
Statutory dues (Contribution to Provident Fund and Employee State Insurance, Goods and Services Tax etc)	2,136.78	1,281.53
Deposits from employees	15.64	22.57
Other payables	800.00	-
Total	**2,952.42**	**1,304.10**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Note 18: Revenue from operations (refer note 38)		
Revenue from contracts with customers		
– Sale of products		
(i) Finished goods	124,495.68	98,452.34
(ii) Traded goods	31,175.82	29,020.47
– Total refractories management services	118,443.53	113,420.14
– Sale of services	4,473.49	4,418.55
	278,588.52	**245,311.50**
Other operating revenues	3,820.93	3,525.37
Total	**282,409.45**	**248,836.87**
Note 19: Other income		
Interest income on financial assets on amortised cost:		
– on bank deposits	159.10	291.50
– on others	96.12	141.55
Liabilities / provisions no longer required written back	-	108.56
Net gain on retirement of right-of-use asset (refer note 3(b))	96.28	-
Insurance claim	155.51	380.55
Miscellaneous income	235.88	381.82
Total	**742.89**	**1,303.98**
Note 20: Cost of raw materials and components consumed		
Opening stock	17,904.48	20,390.59
Addition on account of acquisition through business combination (Refer note 39)	-	4,872.00
Addition on account of measurement period adjustment relating to business combination (Refer note 39)	13.96	-
Add: Purchases	107,820.92	82,703.60
	125,739.36	107,966.19
Less: Closing stock	26,411.29	17,904.48
Total	**99,328.07**	**90,061.71**
Note 21:		
Purchases of stock-in-trade (traded goods)	64,491.48	70,205.85
Total	**64,491.48**	**70,205.85**
Note 22: Change in inventories of finished goods, work in-progress and traded goods		
Inventories at the end of the year		
Work in progress	4,700.97	4,088.28
Finished goods	11,959.23	14,087.50
Traded goods	14,369.10	23,791.63
	31,029.30	**41,967.41**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Inventories at the beginning of the year		
Work in progress	4,088.28	4,032.38
Addition on account of acquisition through business combination (Refer note 39)	-	305.67
Finished goods	14,087.50	12,706.27
Addition on account of acquisition through business combination (Refer note 39)	-	1,217.77
Addition on account of measurement period adjustment relating to business combination (Refer note 39)	134.00	-
Traded goods	23,791.63	21,242.55
	42,101.41	**39,504.64**
Total	**11,072.11**	**(2,462.77)**
Note 23: Employee benefits expense		
Salaries, wages and bonus	20,614.36	15,003.22
Contribution to provident fund & others (Refer note 16)	930.00	683.11
Gratuity (Refer note 16)	373.42	472.35
Leave obligation	445.80	352.81
Staff welfare expenses	695.43	557.99
Total	**23,059.01**	**17,069.48**
Note 24: Finance costs		
Interest expense:		
– on external commercial borrowings	354.04	172.16
– on bank loan	638.55	1,233.59
– on bills discounting	159.34	228.26
– Net exchange differences on foreign currency borrowings	51.41	335.70
Interest expenses on lease liabilities	125.56	72.65
Others	274.20	18.36
Total	**1,603.10**	**2,060.72**
Note 25: Depreciation and amortisation expense		
Depreciation on property, plant and equipment	5,160.33	3,672.48
Depreciation charge of right-of-use assets	413.96	235.42
Amortisation of intangible assets	1,240.56	269.98
Total	**6,814.85**	**4,177.88**
Note 26: Other expenses		
Consumption of stores and spare parts	4,443.91	3,589.58
Consumption of packing materials	3,722.48	3,443.09
Power and fuel	7,001.12	6,759.61
Processing charges	8,675.52	6,790.54
Rent (Refer note 3(b) & 33(b))	420.51	361.18
Repairs and maintenance		
- Plant and machinery	860.60	600.97
- Buildings	76.23	35.04
- Others	243.77	177.61

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Insurance	791.87	542.06
Rates and taxes	124.47	482.12
Communication costs	188.72	155.86
Travelling and conveyance	1,486.11	1,215.32
Printing and stationery	38.01	42.16
Freight and forwarding	3,182.14	3,865.69
Advertising and other expenses	352.46	249.09
Expenditure on corporate social responsibility (Refer note 26(b))	578.46	488.71
Legal and professional fees (Refer note 26(a))	2,146.01	1,811.32
Royalty	2,874.46	2,946.65
Directors sitting fees	21.00	31.50
Bad debts written off	593.22	1,020.36
Allowance for doubtful debts - trade receivables (Net)	440.58	(56.34)
Allowance for doubtful debts - contract assets (Net)	504.13	(19.07)
Allowance/(writeback) for doubtful export incentives receivable (Net)	11.53	-
Net foreign exchange differences	1,203.69	1,596.73
Loss on property, plant and equipment sold / scrapped (Net)	736.54	120.90
Bank charges	100.80	52.51
Impairment loss /(reversal) on capital work-in-progress	110.67	(81.75)
Information & technology expenses	987.45	967.08
Miscellaneous expenses	489.84	255.76
Total	**42,406.30**	**37,444.28**
Note 26 (a): Legal & professional include Payment to Auditors as under : -		
Payment to auditor (excluding GST) comprise *		
a) To statutory auditor		
- for audit	139.50	166.54
- for limited review	48.00	25.50
- for certificate	1.25	1.25
- reimbursement of expenses	10.41	8.03
b) To cost auditor for cost audit	0.90	0.75
Total	**200.06**	**202.07**

*Payment to auditors for the year ended 31 March, 2023 does not include fees amounting to ₹ 189 lacs for Qualified Institutional Placement (QIP) of Equity shares which has not been expensed in the statement of profit and loss (refer note 8 & 45)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Note 26 (b): Expenditure on Corporate Social Responsibility (CSR)		
a) Gross amount required to be spent by the Company during the year	575.65	488.71
b) Cumulative provision for unspent expenditure at the beginning of the year (Refer note 15)	233.55	291.08
c) Amount spent during the year on:		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	774.03	546.24
d) Provision for unspent expenditure for the year	8.98	233.55
e) Cumulative provision for unspent expenditure as at year end# (Refer note 15)	37.98	233.55

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Reason for shortfall in the current year

The scope of work for the ongoing project was not fully completed. As a result, ₹ 8.98 lacs has been allocated towards an ongoing project. This amount has been transferred to the unspent CSR account on 25 April, 2024 and will be utilised in accordance with the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder.

Per sub-section (5) of Section 135 of the Act, the Company was required to transfer unspent Corporate Social Responsibility expenditure for the year ended 31 March, 2023 in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act, the time period of such transfer, i.e., six months of the expiry of the financial year end as permitted under the second proviso to sub-section (5) of Section 135 of the Act. The amount was deposited before the date of approval of Standalone Financial Statement in previous year in Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) in compliance with the provisions of Section 135 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and schedule VII of Companies Act, 2013. There is no unspent Corporate Social Responsibility expenditure for the year ended 31 March, 2024 in respect of other than ongoing projects. Details are as given below.

Financial year (a)	Amount to be spent in accordance with section 135(5) (b)	Amount remaining unspent as at the year-end to be transferred to fund under Schedule VII (c)	Amount transferred to fund for ongoing projects within 1 month from end of financial year (d)	Amount transferred to Fund under Schedule VII, within 6 months from end of financial year (or till the approval of these Standalone Financial Statements, if that is earlier) (e)	Amount transferred to Fund under Schedule VII, after 6 months from end of financial year (till the approval of these Standalone Financial Statements) (f)	Amount not transferred to Fund under Schedule VII, till the approval of these Standalone Financial Statements but the period of six months from the end of the financial year has not lapsed (g)
2022-23	488.71	34.10	199.45	34.10	-	-
2023-24	575.65	-	8.98	-	-	-

Cumulative provision for unspent expenditure as at 31 March, 2024 includes ₹ 29.00 lacs relating to previous year.

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Note 27: Exceptional Item		
Impairment of investment in a subsidiary	30,936.00	66,068.22
Total	**30,936.00**	**66,068.22**

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

During the previous year, the Company basis its assessment of future business projections of its subsidiary i.e. RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited) has recognised provision for impairment in the carrying value of its investments of ₹ 66,068.22 lacs.

During the current year, the management has tested the investment in subsidiary for impairment as on 31 March, 2024 and based on comparison of the recoverable amount of CGU with the carrying value, the Company has recognised an impairment loss amounting to ₹ 30,936 lacs. This loss has been disclosed as a separate line item in Statement of Profit and Loss.

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

Significant estimate: key assumptions used for value-in-use calculations

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

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Discount rate (Weighted average cost of capital)	12.30%	13.50%
Growth rate (for terminal value)	5.00%	5.00%

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

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

Impact of possible changes in the key assumptions

Assumption	Impact
Discount rate (Weighted average cost of capital)	If discount rate (weighted average cost of capital) increases by 50 bps, then it would have impact of ₹ 13,323.73 lacs on impairment of investment in subsidiary.
Growth rate for terminal value	If growth rate for terminal value decreases by 50 bps, then it would have impact of ₹ 9,088.12 lacs on impairment of investment in subsidiary.

Note 28: Income tax expense

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Income Tax Expense		
Current tax		
Current tax on profits for the year	8,790.66	7,760.47
Adjustments for current tax of prior periods	(131.27)	86.66
Total current tax expense	**8,659.39**	**7,847.13**
Deferred tax		
Deferred tax expense/(benefit)	319.55	347.34
Total deferred tax expense	**319.55**	**347.34**
Total Income Tax Expense	**8,978.94**	**8,194.47**
Reconciliation of tax expense and accounting profit multiplied by tax rate		
Profit/(Loss) before income tax expense	3,441.42	(34,484.52)
Tax at the rate of 25.168% (Previous year : 25.168%)	866.14	(8,679.06)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustments for current tax of prior periods	(131.27)	86.66
Impairment of investment in subsidiary	7,785.97	16,628.05
Interest Income on QIP funds parked in short term FDs	85.37	-
Corporate social responsibility expenditure	145.59	123.00
Penalty with respect to Corporate social responsibility expenditure	-	25.17
Interest on micro and small enterprises	60.82	-
Others	166.32	10.65
Income Tax Expense	**8,978.94**	**8,194.47**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 29: Fair value measurement

Financial Instruments by category

	As at 31 March, 2024		As at 31 March, 2023	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Non-current				
Security deposits	-	504.34	-	130.17
Other financial assets	-	240.87	-	413.46
Current				
Trade receivables	-	70,140.98	-	51,124.50
Cash and cash equivalents	-	3,215.62	-	11,949.34
Bank balances other than above	-	246.80	-	290.38
Other financial assets	-	1,278.07	-	44.54
Total Financial Assets	**-**	**75,626.68**	**-**	**63,952.39**
Financial liabilities				
Non-current				
Lease liabilities	-	3,835.16	-	983.28
Current			-	
Borrowings	-	7,085.31	-	60,655.04
Lease liabilities		194.45	-	159.29
Trade payables	-	49,477.90	-	64,496.68
Other financial liabilities	-	4,019.83	-	17,679.44
Total Financial Liabilities	**-**	**64,612.65**	**-**	**143,973.73**

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

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

Note 30: Financial Risk Management

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

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

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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

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

A. Credit Risk

Credit risk on cash and cash equivalent and bank balances is not significant as it majorly includes deposits with bank and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Other financial assets primary includes security deposits given to lessors. These deposits are given in the normal course of the business operations.

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

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

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

Ageing of trade receivables:

Category	As at 31 March, 2024	As at 31 March, 2023
Not due	43,825.85	32,204.86
Less than 6 months	26,229.28	18,813.12
6 months - 1 year	593.64	216.31
1-2 years	206.86	484.88
2-3 years	356.63	22.42
More than 3 years	56.75	70.36
Total	**71,269.01**	**51,811.95**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Loss allowance as at 31 March, 2024

Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivable	43,825.85	26,229.28	593.64	206.86	356.63	56.75	71,269.01
Gross carrying amount - Contract assets	21,506.87	-	-	-	-	-	21,506.87
Expected loss rate	(0.78%)	(1.13%)	(40.29%)	(86.52%)	(100.00%)	(100.00%)	
Expected credit losses - Trade receivable	-	(296.48)	(239.19)	(178.98)	(356.63)	(56.75)	(1,128.03)
Expected credit losses - Contract assets	(511.49)	-	-	-	-	-	(511.49)
Carrying amount of trade receivable (net of impairment)	**43,825.85**	**25,932.80**	**354.45**	**27.88**	**-**	**-**	**70,140.98**
Carrying amount of contract assets (net of impairment)	**20,995.38**	**-**	**-**	**-**	**-**	**-**	**20,995.38**

Loss allowance as at 31 March, 2023

Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivable	32,204.86	18,813.12	216.31	484.88	22.42	70.36	51,811.95
Gross carrying amount - Contract assets	26,829.18	-	-	-	-	-	26,829.18
Expected loss rate	(0.01%)	(0.23%)	(42.67%)	(94.78%)	(100.00%)	(100.00%)	
Expected credit losses - Trade receivable	-	(42.80)	(92.30)	(459.57)	(22.42)	(70.36)	(687.45)
Expected credit losses - Contract assets	(7.36)	-	-	-	-	-	(7.36)
Carrying amount of trade receivable (net of impairment)	**32,204.86**	**18,770.32**	**124.01**	**25.31**	**-**	**-**	**51,124.50**
Carrying amount of contract assets (net of impairment)	**26,821.82**	**-**	**-**	**-**	**-**	**-**	**26,821.82**

Allowance for doubtful debts-trade receivables

Particulars	Amount (in ₹ Lacs)
Allowance as on 1 April, 2022	**743.79**
Changes in loss allowance (Refer note 26)	(56.34)
Allowance as on 31 March, 2023	**687.45**
Changes in loss allowance (Refer note 26)	440.58
Allowance as on 31 March, 2024	**1,128.03**

B. Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time. The Company's primary sources of liquidity are cash generated from operations. The cash flows from operating activities are driven primarily by operating results and changes in the working capital requirements.

The Company believes that its liquidity position is adequate to fund the operating and investing needs and to provide with flexibility to respond to further changes in the business environment.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(i) **Financing arrangements**

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

	As at 31 March, 2024	As at 31 March, 2023
Floating rate		
Expiring within one year (bank overdraft and other facilities)	12,536.08	10,732.34
Total	**12,536.08**	**10,732.34**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have an average maturity of less than 1 year (31 March 2023 — 1 year).

(ii) **Maturities of financial liabilities:**

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

Contractual maturities of financial liabilities	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
31 March, 2024					
Borrowings	7,350.84	-	-	-	**7,350.84**
Trade payables	49,477.90	-	-	-	**49,477.90**
Lease liabilities	538.47	531.15	538.63	5,922.90	**7,531.15**
Other financial liabilities - current	4,019.83	-	-	-	**4,019.83**
31 March, 2023					
Borrowings	61,147.68	-	-	-	**61,147.68**
Trade payables	64,496.68	-	-	-	**64,496.68**
Lease liabilities	268.75	229.88	180.66	1,152.20	**1,831.49**
Other financial liabilities - current	17,679.44	-	-	-	**17,679.44**

C. Market Risk

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

(i) **Foreign currency risk:** The Company operates internationally and is exposed to foreign exchange risk in relation to operating activities (when revenue or expense is denominated in a foreign currency) arising from foreign currency transactions, primarily with respect to the USD and EUR. The Company manages the exposure through natural hedging, by maintaining appropriate balances of receivables and payables within same currency. The Company also has policies to enter into foreign currency financial contracts in order to manage the impact of changes in foreign exchange rates on the results of operations and future foreign currency denominated cash flows. Forward exchange contracts are not intended for trading or speculative purposes but only for hedge purposes. The Company does not have material foreign currency exposure .

Foreign currency risk exposure

Particulars of unhedged foreign currency exposure in ₹ lacs

Purpose	As at 31 March 2024			As at 31 March 2023		
	USD	EUR	CHF	USD	EUR	CHF
Borrowings	-	90.38	-	-	6,280.74	-
Trade payables	26,738.00	1,688.99	301.95	34,028.27	2,837.59	48.67
Payables on purchase of property, plant and equipment	6.02	162.61	-	193.58	129.26	249.99
Net exposure to foreign currency risk (Liabilities)	**26,744.02**	**1,941.98**	**301.95**	**34,221.85**	**9,247.59**	**298.66**
Trade receivables	5,271.84	365.42	-	1,783.51	702.56	-
Net exposure to foreign currency risk (Assets)	**5,271.84**	**365.42**	**-**	**1,783.51**	**702.56**	**-**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars of hedged foreign currency exposure in ₹ lacs

Purpose	As at 31 March, 2024	As at 31 March, 2023
	EUR	EUR
Borrowings	6,246.20	-

Sensitivity to risk:	Impact on Profit (Net of tax) Increase/(Decrease)	
Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
USD sensitivity		
INR/USD - Increase by 5%	(803.40)	(1,213.71)
INR/USD - Decrease by 5%	803.40	1,213.71
Euro sensitivity		
INR/EURO - Increase by 5%	(58.99)	(319.72)
INR/EURO - Decrease by 5%	58.99	319.72
CHF sensitivity		
INR/CHF - Increase by 5%	(11.30)	(11.17)
INR/CHF - Decrease by 5%	11.30	11.17

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest Rate Exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period, the Company had the following variable rate borrowings:

Particulars	As at 31 March 2024			As at 31 March 2023		
	Weighted average interest rate (%)	% of total loans	Balance	Weighted average interest rate (%)	% of total loans	Balance
Borrowings	5.99%	100.00%	7,085.31	11.73%	100.00%	60,655.04

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates:

Particulars	Impact on Profit (Net of tax) Increase/(Decrease)	
	Year ended 31 March, 2024	Year ended 31 March, 2023
Borrowings		
Interest rate Increase by 1%	(53.02)	(453.89)
Interest rate Decreases by 1%	53.02	453.89

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 31 : Capital management

A. Risk Management

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

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

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
Net Debt (Refer note 11)	7,899.30	49,848.27
Share capital	2,065.01	1,879.96
Other equity	388,094.44	290,955.40
Total Equity	**390,159.45**	**292,835.36**
Gearing ratio	**2.02%**	**17.02%**

B. Dividend

Particulars	As at 31 March, 2024	As at 31 March, 2023
(i) Equity shares		
Final Dividend for the year 31 March, 2023 of ₹ 2.50 (31 March, 2022 - ₹ 2.50) per fully paid share	5,162.54	4,024.91
(ii) Dividend not recognised at the end of the reporting period		
In addition to the above dividends, the directors have recommended the payment of a final dividend of ₹ 2.50 per fully paid equity share (31 March, 2023 of ₹ 2.50), in its meeting held on 29 May, 2024 (31 March, 2023: 30 May, 2023). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	5,162.54	4,699.91

Note 32: Contingent Liabilities

Claims against the Company not acknowledged as debts

Particulars	As at 31 March, 2024	As at 31 March, 2023
Demand from income tax	318.00	2,225.29
Demand from excise, service tax and Goods and Services Tax	2,224.04	570.32
Demand from customs authorities	291.87	291.88
Demand from central sales tax	3.12	2.52
Total	**2,837.03**	**3,090.01**

Notes :

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

(ii) Paid under protest of ₹ 116.35 Lacs (31 March, 2023 ₹ 38.16 Lacs)

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

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 33 (a): Capital and other commitments:

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
Property, plant and equipment	3,776.47	1,514.42

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

(iii) The Company has long-term contracts for which there were no material foreseeable losses. The Company has made provision as at 31 March, 2024, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts.

Note 33 (b): Operating Leases

The Company's cancellable operating lease arrangements mainly consists of offices, guest house and warehouse for period of less than 11 months. Terms of lease include terms for renewal, increase in rent in future periods and terms of cancellation (refer note 26).

Note 34: Earnings per share

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
(a) Basic loss per share (₹)	(2.69)	(25.50)
(b) Diluted loss per share (₹)	(2.69)	(25.50)
Loss used for calculating earnings per share		
Loss attributable to the equity holders of the Company used in calculating Basic Earnings per share	(5,537.52)	(42,678.99)
Loss attributable to the equity holders of the Company used in calculating Diluted Earnings per share	(5,537.52)	(42,678.99)
Weighted average number of shares used as denominator		
Weighted average number of equity shares used as the denominator in calculating basic loss per share	205,669,267.23	167,357,974.84
Weighted average number of equity shares used as the denominator in calculating diluted loss per share	205,669,267.23	167,357,974.84

Note: There are no dilutive instruments.

Note 35: Related Party Transactions

(a) List of Related Parties

(i) Parent entities

The Company is controlled by the following :

Name	Type	Place of Incorporation	Ownership Interest (in %)	
			As at 31 March, 2024	As at 31 March, 2023
RHI Magnesita N.V., Austria	Ultimate holding company	Austria	-	-
Veitscher Vertriebsgesellschaft m.b.H., Austria	Intermediate holding company	Austria	-	-
Dutch US Holding B.V., Netherlands	Subsidiary of intermediate holding company	Netherlands	40.03%	42.49%
Dutch Brasil Holding B.V., Netherlands	Subsidiary of intermediate holding company	Netherlands	9.99%	10.97%

(ii) Key managerial personnel (KMP)

Mr. Parmod Sagar, Managing Director & CEO

Mr. Azim Syed, Chief Financial Officer (w.e.f. 1 May, 2024)

Ms. Vijaya Gupta, Chief Financial Officer (till 30 April, 2024)

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(iii) Fellow subsidiaries with whom the Company had transactions

Dutch US Holding B.V., Netherlands
Dutch Brasil Holding B.V., Netherlands
Refractory Intellectual Property GmbH & Co KG
RHI Magnesita GmbH
RHI Urmitz AG & Co KG
Magnesita Refractories Private Limited
VRD Americas B.V. Netherlands
Magnesita Refractories Middle East FZE
RHI Magnesita Switzerland AG (formerly known as RHI Magnesita Interstop AG)
Agellis Group AB, Lund, Sweden
RHI Magnesita Turkey Refrakter
RHI Refractories Africa (Pty) Limited
RHI Magnesita Duetchland AG
RHI Refractories (Dalian) Co Ltd.

(iv) Subsidiaries

Intermetal Engineers (India) Private Limited (100%)
RHI Magnesita India Refractories Limited (100%) (w.e.f. 05 January, 2023) (Refer note 40)
RHI Magnesita Seven Refractories Limited (100%) (formerly known as Dalmia Seven Refractories Limited) (w.e.f. 05 January, 2023) (Refer note 40)

(v) Entity holding equity shares more than 10%

Dalmia Bharat Refractories Limited

(vi) Relative of KMP

Mr. Christophar Parvesh

(b) Related Party Transactions

Particulars	Relationship	Year ended 31 March, 2024	Year ended 31 March, 2023
Dividend paid			
Dutch US Holding B.V., Netherlands	Fellow Subsidiary	2,066.70	1,996.94
Dutch Brasil Holding B.V., Netherlands	Fellow Subsidiary	515.52	515.52
VRD Americas B.V. Netherlands	Fellow Subsidiary	312.60	312.60
Dalmia Bharat Refractories Limited	Entity holding equity shares more than 10%	675.50	-
Sales:			
RHI Magnesita GmbH	Fellow Subsidiary	25,187.63	29,726.79
RHI Urmitz AG & Co KG	Fellow Subsidiary	1,244.96	1,594.74
RHI Magnesita India Refractories Limited	Subsidiary	9,704.07	44.48
RHI Magnesita Seven Refractories Limited	Subsidiary	80.61	-
Purchases			
Intermetal Engineers (India) Private Limited	Subsidiary	47.96	59.05
Magnesita Refractories Middle East FZE	Fellow Subsidiary	14.06	28.56
RHI Magnesita GmbH	Fellow Subsidiary	29,427.28	36,522.51
RHI Magnesita India Refractories Limited	Subsidiary	5,420.63	157.79
RHI Magnesita Switzerland AG	Fellow Subsidiary	132.23	-
RHI Magnesita Seven Refractories Limited	Subsidiary	550.32	-

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Relationship	Year ended 31 March, 2024	Year ended 31 March, 2023
Purchase of spares			
RHI Magnesita GmbH	Fellow Subsidiary	444.89	145.33
RHI Magnesita Switzerland AG	Fellow Subsidiary	620.46	85.13
Magnesita Refractories Private Limited	Fellow Subsidiary	-	1.00
RHI Magnesita Turkey Refrakter	Fellow Subsidiary	-	4.52
Purchase of assets			
RHI Magnesita GmbH	Fellow Subsidiary	253.97	156.13
RHI Magnesita Switzerland AG	Fellow Subsidiary	717.13	486.65
Intermetal Engineers (India) Private Limited	Subsidiary	-	7.41
RHI Refractories Africa (Pty) Limited	Fellow Subsidiary	-	20.37
RHI Magnesita India Refractories Limited	Subsidiary	157.23	-
Service income			
RHI Magnesita GmbH	Fellow Subsidiary	2,268.14	1,954.48
Managerial remuneration*			
Mr. Parmod Sagar	KMP	587.55	436.18
Mr. Sanjeev Bhardwaj	KMP	-	16.49
Mr. RVS Rudraraju	KMP	-	171.29
Ms.Vijaya Gupta	KMP	213.44	130.00
*The amount of managerial remuneration does not include the amount attributed towards Equity-settled share options (LTIP) issued by RHI Magnesita N.V. for which no cost is charged from the Company. Also refer note 36			
Salary			
Mr. Christophar Parvesh	Relative of KMP	12.88	11.68
Royalty			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	2,874.46	2,946.65
Information Technology Expenses*			
RHI Magnesita GmbH	Fellow Subsidiary	1,538.84	877.91
*Includes reimbursement of expense			
Expenses reimbursement {Received/(Paid)}			
RHI Magnesita GmbH	Fellow Subsidiary	184.87	371.08
RHI Magnesita GmbH	Fellow Subsidiary	(206.34)	(656.94)
RHI Magnesita India Refractories Limited	Subsidiary	1,325.15	-
RHI Magnesita Seven Refractories Limited	Subsidiary	27.06	-
Magnesita Refractories Middle East FZE	Fellow Subsidiary	(41.59)	-
Agellis Group AB, Lund, Sweden	Fellow Subsidiary	-	(13.53)
Refractory Intellectual Property GMbH & Co KG	Fellow Subsidiary	(1,624.68)	-
RHI Magnesita Duetchland AG	Fellow Subsidiary	(24.87)	-
RHI Refractories (Dalian) Co Ltd.	Fellow Subsidiary	(0.48)	-
Interest Expenses			
VRD Americas B.V. Netherlands	Fellow Subsidiary	354.04	172.16

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(c) Outstanding balances

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

Particulars	Relationship	As at 31 March, 2024	As at 31 March, 2023
Trade Payables:			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	6,243.55	2,061.43
Intermetal Engineers (India) Private Limited	Subsidiary	7.37	20.46
RHI Magnesita Switzerland AG	Fellow Subsidiary	1,815.92	424.94
RHI Magnesita GmbH	Fellow Subsidiary	15,397.02	30,705.36
Magnesita Refractories Middle East FZE	Fellow Subsidiary	102.98	46.05
Magnesita Refractories Private Limited	Fellow Subsidiary	1.18	1.18
RHI Magnesita India Refractories Limited	Subsidiary	1,604.43	73.02
RHI Magnesita Seven Refractories Limited	Subsidiary	242.20	-
Agellis Group AB, Lund, Sweden	Fellow Subsidiary	14.04	13.98
RHI Magnesita Duetchland AG	Fellow Subsidiary	24.87	-
RHI Refractories (Dalian) Co Ltd.	Fellow Subsidiary	0.48	-
Total		**25,454.04**	**33,346.42**
Trade Receivables:			
RHI Urmitz AG & Co KG	Fellow Subsidiary	71.31	96.00
RHI Magnesita GmbH	Fellow Subsidiary	5,367.60	2,325.03
RHI Magnesita India Refractories Limited	Subsidiary	5,429.13	52.49
RHI Magnesita Seven Refractories Limited	Fellow Subsidiary	0.16	-
Total		**10,868.20**	**2,473.52**
Other Receivables			
RHI Magnesita India Refractories Limited	Subsidiary	1,192.64	-
RHI Magnesita Seven Refractories Limited	Subsidiary	24.35	-
Total		**1,216.99**	**-**
External Commercial Borrowings			
VRD Americas B.V, Netherlands	Fellow Subsidiary	6,336.58	6,280.74
Total		**6,336.58**	**6,280.74**
Investment:			
Intermetal Engineers (India) Private Limited	Subsidiary	1,012.52	1,012.52
RHI Magnesita India Refractories Limited (Net of Impairment)	Subsidiary	185,478.14	170,775.78
Total		**186,490.66**	**171,788.30**
Other transactions			
Guarantee given to Bank by RHI Magnesita GmbH	Fellow Subsidiary	10,784.81	10,732.34
Guarantee given to Bank by RHI Magnesita N.V., Austria	Ultimate holding company	-	61,500.00
		10,784.81	**72,232.34**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 36: Equity-settled share option plan (LTIP)

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

Plans details	Grant date	Vesting Date (Vesting period)	Exercise price	Number of share options	
				As at 31 March, 2024	As at 31 March, 2023
Equity-settled share option plan 2020	8-Apr-20	8-Apr-23 (3 years)	Nil	-	8,510
Equity-settled share option plan 2021	15-Mar-21	15-Mar-24 (3 years)	Nil	3,609	2,456
Equity-settled share option plan 2022	8-Mar-22	8-Mar-25 (3 years)	Nil	7,976	2,216
Equity-settled share option plan 2023	6-Mar-23	6-Mar-26 (3 years)	Nil	10,275	144
Equity-settled share option plan 2024	28-Mar-24	28-Mar-27 (3 years)	Nil	5,723	-
			Total	**27,583**	**13,326**

i) Summary of share options outstanding under the plan:

Particulars	As at 31 March, 2024	As at 31 March, 2023
	Number of share options	
Opening balance	13,326	8,749
Granted during the year	17,081	6,329
Exercised during the year	(1,443)	-
Forfeited during the year	(1,381)	(1,752)
Closing Balance	**27,583**	**13,326**

ii) Fair value of share options granted by the Company under each scheme:

Grant Date	Fair Value (Euro)
8-Apr-20	22.70
15-Mar-21	48.28
8-Mar-22	25.86
6-Mar-23	26.40
28-Mar-24	35.32

Expense arising from employee share option plan

The fair value of the LTIP granted that has not been recognised as expense in the Statement of Profit and Loss as the impact is not considered material, is as follows:

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Equity-settled share option plan expenses	395.84	227.18
Total expense	**395.84**	**227.18**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 37: Due to micro and small enterprises

Particulars		As at 31 March, 2024	As at 31 March, 2023
(i)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end *	5,260.08	6,571.16
(ii)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	332.35	90.68
(iii)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	16,916.17	4,773.85
(iv)	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v)	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	210.22	18.99
(vii)	Interest accrued and remaining unpaid at the end of the accounting year	332.35	90.68
(viii)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure undersection 23 of the MSMED Act.	-	-

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

Note 38: Revenue from Contracts with Customers

Revenue from contracts with customers (refer Note 18)	Year ended 31 March, 2024	Year ended 31 March, 2023
The Company has recognised the following amounts relating to revenue in the statement of profit and loss:		
Sale of products		
(i) Finished goods	124,495.68	98,452.34
(ii) Traded goods	31,175.82	29,020.47
Total Refractories Management Services	118,443.53	113,420.14
Sale of services	4,473.49	4,418.55
Revenue from contracts with customers	**278,588.52**	**245,311.50**
Other operating revenues	3,820.93	3,525.37
Total Revenue from Operations	**282,409.45**	**248,836.87**

Disaggregation of Revenue

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

Disaggregation of Revenue by Geography

Within India	249,772.16	210,444.25
Outside India	28,816.36	34,867.25
Total Revenue	**278,588.52**	**245,311.50**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Timing of Revenue Recognition

Revenue from the delivery of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual terms agreed in the customer contract. Revenue from contracts for total refractory management services, revenue is recognized over time using the output-oriented method (e.g. quantity of steel produced by the customer)

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

Performance obligations

Revenue from the sale of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual terms agreed in the customer contract. Control is defined as the ability to direct the use and obtain substantially all the economic benefits from an asset. For the terms CIF (Cost, Insurance and Freight), transport service gives rise to a separate performance obligation to which a part of revenue has to be allocated, as this service is performed after the control of the product is transferred to the customer.

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

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

Transaction price allocated to the remaining performance obligations

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

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

Reconciliation of revenue recognised with contract price

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Contract price	274,957.48	242,874.61
Adjustments for:		
Claims & Rebates	(3,451.22)	(816.46)
Performance Bonus	7,082.26	3,253.35
Revenue from contracts with customers	**278,588.52**	**245,311.50**

Trade Receivables and Contract Balances

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

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

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

Contract liabilities consists of advances from customers. Contract liabilities are presented in note 14.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Trade receivables are presented net off impairment loss in note 5(c).

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Revenue from contract with customers	728.38	626.64
Total	**728.38**	**626.64**
Movement in Contract Assets		
Opening balance at the beginning of the year	**26,821.82**	**13,764.26**
Add: Revenue recognized during the year	278,588.52	245,311.50
Less: Invoiced during the year	(284,414.96)	(232,253.94)
Closing balance at the end of the year	**20,995.38**	**26,821.82**
Movement in Contract Liabilities		
Opening balance at the beginning of the year	728.38	626.64
Add: Collections during the year	22,570.12	17,768.95
Less: Gross Sales	(22,982.54)	(17,667.21)
Closing balance at the end of the year	**315.96**	**728.38**

Significant judgements in the application of the Standard

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

Information about major customers

Revenues from two customers (31 March, 2023: three customers) represents approximately ₹ 73,830.07 lacs (31 March, 2023: ₹ 103,084.08 lacs) of the Company's total revenues.

Note 39: Business Combinations

Acquisition of refractory business of Hi-Tech Chemicals

On 18 October, 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 31 January, 2023 for a cash consideration of ₹ 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.

This transaction has been accounted for as per acquisition method specified in Ind AS 103 and accordingly, the difference of ₹ 31,091.69 lacs between the purchase consideration of ₹ 88,414.51 lacs and fair value of net assets of ₹ 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.

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

Particulars	Provisional amount as at acquisition date	Measurement period adjustments	Fair value post completion of measurement period
Assets			
Non-current assets			
Property, plant and equipment	11,330.79	-	11,330.79
Right-of-use assets	6,925.68	-	6,925.68
Capital work-in-progress	1,466.09	17.19	1,483.28
Other Intangible assets (Customer relationship)	16,328.32	4,774.68	21,103.00

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Provisional amount as at acquisition date	Measurement period adjustments	Fair value post completion of measurement period
Financial assets			
(i) Other financial assets	71.64	(0.30)	71.34
Other non-current assets	169.86	(29.05)	140.81
Total non-current assets	**36,292.38**	**4,762.52**	**41,054.90**
Current assets			
Inventories	6,798.54	147.96	6,946.50
Financial assets			
(i) Trade receivables	11,858.37	-	11,858.37
(ii) Other financial assets	7.77	(1.22)	6.55
Other current assets	62.83	(2.56)	60.27
Total current assets	**18,727.51**	**144.18**	**18,871.69**
Total Assets assumed	**55,019.89**	**4,906.70**	**59,926.59**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	63.40	-	63.40
Deferred tax liabilities (net)	2,922.20	(1,198.31)	1,723.89
Total non-current liabilities	**2,985.60**	**(1,198.31)**	**1,787.29**
Current liabilities			
Financial liabilities			
(i) Trade payables	644.03	-	644.03
(ii) Other financial liabilities	158.93	(4.79)	154.14
Employee benefit obligations	18.31	-	18.31
Total current liabilities	**821.27**	**(4.79)**	**816.48**
Total liabilities assumed	**3,806.87**	**(1,203.10)**	**2,603.77**
Net identifiable net assets acquired at fair value (A)	**51,213.02**	**6,109.80**	**57,322.82**
Purchase Consideration (B)	**87,937.65**	**476.86**	**88,414.51**
Goodwill acquired on acquisition (B-A)	**36,724.63**	**(5,632.94)**	**31,091.69**

Note:

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

Note 40: Acquisition of subsidiaries

On 19 November, 2022, Dalmia Bharat Refractories Limited ('DBRL') entered into a business transfer agreement (BTA) with RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited) ('RHIMIRL') to transfer the entire Indian refractory business of DBRL to RHIMIRL. On 19 November, 2022, the Company entered into a Share Swap Agreement with RHIMIRL and DBRL to acquire all outstanding shares of RHIMIRL. On 04 January, 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 05 January, 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 ₹ 236,844 lacs. The shares have been issued by the Company at the market rate of 05 January, 2023 of ₹ 877.20 per share. The issuance of equity shares has resulted in increase in equity share capital by ₹ 270 lacs consisting of 27,000,000 equity shares of ₹ 1 each. The difference between the consideration and the increase in equity share capital is recorded as securities premium of ₹ 236,574.00 lacs.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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).

On 21 April, 2023, the Company's 100% subsidiary, RHI Magnesita India Refractories India Limited (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 24 July, 2023, RHIMIRL has completed the purchase of 49% i.e. 98,00,000 equity shares having face value of ₹ 10/- each of RHIMSRL for a consideration amounting to ₹ 6,184.75 lacs. Consequently, RHIMSRL has become a 100% wholly owned subsidiary of RHIMIRL.

Note 41: Transfer Pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international and domestic transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by 30 November, 2024, as required by law. The Management confirms that its international and domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the Standalone financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Note 42: Additional regulatory information required by Schedule III

(i) Details of benami property held

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

(ii) Borrowing secured against current assets

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

Name of the Bank	Aggregate working capital limits sanctioned (₹ Lacs)	Nature of Current asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement	Amount as per books of account	Variance	Whether return/ statement subsequently rectified	Reasons for difference
HDFC Bank	2,500	Inventory	31-Dec-23	73,080.00	73,080.20	0.20	Yes	Rounding off difference because return has been filed in crores and financials have been prepared in Lacs
		Trade Receivables	31-Dec-23	43,748.00	57,140.96	13,392.96	Yes	Trade receivables from related parties and Allowance for doubtful debts have not been considered in the return
		Trade payables	31-Dec-23	57,524.00	57,523.96	(0.04)	Yes	Rounding off difference because return has been filed in crores and financials have been prepared in Lacs
		Inventory	31-Mar-24	62,000.00	61,943.15	(56.85)	NO	Return is filed considering numbers as per provisional Financial Statements
		Trade Receivables	31-Mar-24	54,700.00	70,140.98	15,440.98	NO	Return is filed considering numbers as per provisional Financial Statements
		Trade payables	31-Mar-24	45,200.00	49,477.90	4,277.90	NO	Return is filed considering numbers as per provisional Financial Statements

For the quarters ended June 30, 2023 and September 30, 2023, the Company has taken waiver from the bank to file the quarterly returns/ statement.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(iii) Wilful defaulter

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

(iv) Relationship with struck off companies

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

(v) Compliance with number of layers of companies

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

(vi) Compliance with approved scheme(s) of arrangements

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

(vii) Utilisation of borrowed funds and share premium

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

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries except as mentioned below:

During the year, the Company has invested funds (including share premium) in its subsidiary (RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited) ('RHIMIRL')) through issue of share capital (Refer note 47). Out of these funds ₹ 6,184.74 lacs have been further invested by RHIMIRL's in its subsidiary (Refer note 40).

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

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(viii) Undisclosed income

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

(ix) Details of crypto currency or virtual currency

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

(x) Valuation of property, plant and equipment and intangible assets

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

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

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

(xii) Utilisation of borrowings availed from banks.

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

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 43: Title deeds of immovable properties not held in name of the Company

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

As at 31 March, 2024

Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying value	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter / director	Property held since which date	Reasons for not being held in name of the company
Property, plant and equipment	Land	22.78	Arsha Ceramics Private Limited	No	17-Dec-05	Stamp duty is under assessment with Revenue Department of Andhra Pradesh. Title deed will be transferred in the name of the Company once stamp duty is deposited after assessment is completed.
Property, plant and equipment	Land	41.99	Arsha Ceramics Private Limited	No	30-Dec-05	
Property, plant and equipment	Land	6.24	Arsha Ceramics Private Limited	No	14-Feb-06	
Property, plant and equipment	Land	8.78	Arsha Ceramics Private Limited	No	22-Apr-06	
Property, plant and equipment	Land	41.03	Clasil Refractories Private Limited	No	07-Dec-06	
Property, plant and equipment	Land	439.28	RHI Clasil Limited	No	10-Sep-07	
Property, plant and equipment	Land	156.59	RHI Clasil Limited	No	29-Dec-08	
Property, plant and equipment	Land	30.66	RHI Clasil Limited	No	22-Jan-09	
Property, plant and equipment	Building	2,931.70	RHI Clasil Limited	No	Mar-07	
Property, plant and equipment	Land	1,833.96	Orient Refractories Limited	No	Sept-19	Title deed registered in name of Orient Refractories Limited are in the process for change consequent to change of name of the Company to RHI Magnesita India Limited
Property, plant and equipment	Land	1,268.39	Orient Refractories Limited	No	25-Feb-20	
Property, plant and equipment	Building	2,054.28	Orient Refractories Limited	No	Sept-19	
Property, plant and equipment	Building	139.75	Hi-Tech Chemicals Limited	No	31-Jan-23	The Company is in the process for change of name in title deed pursuant to business acquisition from Hi-Tech Chemicals Limited.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

As at 31 March, 2023

Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying value	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/director	Property held since which date	Reasons for not being held in name of the company
Property, plant and equipment	Land	22.78	Arsha Ceramics Private Limited	No	17-Dec-05	Stamp duty is under assessment with Revenue Department of Andhra Pradesh. Title deed will be transferred in the name of the Company once stamp duty is deposited after assessment is completed.
Property, plant and equipment	Land	41.99	Arsha Ceramics Private Limited	No	30-Dec-05	
Property, plant and equipment	Land	6.24	Arsha Ceramics Private Limited	No	14-Feb-06	
Property, plant and equipment	Land	8.78	Arsha Ceramics Private Limited	No	22-Apr-06	
Property, plant and equipment	Land	41.03	Clasil Refractories Private Limited	No	07-Dec-06	
Property, plant and equipment	Land	439.28	RHI Clasil Limited	No	10-Sep-07	
Property, plant and equipment	Land	156.59	RHI Clasil Limited	No	29-Dec-08	
Property, plant and equipment	Land	30.66	RHI Clasil Limited	No	22-Jan-09	
Property, plant and equipment	Building	2,843.92	RHI Clasil Limited	No	Mar-07	
Property, plant and equipment	Land	1,833.96	Orient Refractories Limited	No	Sept-19	Title deed registered in name of Orient Refractories Limited are in the process for change consequent to change of name of the Company to RHI Magnesita India Limited.
Property, plant and equipment	Land	1,268.39	Orient Refractories Limited	No	25-Feb-20	
Property, plant and equipment	Building	1,939.64	Orient Refractories Limited	No	Sept-19	
Property, plant and equipment	Building	139.75	Hi-Tech Chemicals Limited	No	31-Jan-23	The Company is in the process for change of name in title deed pursuant to business acquisition from Hi-Tech Chemicals Limited.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 44: Financial Ratios

Ratio	Numerator	Denominator	Unit of measurement	Current Year	Previous Year	% Variance	Reason for variance (where variance is more than 25%)
Current-ratio	Current assets	Current liabilities	Times	2.52	1.11	(127.42%)	Increase on account of decrease in current borrowings.
Debt-equity ratio	Total debt	Shareholder's equity	Times	0.03	0.21	(0.87%)	Decrease on account of decrease in current borrowings.
Debt service coverage ratio	Earnings available for debt service = loss after taxes + Non-cash operating expenses + Finance cost	Debt service = Interest and principal repayments including lease payments	Times	0.66	3.60	(81.80%)	Decrease on account of decrease in current borrowings.
Return on equity ratio	Loss for the year	Average shareholder's equity	Percentage	(1.62)	(21.58)	(92.49%)	Increase on account of decrease in impairment loss and increase in revenue as compared to previous year.
Inventory turnover ratio	Cost of goods sold*	Average inventory	Times	2.79	2.54	9.79%	Not Applicable
Trade receivables turnover ratio	Sales	Average trade receivable	Times	4.59	5.10	(9.96%)	Not Applicable
Trade payables turnover ratio	Cost of goods sold*	Average trade payable	Times	3.07	2.69	(13.88%)	Not Applicable
Net capital turnover ratio	Sales	Average Working capital = Current assets — Current liabilities	Times	4.80	5.58	(13.99%)	Not Applicable
Net profit ratio	Loss for the year	Sales	Percentage	(1.99)	(17.40)	(88.58%)	Increase on account of decrease in impairment loss as compared to previous year.
Return on capital employed	Earnings before interest and tax	Average Capital employed = Net worth + total debt - deferred tax asset+ deferred tax liability	Percentage	9.50	14.45	(34.25%)	Decrease on account of increase in other equity.
Return on investment	Earnings before interest and tax	Average total assets	Percentage	7.94	11.02	(27.89%)	Decrease on account of increase in average assets. This is majorly due to investment made in the current year and previous year, however the EBIT has not increased in the proportion of the assets.

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

Notes to Standalone Financial Statements

Note 45: Qualified Institutional Placement (QIP) of Equity shares

On 13 March, 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 form time to time (the 'Offering'). Pursuant to the Offering, on 06 April, 2023, the Company has issued and allotted 15,715,034 equity shares of face value ₹ 1 each at a issue price of ₹ 572.70 per equity share including a premium of ₹ 571.70 per equity share aggregating to ₹ 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.

Note 46: Preferential issue of Equity shares

On 01 April, 2023, Board of Directors approved a proposal to raise funds upto ₹ 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 21 June, 2023, the Company has issued and allotted 2,790,061 equity shares of face value ₹ 1 each at a issue price of ₹ 716.83 per equity share including a premium of ₹ 715.83 per equity share aggregating to ₹ 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.

Note 47: Investment in Subsidiary

On 08 May, 2023 and 11 August, 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 ₹ 10 each at a premium of ₹ 197 each for an amount aggregating to ₹ 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. RHIMSRL.

48. Summary of other accounting policies

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

(i) Leases

As a lessee

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

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

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

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

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

(ii) Financial assets

A. *Classification and initial recognition*

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

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

Notes to Standalone Financial Statements

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

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

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

B. Subsequent measurement

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

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

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial assets are designated upon initial recognition at fair value through profit or loss when the same are managed by the Company on the basis of their fair value and their performance is evaluated on fair value basis in accordance with a risk management or investment strategy of the Company. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in other income in the Standalone Statement of Profit and Loss.

b. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows, where the assets' cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income in the Standalone Statement of Profit and Loss.

c. Fair value through other comprehensive income (FVOCI):

Financial assets are measured at fair value through other comprehensive income (OCI) if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

C. Derecognition

A financial asset is derecognised only when

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

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

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

Notes to Standalone Financial Statements

D. ***Impairment of financial assets***

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

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

E. ***Income recognition - Interest***

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

(iii) Financial Liabilities

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

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

Classification, initial recognition and measurement

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

Subsequent measurement

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

De-recognition of financial liability

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

(iv) Offsetting Financial Instruments

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

(v) Fair Value Measurement

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

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

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

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

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

(vi) Derivative financial instruments

The Company acquires forward contracts to mitigate the risk arising from foreign currency exposures resulting from purchase and sale of goods and services. These forward contracts are designated as derivative financial instruments. Derivatives are initially

Notes to Standalone Financial Statements

recognised at fair value on the date of the derivative contract is entered into and subsequently re-measured to their fair value at the end of reporting period. The consequent gains/ losses, arising from subsequent re-measurement, are recognised in the standalone statement of profit and loss, unless the derivative is designated as hedging instrument and hedging relationship is established with the item being hedged.

(vii) Income Taxes

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Standalone Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

(viii) Inventories

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

(ix) Cash and Cash Equivalents

For the purpose of presentation in the Standalone Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(x) Provisions and contingent liabilities

a) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Notes to Standalone Financial Statements

b) **Contingencies**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Standalone Financial Statements.

(xi) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Standalone Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(xii) Segment reporting

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

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

(xiii) Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with required conditions. Export incentive under Remission of Duties and Taxes on Export products (RODTEP), Merchandise Exports from India Scheme (MEIS) and duty drawback are accrued when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

(xiv) Employee benefits

Defined benefit plan - Gratuity

The liability recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Defined contribution plans

The Company's contribution to provident fund, national pension scheme and employees' state insurance scheme are considered as defined contribution plans and are charged as expense in the Standalone Statement of Profit and Loss, based on the amount of contribution required to be made and when services are rendered by the employee.

Notes to Standalone Financial Statements

Other Benefits - Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Standalone Statement of Profit and Loss in the year in which they arise. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(xv) Equity-settled share option plan (LTIP)

RHI Magnesita N.V. (the 'Ultimate Holding Company') has implemented a share option plan for the members of senior management of the RHI Magnesita Group.

The LTIP is treated as an equity-settled share option plan as the Company does not have an obligation to make any settlement.

The fair value of the LTIP granted is recognised as employee benefits expense with a corresponding increase in reserves. The total amount to be expensed is determined by reference to the fair value of the options granted:

a) including any market performance conditions

b) excluding the impact of any service and non-market performance vesting conditions, and

c) including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

(xvi) Foreign currency translation

(i) Functional and presentation currency

Items included in the Standalone Financial Statements are measured using the currency of the primary economic environment in which the Company operates (`the functional currency'). The Company's operations are primarily in India. The Standalone Financial Statements are presented in Indian rupee (₹), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Standalone Statement of Profit and Loss.

Foreign exchange differences arising on foreign currency borrowings are presented in the Standalone Statement of Profit and Loss within finance costs. All other foreign exchange gains and losses are presented in the Standalone Statement of Profit and Loss on a net basis within Other Income/Expense.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(xvii) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Notes to Standalone Financial Statements

(xviii) Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(xix) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(xx) Trade receivables

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

(xxi) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

(xxii) Business Combinations

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the:

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

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

Notes to Standalone Financial Statements

(xxiii) Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

(xxiv) Contributed equity

Equity shares are classified as equity.

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

Note 49: Previous year figures

The Company has completed the acquisition of refractory business of Hi-Tech Chemicals on 31 January, 2023. Accordingly, the previous year figures are not comparable.

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

Abhishek Rara
Partner
Membership Number: 077779

Place: Gurugram
Date : May 29, 2024

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Azim Syed
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Independent Auditor's Report

To the Members of RHI Magnesita India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of RHI Magnesita India Limited (hereinafter referred to as the "Holding Company" or "the Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (Refer note 1 to the attached Consolidated Financial Statements), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and consolidated total comprehensive income (comprising of loss and other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 14 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

(a) Revenue Recognition

(Refer Note 19 to the Consolidated Financial Statements)

The Group recognises its revenue based on Ind AS 115 "Revenue from Contracts with Customers". Management uses judgement in respect of matters such as identification of performance obligations, allocation of consideration to identified performance obligations and recognition of revenue over a period of time or at a point in time based on timing when control is transferred to the customer.

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

How our audit addressed the key audit matter

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

- Obtained an understanding and evaluated the design and tested the operating effectiveness of controls over revenue recognition.
- Assessed appropriateness of management's judgements in accounting for identified contracts such as:
  - o Identification of performance obligation and allocation of consideration to identified performance obligation;
  - o Evaluated the contract terms for assessment of the timing of transfer of control to the customer to assess whether revenue is recognised appropriately over a period of time or at a point in time (as the case may be) based on timing when control is transferred to customer;

- o Tested whether the revenue recognition is in line with the terms of customer contracts and the transfer of control; and
- o Evaluated adequacy of the presentation and disclosures.

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

(b) Valuation of intangible assets and goodwill identified on acquisition of refractory business of Hi-Tech Chemicals Limited

(Refer Note 40A to the Consolidated Financial Statements)

Pursuant to a Business Transfer Agreement (BTA) executed with Hi-Tech Chemicals Limited ("Hi-Tech"), the Company acquired the refractory business of Hi-Tech by way of a slump sale on a going concern basis on January 31, 2023 for an aggregate consideration of ₹ 88,414.51 lacs. The acquisition was determined to be a business combination and accounted for in accordance with the acquisition method prescribed under Ind AS 103 'Business Combinations'. During the year, the Company has finalised the purchase price allocation and recognised the intangible assets and goodwill of ₹ 21,103 lacs and ₹ 31,091.69 lacs respectively as at the acquisition-date.

Significant management judgement is involved in the identification of identifiable assets, including those assets that meet the definition of, and recognition criteria for, intangible assets in accordance with Ind AS 38 'Intangible Assets', and their valuation and determination of the resultant goodwill based on allocation of the purchase price on fair values of the identified assets and liabilities. The management engaged independent valuers ("management's experts") for carrying out the valuation.

We considered this area as a key audit matter, due to the significant management judgement required in identification and valuation of assets acquired and liabilities assumed, determining the key assumptions underlying such valuation such as the revenue growth rates, customer churn rates, EBITDA growth rates, capital expenditures, weighted average cost of capital and considering the changes in these assumptions can have a material impact on the valuation of goodwill and intangible assets.

How our audit addressed the key audit matter

Our audit procedures included the following:

- Obtained an understanding, evaluated the design and tested the operating effectiveness of controls over accounting for business combinations.
- Read the Business Transfer Agreement and other documents related to acquisition through BTA in order to obtain an understanding of the transaction in accordance with Ind AS 103 'Business Combinations' and to verify the consideration paid for the aforesaid acquisition.
- Assessed the competence, capabilities, and objectivity of management's experts, perused the report issued by them and evaluated the appropriateness of the valuation model and underlying assumptions considered by them.
- Tested the fair value of the acquired identifiable intangible assets, with the assistance of auditor's valuation experts, which involved:
  - o evaluation of the prospective financial information used in the valuation models, testing the completeness and accuracy of underlying data and evaluation of the valuation methodology.
  - o evaluation of the key assumptions, by comparing the same to current industry, market, economic trends and historical results.
  - o performance of sensitivity analysis to evaluate the impact of changes in key assumptions to the valuation of the acquired identifiable intangible assets.
- Verified the arithmetical accuracy of the management's computation of goodwill.
- Assessed the appropriateness of the disclosures in the Standalone Financial Statements in accordance with Ind AS 103.

Based on the above stated procedures, no significant exceptions were noted in valuation of intangible assets and resulting goodwill identified on the acquisition.

(c) Valuation of intangible assets and goodwill identified on acquisition of Indian refractory business of Dalmia Bharat Refractories Limited

(Refer Note 40B to the Consolidated Financial Statements)

Pursuant to a Business Transfer Agreement (BTA) executed with Dalmia Bharat Refractories Limited ("DBRL") and the Share Swap Agreement entered with RHI Magnesita India Limited ('RHIMIL') and DBRL, the RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited) ('RHIMIRL') acquired the Indian refractory business of DBRL by way of a slump sale on a going concern basis on January 04, 2023 for an aggregate consideration of ₹ 285,253.22 lacs. The acquisition was determined to be a business combination and accounted for in accordance with the acquisition method prescribed under Ind AS 103 'Business Combinations'. During the year, the RHIMIRL has finalised the purchase price allocation and recognised the intangible assets and goodwill of ₹ 94,943.88 lacs and ₹ 154,271.30 lacs respectively as at the acquisition-date.

Significant management judgement is involved in the identification of identifiable assets, including those assets that meet the definition of, and recognition criteria for, intangible assets in accordance with Ind AS 38 'Intangible Assets', and their valuation and determination of the resultant goodwill based on allocation of the purchase price on fair values of the identified assets and liabilities.

The management engaged independent valuers ("management's experts") for carrying out the valuation.

We considered this area as a key audit matter, due to the significant management judgement required in identification and valuation of assets acquired and liabilities assumed, determining the key assumptions underlying such valuation such as the revenue growth rates, customer churn rates, EBITDA growth rates, capital expenditures, weighted average cost of capital and considering the changes in these assumptions can have a material impact on the valuation of goodwill and intangible assets.

How our audit addressed the key audit matter

Our audit procedures included the following:

- Obtained an understanding, evaluated the design and tested the operating effectiveness of controls over accounting for business combinations.
- Read the Business Transfer Agreement, Share Swap Agreement and other documents related to acquisition through Business Transfer Agreement in order to obtain an understanding of the transaction in accordance with Ind AS 103 'Business Combinations' and to verify the consideration paid for the aforesaid acquisition.
- Assessed the competence, capabilities, and objectivity of management's experts, perused the report issued by them and evaluated the appropriateness of the valuation model and underlying assumptions considered by them.
- Tested the fair value of the acquired identifiable intangible assets, with the assistance of auditor's valuation experts, which involved:
    - o evaluation of the prospective financial information used in the valuation models, testing the completeness and accuracy of underlying data and evaluation of the valuation methodology.
    - o evaluation of the key assumptions, by comparing the same to current industry, market, economic trends and historical results.
    - o performance of sensitivity analysis to evaluate the impact of changes in key assumptions to the valuation of the acquired identifiable intangible assets.
- Verified the arithmetical accuracy of the management's computation of goodwill.
- Assessed the appropriateness of the disclosures in the Consolidated Financial Statements in accordance with Ind AS 103.

Based on the above stated procedures, no significant exceptions were noted in valuation of intangible assets and resulting goodwill identified on the acquisition.

(d) Assessment of carrying value of goodwill

(Refer Note 4 and 28 to the Consolidated Financial Statements)

The Group has goodwill carried at cost less accumulated impairment loss of ₹ 86,717.12 lacs. During the year, the Group has recognised an impairment loss on goodwill of ₹ 32,577.63 lacs.

The Group reviews the carrying values of goodwill at every balance sheet date and where there is an indication of impairment, the carrying value is assessed for impairment in accordance with Ind AS 36 'Impairment of Assets', and an impairment provision is recognised, where applicable. The management has determined each of the subsidiaries as a separate cash generating unit ("CGU") for the purpose of impairment assessment, and with the involvement of independent valuation experts ("management's experts"), the recoverable value of the CGUs has been determined.

The assessment of carrying value of goodwill has been considered a key audit matter as the determination of recoverable value involves significant management judgement and estimates such as future expected level of operations and related forecast of cash flows, market conditions, discount rate, growth rate, terminal growth rate etc.

How our audit addressed the key audit matter

Our audit procedures included the following:

- Obtained an understanding and evaluated the design and tested the operating effectiveness of controls over the impairment assessment.
- Assessed whether the Group's determination of CGUs was consistent with our knowledge of the Group's operations.
- Assessed the competence, capabilities and objectivity of management's experts and perused the report issued by them.
- Involved our valuation experts to assist in
    - o assessing the appropriateness of the valuation model including the independent assessment of the underlying assumptions relating to discount rate, terminal growth rate etc.
    - o evaluation of the cash flow forecasts (with underlying economic growth rate) by comparing them to the approved budgets and our understanding of the internal and external factors.
- Verified the mathematical accuracy of the computations involved in the valuation model.
- Assessed the sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment or material change in fair valuation.
- Discussed the key assumptions and sensitivities with those charged with governance.
- Evaluated the adequacy of the disclosures made in the Standalone Financial Statements.

Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in relation to the carrying value of equity investments in subsidiaries as per Ind AS 36 'Impairment of Assets'.

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. We did not audit the financial statements of two subsidiaries whose financial statements reflect Total assets of ₹ 7,222.43 lacs and Net assets of ₹ 4,244.10 lacs as at March 31, 2024, Total revenue of ₹ 10,761.84 lacs, Total comprehensive income (comprising of profit and other comprehensive income) of ₹ 753.11 lacs and Net cash flows amounting to ₹ 57.70 lacs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements of subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

    Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

15. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

16. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except:

    - for the Holding Company, the back-up of the books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India;
    - for a subsidiary i.e. RHI Magnesita India Refractories Limited, the backup of the books of accounts and other books and papers maintained in the electronic mode has not been maintained on a daily basis on servers physically located in India during the period September 22, 2023, to October 07, 2023; and the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.

    (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding

Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 16(b) above on reporting under Section 143(3)(b) and paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

(g) With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group— Refer Note 33 to the Consolidated Financial Statements.

ii. The Group has long-term contracts for which there were no material foreseeable losses. The Group has made provision as at March 31, 2024, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year.

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in Note 42 (vii) (a) to the Consolidated Financial Statements, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiaries 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in Note 42 (vii)(b) to the Consolidated Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, 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.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act. The subsidiaries of the Holding Company has not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Group have used accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. During the course of performing our procedures and that performed by the respective auditors of the above referred subsidiaries, except for the below mentioned instances where our commenting on whether the audit trail feature was tempered with does not arise, we did not notice any instance of the audit trail feature being tampered with.

S. No	Name of the Company	Observations
1	RHI Magnesita India Limited ("the Holding Company")	The audit log is not maintained in case of modification by certain users with specific access and for direct data changes at the database level.
2	RHI Magnesita India Refractories Limited ('RHIMIRL')	The audit trail has operated only for part of the year from January 1 to March 31, 2024 for all relevant transactions recorded in the software, except that the audit log is not maintained in case of modification by certain users with specific access and for direct data changes at the database level.
3	RHI Magnesita Seven Refractories Limited ('RHIMSRL')	The audit trail feature did not operate during the period April 01, 2023 to December 31, 2023. Accordingly, the question of commenting on whether the audit trail was tampered with does not arise. For the period January 01, 2024 to March 31, 2024, based on our examination, which included test checks, the feature of recording audit trail (edit log) facility has operated for all relevant transactions recorded in the software, except that the audit log is not maintained in case of modification by certain users with specific access and at the database level.
4	Intermetal Engineers (India) Limited	The subsidiary has used an accounting software which did not had a feature of recording audit trail (edit log) facility.

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

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

Abhishek Rara
Partner
Membership Number: 077779
UDIN: 24077779BKEHVH3592

Place: Gurugram
Date: May 29, 2024

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Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of RHI Magnesita India Limited on the Consolidated Financial Statements for the year ended March 31, 2024

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

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of RHI Magnesita India Limited (hereinafter referred to as "the Holding Company" or "the Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to

future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

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

Abhishek Rara
Partner
Membership Number: 077779
UDIN: 24077779BKEHVH3592

Place: Gurugram
Date: May 29, 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of RHI Magnesita India Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2024

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number in the respective CARO report
1.	RHI Magnesita India Refractories Limited (Formerly known as Dalmia OCL Limited)	U26100TN2018PLC125133	Subsidiary	May 24, 2024	(i)(c), (ii)(b), (vii)(a), (ix)(a), (xvii)
2.	RHI Magnesita Seven Refractories Limited (Formerly known as Dalmia Seven Refractories Limited)	U74999DL2016PLC309327	Subsidiary	May 24, 2024	(ii)(b), (vii)(a)
3.	Intermetal Engineers (India) Private Limited	U28920MH1988PTC047421	Subsidiary	May 22, 2024	(vii)(a)

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

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Consolidated Balance Sheet as at 31 March, 2024

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	As at 31 March, 2024	As at 31 March, 2023
Assets			
Non-current assets			
Property, plant and equipment	3(a)	65,062.70	68,797.13
Right-of-use assets	3(b)	21,955.51	19,591.54
Capital work-in-progress	3(a)	4,875.94	3,933.93
Goodwill	4	86,717.12	128,350.94
Other intangible assets	4	106,777.57	109,079.86
Financial assets			
(i) Investments	5(a)	0.97	0.97
(ii) Other financial assets	5(b)	1,132.39	556.12
Deferred tax assets (net)	6(b)	2,159.25	-
Other non-current assets	7	3,055.39	3,253.71
Total non-current assets		**291,736.84**	**333,564.20**
Current assets			
Inventories	8	90,531.84	95,619.88
Financial assets			
(i) Trade receivables	5(c)	81,690.50	75,560.10
(ii) Cash and cash equivalents	5(d)	5,003.29	32,241.96
(iii) Bank balances other than (ii) above	5(e)	322.71	366.69
(iv) Other financial assets	5(f)	169.54	734.48
Contract assets	5(g)	25,219.68	28,904.37
Other current assets	7	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	9(a)	2,065.01	1,879.96
Other equity	9(b)	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	44	-	8,935.50
Total equity		**384,572.08**	**298,038.96**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	10	23,707.56	24,192.82
(ii) Lease liabilities	3(b)	11,491.22	8,628.63
Provisions	15	286.46	281.07
Employee benefit obligations	16	1,045.29	871.46
Deferred tax liabilities (net)	6(a)	1,813.04	5,126.90
Other non-current liabilities	11	190.77	158.08
Total non-current liabilities		**38,534.34**	**39,258.96**
Current liabilities			
Financial liabilities			
(i) Borrowings	10	12,550.91	125,072.71
(ii) Lease liabilities	3(b)	915.95	1,036.20
(iii) Trade payables	12		
(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	13	6,374.75	30,086.98
Contract liabilities	14	797.72	3,146.75
Provisions	15	38.77	233.55
Employee benefit obligations	16	2,673.53	1,992.07
Current tax liabilities	17	2.65	-
Other current liabilities	18	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**

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

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

Abhishek Rara
Partner
Membership Number: 077779

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Azim Syed
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Place: Gurugram
Date : May 29, 2024

Consolidated Statement of Profit and Loss for the year ended 31 March, 2024

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2024	Year ended 31 March, 2023
Income			
Revenue from operations	19	378,110.40	272,626.65
Other income	20	1,096.26	1,487.62
Total income		**379,206.66**	**274,114.27**
Expenses			
Cost of raw materials and components consumed	21	141,876.93	103,269.24
Purchases of stock-in-trade (traded goods)	22	68,984.61	71,200.15
Changes in inventories of finished goods, work-in-progress and stock-in-trade (traded goods)	23	12,932.82	(3,776.14)
Employee benefits expense	24	37,437.36	20,379.59
Finance costs	25	6,415.32	3,946.74
Depreciation and amortisation expense	26	18,248.56	7,090.06
Other expenses	27	62,284.02	45,566.37
Total expenses		**348,179.62**	**247,676.01**
Profit before exceptional items and tax		**31,027.04**	**26,438.26**
Exceptional item			
Impairment loss of Goodwill	28	32,577.63	66,068.22
Loss before tax		**(1,550.59)**	**(39,629.96)**
Income tax expense:	29		
- Current tax		9,080.00	7,857.69
- Deferred tax		(493.81)	(1,007.50)
- (Excess)/Short provision for tax relating to prior years		(125.84)	85.07
Total tax expense		**8,460.35**	**6,935.26**
Loss for the year		**(10,010.94)**	**(46,565.22)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit plans	16	(177.08)	(25.75)
- Income tax relating to the above		44.56	6.49
Other comprehensive loss for the year, net of tax		**(132.52)**	**(19.26)**
Total comprehensive loss for the year		**(10,143.46)**	**(46,584.48)**
(Loss) / Profit for the year attributable to:			
Owner of the parent		**(10,044.56)**	**(46,610.54)**
Non-Controlling Interest		**33.62**	**45.32**
Other Comprehensive (loss) / income for the year attributable to:			
Owner of the parent		**(132.57)**	**(19.44)**
Non-Controlling Interest		**0.05**	**0.18**
Total comprehensive (loss) / profit for the year attributable to:			
Owner of the parent		**(10,177.13)**	**(46,629.98)**
Non-Controlling Interest		**33.67**	**45.50**
Basic loss per equity share (Face value of ₹ 1 each share) (₹)	35	(4.88)	(27.85)
Diluted loss per equity share (Face value of ₹ 1 each share) (₹)	35	(4.88)	(27.85)

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

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

Abhishek Rara
Partner
Membership Number: 077779

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Azim Syed
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Place: Gurugram
Date : May 29, 2024

Consolidated Statement of Changes in Equity for the year ended 31 March, 2024

Equity Share Capital

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Amount
As at 1 April, 2022	9(a)	1,609.96
Add: Shares issued during the year ended 31 March, 2023	40	270.00
Balance as at 31 March, 2023		**1,879.96**
Add: Shares issued during the year ended 31 March, 2024	45 & 46	185.05
Balance as at 31 March, 2024		**2,065.01**

Other Equity

Particulars	Notes	Attributable to Owners of RHI Magnesita India Limited				Total other equity	Non-Controlling Interest	Total Equity
		Reserves and Surplus						
		Securities Premium	General Reserve	Capital Reserve	Retained Earnings			
Balance as at 1 April, 2022	9(b)	6,493.97	8,681.48	1,465.71	84,620.90	101,262.06	-	**101,262.06**
Loss for the year		-	-	-	(46,610.54)	(46,610.54)	45.32	**(46,565.22)**
Other comprehensive income		-	-	-	(19.44)	(19.44)	0.18	**(19.26)**
Total comprehensive (loss)/income for the year		**-**	**-**	**-**	**46,629.98)**	**(46,629.98)**	**45.50**	**(46,584.48)**
Transaction with owners in their capacity as owners :								
Issue of equity shares	40	236,616.33	-	-	-	236,616.33	8,890.00	245,506.33
Dividend paid	32	-	-	-	(4,024.91)	(4,024.91)	-	(4,024.91)
		236,616.33	**-**	**-**	**(4,024.91)**	**232,591.42**	**8,890.00**	**241,481.42**
Balance as at 31 March, 2023		**243,110.30**	**8,681.48**	**1,465.71**	**33,966.01**	**287,223.50**	**8,935.50**	**296,159.00**

Consolidated Statement of Changes in Equity for the year ended 31 March, 2024 (Cont.)

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Attributable to Owners of RHI Magnesita India Limited				Total other equity	Non-Controlling Interest	Total Equity
		Reserves and Surplus						
		Securities Premium	General Reserve	Capital Reserve	Retained Earnings			
Balance as at 1 April, 2023	9(b)	**243,110.30**	**8,681.48**	**1,465.71**	**33,966.01**	**287,223.50**	8,935.50	**296,159.00**
Loss for the year		-	-	-	(10,044.56)	(10,044.56)	33.62	**(10,010.94)**
Other comprehensive income		-	-	-	(132.57)	(132.57)	0.05	**(132.52)**
Total comprehensive (loss)/income for the year		**-**	**-**	**-**	**(10,177.13)**	**(10,177.13)**	**33.67**	**(10,143.46)**
Transaction with owners in their capacity as owners :								
Issue of equity shares	45 & 46	107,844.82	-	-	-	107,844.82	-	107,844.82
Transaction with non-controlling interest	43 (c)	-	-	-	2,778.42	2,778.42	(8,969.17)	(6,190.75)
Dividend paid	32	-	-	-	(5,162.54)	(5,162.54)	-	(5,162.54)
		107,844.82	**-**	**-**	**(2,384.12)**	**105,460.70**	**(8,969.17)**	**96,491.53**
Balance as on 31 March, 2024		350,955.12	8,681.48	1,465.71	21,404.76	382,507.07	-	382,507.07

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

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

Abhishek Rara
Partner
Membership Number: 077779

Place: Gurugram
Date : May 29, 2024

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Azim Syed
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Consolidated Statement of Cash Flows for the year ended 31 March, 2024

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2024	Year ended 31 March, 2023
Cash flow from operating activities			
(Loss) before tax		**(1,550.59)**	**(39,629.96)**
Adjustments for:			
Depreciation and amortisation expense	26	18,248.56	7,090.06
Interest income	20	(407.86)	(521.59)
Gain on retirement of right-of-use asset	20	(96.28)	-
Allowance for doubtful debts - trade receivables (Net)	27	685.54	96.03
Allowance for doubtful debts - contract assets (Net)	27	504.13	(19.07)
Allowance for doubtful export incentives receivable (Net)	27	11.53	-
Amortisation of mines	27	1,118.92	-
Impairment of goodwill	28	32,577.63	66,068.22
Liabilities/ provisions no longer required written back	20	(134.19)	(108.76)
Bad debts written off	27	975.71	1,020.35
Finance costs	25	6,415.32	3,946.74
Loss on property, plant and equipment sold / scrapped (Net)	27	730.21	45.21
Net unrealised foreign exchange (loss)	27	404.94	9.01
Impairment loss /(reversal) on capital work-in-progress	27	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 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 (Refer note 40A & B)		(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)**

Consolidated Statement of Cash Flows for the year ended 31 March, 2024 (Cont.)

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2024	Year ended 31 March, 2023
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 (Refer note 45 & 46)		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 Refratories Limited (Refer note 47)		(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**
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 Refractories Limited (Refer note 40B)		-	236,844.00
Cash and cash equivalent included in the Statement of Cash Flows comprise of the following:			
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**

The above Statement of Cash Flows has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash Flows'.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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

Abhishek Rara
Partner
Membership Number: 077779

Place: Gurugram
Date : May 29, 2024

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Azim Syed
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Notes to Consolidated Financial Statements

1. Corporate Information

RHI Magnesita India Limited ('the Company' and 'the Holding Company'), is domiciled and incorporated in India and publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. The registered office of the Company is located at Unit No.705, 7th Floor, Lodha Supremus, Kanjurmarg Village Road, Kanjurmarg (East), Mumbai-400042. The Company is primarily engaged in the business of manufacturing and trading of refractories, monolithics, bricks and ceramic paper, rendering management services and has manufacturing facilities in Bhiwadi (Rajasthan), Visakhapatnam (Andhra Pradesh), Cuttack (Odisha) and Jamshedpur (Jharkhand). The list of entities consolidated are as follows:

S. No.	Name of the Subsidiaries	Percentage hold	Date of Acquisition
1	Intermetal Engineers (India) Private Limited	100%	18 May, 2019
2	RHI Magnesita India Refractories Limited (Formerly known as Dalmia OCL Limited)	100%	05 January, 2023
3	RHI Magnesita Seven Refractories Limited (Formerly known as Dalmia Seven Refractories Limited)	100%*	05 January, 2023

*Refer Note 44 of the Consolidated Financial Statements

The Consolidated Financial Statements consist of the Holding Company and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group").

The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on May 29, 2024.

2.1 Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

(iii) New and amended standards adopted by the Group

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

a) Disclosure of accounting policies- amendments to Ind AS 1;

b) Disclosure of accounting estimates- amendments to Ind AS 8;

c) Deferred tax assets related to assets and liabilities arising from a single transaction- amendments to Ind AS 12

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

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

(iv) Functional and presentation currency:

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

(v) Current versus non-current classification

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

2.2 Critical accounting estimates, assumptions and judgements

The preparation of Consolidated Financial Statements requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the date of the Consolidated Financial Statements and the results of operations during the reporting period. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

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

Notes to Consolidated Financial Statements

(a) *Property, plant and equipment*

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

(b) *Intangibles assets*

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

(c) *Impairment of assets / Goodwill*

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

(d) *Income taxes*

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

(e) *Contingencies*

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

(f) *Allowance for doubtful trade receivables*

Trade receivables are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

(g) *Revenue from contracts with customers*

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

(h) *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 Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations.

2.3 Material Accounting Policies

(a) Property Plant and Equipment

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

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

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

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

Notes to Consolidated Financial Statements

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

(b) Intangible Assets

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

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

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

Amortisation is recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Consolidated Statement of Profit and Loss.

(i) Software

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

Software 1-5 years

(ii) Goodwill

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

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

(iii) Customer relationships

Customer relationships are recognised in the course of purchase price allocations of acquired business and are amortised on a straight-line basis over their expected useful life as follows.

Customer relationships 10- 20 years

(c) Impairment of assets

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

(d) Revenue recognition

At the inception of the contract, the Group identifies the goods or services promised in the contract and assesses which of the promised goods or services shall be identified as separate performance obligations. Promised goods or services give rise to separate performance obligations if they are capable of being distinct. Where the customer expects supply of refractory material and its related services together to produce the steel, the management has determined that both supply of goods and services are not distinct and the arrangement is considered to have only one single performance obligation.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation, which is the expected consideration to be received, to the extent that it is highly probable that there will not be a significant reversal of revenue in future periods. If the consideration in a contract includes a variable amount,

Notes to Consolidated Financial Statements

at the inception of the contract, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer.

(i) Sale of products

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

(ii) Total Refractories Management Services

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

(iii) Sale of Services

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

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due.

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(All amount in ₹ Lacs, unless otherwise stated)

Note 3(a) : Property, plant and equipment and capital work-in progress

Particulars	Freehold Land	Buildings	Plant and machineries	Furniture and fixtures	Office equipments	Vehicles	Total	Capital work-in-progress
Balance as at 1 April, 2022	4,080.47	6,239.81	26,061.34	193.14	652.69	831.82	**38,059.27**	3,465.30
Additions on account of acquisition through Business Combination (Refer note 40A & B)	1,777.70	14,425.71	22,427.86	157.15	221.73	28.05	**39,038.20**	2,650.55
Additions	-	1,048.68	6,653.03	19.80	311.76	149.53	**8,182.80**	5,380.27
Disposals	-	(147.00)	(188.28)	-	-	(239.00)	**(574.28)**	(7,562.19)
Balance as at 31 March, 2023	**5,858.17**	**21,567.20**	**54,953.95**	**370.09**	**1,186.18**	**770.40**	**84,705.99**	**3,933.93**
Addition on account of measurement period adjustment relating to business combination (Refer note 40A & B)	-	-	-	-	-	-	-	17.19
Additions	-	286.24	4,959.55	89.20	1,018.75	320.67	**6,674.41**	7,057.00
Disposals	-	(8.99)	(1,189.99)	(4.24)	(130.69)	(115.46)	**(1,449.37)**	(6,021.51)
Balance as at 31 March, 2024	**5,858.17**	**21,844.45**	**58,723.51**	**455.05**	**2,074.24**	**975.61**	**89,931.03**	**4,986.61**
Accumulated depreciation and impairment								
Balance as at 1 April, 2022	-	1,019.35	9,514.86	70.79	336.80	299.76	**11,241.56**	81.75
Charge for the year	3.53	588.76	4,060.19	22.28	145.27	87.16	**4,907.19**	-
Depreciation on assets disposed off during the year	-	(12.70)	(31.39)	-	-	(195.81)	**(239.90)**	-
Reversal of Impairment loss	-	-	-	-	-	-	-	(81.75)
Accumulated depreciation and impairment as at 31 March, 2023	**3.53**	**1,595.41**	**13,543.66**	**93.07**	**482.07**	**191.11**	**15,908.86**	**-**
Charge for the year	14.96	1,564.42	7,424.39	43.65	322.87	101.04	**9,471.33**	-
Depreciation on assets disposed off during the year	-	-	(231.82)	(2.60)	(217.71)	(59.73)	**(511.86)**	-
Impairment Loss	-	-	-	-	-	-	-	**110.67**
Accumulated depreciation and impairment as at 31 March, 2024	**18.49**	**3,159.83**	**20,736.23**	**134.12**	**587.23**	**232.42**	**24,868.33**	**110.67**
Carrying amount								
Balance as at 31 March, 2023	**5,854.64**	**19,971.79**	**41,410.29**	**277.02**	**704.11**	**579.29**	**68,797.13**	**3,933.93**
Balance as at 31 March, 2024	**5,839.68**	**18,684.62**	**37,987.28**	**320.93**	**1,487.01**	**743.19**	**65,062.70**	**4,875.94**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 3(a): Capital work-in progress

(A) Aging of capital work-in progress:

As at 31 March, 2024

	Amounts in capital work-in progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	2,746.63	2,084.27	73.96	-	4,904.86
(ii) Projects temporarily suspended	-	-	-	81.75	81.75
Less: Impairment loss	-	(28.92)	-	(81.75)	(110.67)
Total	**2,746.63**	**2,055.35**	**73.96**	**-**	**4,875.94**

As at 31 March, 2023

	Amounts in capital work-in progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	2,557.25	1,284.28	-	81.75	3,923.28
(ii) Projects temporarily suspended	-	-	-	10.65	10.65
Less: Impairment loss	-	-	-	-	-
Total	**2,557.25**	**1,284.28**	**-**	**92.40**	**3,933.93**

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

As at 31 March, 2024

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress					
Project A - Gas Fired Dryer	73.96	-	-	-	**73.96**
Project B - ISO Expansion project	1,997.72	-	-	-	**1,997.72**
Project C- Roof fitting	158.16	-	-	-	**158.16**
Project D - Server and network management	70.93	-	-	-	**70.93**
(ii) Projects temporarily suspended					
Project A - Purging Management	-	15.13	-	-	**15.13**
Project B - Slide Gate Management	-	66.62	-	-	**66.62**
Less: Impairment Loss	(28.92)	(81.75)	-	-	**(110.67)**
Total	**2,271.85**	**-**	**-**	**-**	**2,271.85**

As at 31 March, 2023

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress					
Project A - Purging Management	15.13	-	-	-	**15.13**
Project B - Slide Gate Management	66.62	-	-	-	**66.62**
Project C - Gas Fired Dryer	73.96	-	-	-	**73.96**
Project D - Electric Arc Furnace	33.60	-	-	-	**33.60**
(ii) Projects temporarily suspended					
Project E - Mixer	-	-	-	10.65	**10.65**
Total	**189.31**	**-**	**-**	**10.65**	**199.96**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 3(b): Leases

This note provides information for leases where the Group is a lessee. The Group has taken on lease offices, land, guest house and warehouses. There is no case where the Group is acting as a lessor.

Particulars	Note	As at 31 March, 2024	As at 31 March, 2023
(i) Amount recognised in balance sheet			
The balance sheet shows the following amounts relating to leases:			
Right-of-use assets			
Land		18,116.44	18,583.06
Buildings		3,839.07	1,008.48
Total		**21,955.51**	**19,591.54**
Lease Liabilities			
Current		915.95	1,036.20
Non-Current		11,491.22	8,628.63
Total		**12,407.17**	**9,664.83**

Addition to the right-of-use assets during the year were ₹ 3,881.77 lacs (31 March 2023: ₹ 731.87 lacs)

Addition on account of acquisition through business combination in right-of-use of assets of ₹ Nil (31 March 2023: ₹ 18,638.68 lacs) (Refer note 40A & B).

Addition on account of acquisition through business combination in lease liabilites of ₹ Nil (31 March 2023: ₹ 8,783.70 lacs) (Refer note 40A & B).

Particulars	Note	Year ended 31 March, 2024	Year ended 31 March, 2023
(ii) Amounts recognised in the statement of profit and loss			
The statement of profit and loss shows the following amounts relating to leases:			
Net Gain on retirement of right-of-use asset	20	96.28	-
Interest expense (included in finance costs)	25	763.80	229.10
Depreciation charge of right-of-use assets	26	708.96	317.36
Expense relating to short-term leases (included in other expenses)	27	441.59	370.62

The total cash outflow for leases for the year was ₹ 997.06 lacs (31 March 2023: ₹ 851.02 lacs)

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

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

(iv) Extension and Termination option:

Extension and termination options are included in a number of leases. Extension and termination options held are exercisable at mutual consent of lessor and lessee.

Note 4: Goodwill and Intangible assets

Particulars	Software	Customer relationships	Mining rights*	Total	Goodwill
Balance as at 1 April, 2022	**695.01**	-	-	**695.01**	-
Additions on account of acquisition through business combination (Refer note 40A & B)	874.11	109,228.33	269.76	**110,372.20**	194,419.16
Additions	9.76	-	-	**9.76**	-
Balance as at 31 March, 2023	**1,578.88**	**109,228.33**	**269.76**	**111,076.97**	**194,419.16**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Software	Customer relationships	Mining rights*	Total	Goodwill
Additions	94.06	-	-	**94.06**	-
Addition on account of measurement period adjustment relating to business combination(Refer note 40A & B)	-	5,674.68	-	**5,674.68**	(9,056.19)
Disposal	(59.41)	-	-	**(59.41)**	-
Balance as at 31 March, 2024	**1,613.53**	**114,903.01**	**269.76**	**116,786.30**	**185,362.97**
Accumulated amortisation					
Opening 1 April, 2022	131.60	-	-	**131.60**	-
Charge for the year	189.56	1,665.22	10.73	**1,865.51**	-
Impairment loss of goodwill (Refer note 28)	-	-	-	**-**	66,068.22
Balance as at 31 March, 2023	**321.16**	**1,665.22**	**10.73**	**1,997.11**	**66,068.22**
Charge for the year	367.49	7,667.56	33.22	**8,068.27**	-
Impairment loss of goodwill (Refer note 28)	-	-	-	**-**	32,577.63
Amortisation on assets disposed off during the year	(56.65)	-	-	**(56.65)**	-
Accumulated amortisation as at 31 March, 2024	**632.00**	**9,332.78**	**43.95**	**10,008.73**	**98,645.85**
Net Carrying amount					
Balance as at 31 March, 2023	**1,257.72**	**107,563.11**	**259.03**	**109,079.86**	**128,350.94**
Balance as at 31 March, 2024	**981.53**	**105,570.23**	**225.81**	**106,777.57**	**86,717.12**

*Refer note 15

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 5(a): Non-current investments		
Investments in government securities- measured at amortised cost		
Unquoted		
National Savings Certificates*	0.97	0.97
*The National Saving Certificates have been given to the sales tax department, as security		
Aggregate provision for impairment in the value of investments	-	-
Total	**0.97**	**0.97**
Aggregate amount of unquoted investments	**0.97**	**0.97**
Note 5(b): Other financial assets-non-current-unsecured, considered good		
Security deposits	515.78	142.66
Bank deposits with more than 12 months maturity*	594.59	393.77
Others	22.02	19.69
*Margin money against bank guarantee		
Total	**1,132.39**	**556.12**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 5(c): Trade receivables*

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade Receivables from contract with customer - billed	76,107.20	74,473.55
Trade Receivables from contract with customer - related Parties (Refer note 36(c))	7,603.32	2,421.03
Less: Allowance for doubtful debts	(2,020.02)	(1,334.48)
Total Receivables	**81,690.50**	**75,560.10**
Break-up of security details		
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	81,690.50	75,560.10
Trade receivables considered doubtful-unsecured	2,020.02	1,334.48
Total	**83,710.52**	**76,894.58**
Less: Loss Allowance	(2,020.02)	(1,334.48)
Total	**81,690.50**	**75,560.10**

*Includes foreign currency receivables amounting to ₹ 2,050.40 lacs as at 31 March, 2024 (31 March, 2023: ₹ 465.19 lacs) which are overdue for more than nine months. The Group has approached the authorised dealer, under the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015, to condone the delay and seeking permission of extension of time period for settlement of these balances. Pending resolution of this matter, no adjustments are considered necessary in these Consolidated Financial Statements.

Aging of trade receivables:

As at 31 March, 2024

	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	50,696.10	28,662.34	1,844.69	406.60	8.37	72.40	**81,690.50**
Considered doubtful	-	298.15	231.27	813.65	463.55	62.18	**1,868.80**
Disputed trade receivables							
Considered good	-	-	-	-	-	-	**-**
Considered doubtful	-	-	7.92	5.86	-	137.44	**151.22**
	50,696.10	**28,960.49**	**2,083.88**	**1,226.11**	**471.92**	**272.02**	**83,710.52**
Less: Allowance for doubtful debts	-	(298.15)	(239.19)	(819.51)	(463.55)	(199.62)	**(2,020.02)**
Total	**50,696.10**	**28,662.34**	**1,844.69**	**406.60**	**8.37**	**72.40**	**81,690.50**

As at 31 March, 2023

	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	43,802.21	30,223.82	1,203.09	179.91	18.17	132.89	**75,560.10**
Considered doubtful	-	69.80	101.77	679.55	171.92	231.34	**1,254.38**
Disputed trade receivables							
Considered doubtful	-	-	-	-	9.19	70.91	**80.10**
	43,802.21	**30,293.62**	**1,304.86**	**859.46**	**199.28**	**435.14**	**76,894.58**
Less: Allowance for doubtful debts	-	(69.80)	(101.77)	(679.55)	(181.11)	(302.25)	**(1,334.48)**
Total	**43,802.21**	**30,223.82**	**1,203.09**	**179.91**	**18.17**	**132.89**	**75,560.10**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 5(d): Cash and cash equivalents		
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
Total	**5,003.29**	**32,241.96**
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period		
Note 5(e): Bank balances other than cash and cash equivalents		
On dividend account	246.80	290.38
Fixed deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months*	75.91	64.64
Margin money with bank**	–	11.67
Total	**322.71**	**366.69**
* In previous year held as a lien by bank against sanction limit		
** Includes deposits pledged with banks for the purpose of bank guarantee		
Note 5(f): Other financial assets - current		
Interest accrued on deposits	55.02	75.31
Loans and advances to employees	97.85	78.80
Security deposits	16.67	12.90
Foreign exchange forward contracts	–	567.47
Total	**169.54**	**734.48**
Note 5(g): Contract assets		
Contract assets	26,833.43	32,475.10
Less: Loss allowance	(1,613.75)	(3,570.73)
Total	**25,219.68**	**28,904.37**

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Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 6: (a) Deferred tax liabilities (net)

Particulars	Brought Forward Losses & Accumulated Depreciation	Depreciation / Amortisation	Defined Benefit obligations	Allowances for doubtful debts	Transaction costs (stamp duty) on issue of shares	Merger Expenses	Others	Total
At 1 April, 2022	**-**	**(417.19)**	**317.57**	**158.07**	**120.93**	**230.71**	**182.87**	**592.96**
(Charged)/ Credited								
Addition on account of acquisition through business combination (Refer note 40)	106.76	(7,400.55)	472.85	4.91	-	-	82.18	(6,733.85)
- to statement of profit and loss	2,413.09	(2,238.45)	185.96	16.85	(22.67)	2.91	649.81	1,007.50
- to other comprehensive income	-	-	13.74	-	-	-	(7.25)	6.49
At 1 April, 2023	**2,519.85**	**(10,056.19)**	**990.12**	**179.83**	**98.26**	**233.62**	**907.61**	**(5,126.90)**
Add/(Less): Regrouped to deferred tax assets	**(2,501.94)**	**6,109.84**	**(518.69)**	**(33.39)**	**-**	**-**	**(636.80)**	**2,419.02**
(Charged)/ Credited								
- Measurement period adjustment relating to business combination	-	1,198.31	-	-	-	-	-	1,198.31
- to statement of profit and loss	(17.91)	(775.44)	137.33	269.81	(6.14)	(35.25)	120.01	(307.59)
- to other comprehensive income	-	-	4.12	-	-	-	-	4.12
As at 31 March, 2024	**-**	**(3,523.48)**	**612.88**	**416.25**	**92.12**	**198.37**	**390.82**	**(1,813.04)**

Note 6: (b) Deferred tax assets (net)

Particulars	Brought Forward Losses & Accumulated Depreciation	Depreciation / Amortisation	Defined Benefit obligations	Allowances for doubtful debts	Transaction costs (stamp duty) on issue of shares	Merger Expenses	Others	Total
At 1 April, 2023	-	-	-	-	-	-	-	-
Add/(Less): Regrouped from deferred tax liabilities	2,501.94	(6,109.84)	518.69	33.39	-	-	636.80	**(2,419.02)**
(Charged)/ Credited								
- to statement of profit and loss	1,745.98	(1,460.72)	43.68	151.72	-	-	320.74	**801.40**
- to other comprehensive income	-	-	40.44	-	-	-	-	**40.44**
- Measurement period adjustment relating to business combination	-	3,723.25	-	-	-	-	-	**3,723.25**
- Others	-	13.18	-	-	-	-	-	**13.18**
As at 31 March, 2024	**4,247.92**	**(3,834.13)**	**602.81**	**185.11**	**-**	**-**	**957.54**	**2,159.25**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 7: Other Assets		
Unsecured, considered good unless otherwise stated		
Non-current		
Capital Advances	671.77	506.29
Security deposits	704.91	710.83
Advances to income tax {(Net of provision of ₹ 53,101.27 lacs (31 March, 2023 ₹ 44,537.39 lacs)}	1,351.99	1,771.86
Balances with Government Authorities {includes amounts paid under protest ₹ 116.35 lacs (31 March, 2023 ₹ 38.16 lacs)}	293.33	216.37
Prepaid expenses	33.39	48.36
Total	**3,055.39**	**3,253.71**
Current		
Prepaid expenses*	6,321.22	8,966.69
Deferred share issue expenses**	–	2,269.02
Balance with government authorities	282.38	180.36
Goods and Services tax input credit recoverable	7,781.09	7,046.39
Advances to creditors	2,060.72	1,749.37
Export incentives receivable (government grant)		
– Considered good	324.53	845.99
– Considered doubtful	21.30	9.77
	345.83	855.76
Less: Allowance for doubtful export incentives receivable	(21.30)	(9.77)
	324.53	845.99
Others	109.37	5.24
Total	**16,879.31**	**21,063.06**

*Note: According to the Business Transfer Agreement (BTA) dated November 19, 2022, the Group has acquired mines and it's related rights which will be transferred to the Group, no later than 18 months from the Closing date as defined in the said BTA, subject to necessary government approvals (Refer note 40B). Subsequent to year end, the Group has amended the BTA and the period to get the mines transferred has been extended to 24 months from the closing date. Upon transfer of mining license to the Group, the prepayments shall be reclassified as Intangible assets.

**In the previous year, the Group incurred expenses towards Qualified Institutional Placement (QIP) of equity shares and the qualifying expenses attributable to the offering of equity shares were recognised as other current assets. The amount has been adjusted against the securities premium account after issuance of the equity share. Refer note 9(b)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 8: Inventories		
Raw materials {including goods in transit of ₹ 1,074.01 lacs (31 March, 2023: ₹ 980.83 lacs)}	41,849.06	35,303.11
Work-in-progress	7,596.26	7,079.02
Finished goods {including goods in transit of ₹ 186.31 lacs (31 March, 2023: ₹ Nil)}	17,965.43	22,911.73
Traded goods {including goods in transit of ₹ 1,492.30 lacs (31 March, 2023: ₹ 7,786.79 lacs)}	15,841.85	24,211.61
Stores and spares {including goods in transit of ₹ 78.64 lacs (31 March, 2023: ₹ Nil)}	7,279.24	6,114.41
Total	**90,531.84**	**95,619.88**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Amount recognised in the Consolidated Statement of Profit and Loss

Provisions for slow moving/obsolete inventory along with write downs of inventories to net realisable value amounted to ₹ 1,047.40 lacs (31 March, 2023: ₹ 434.55 lacs). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods in the Consolidated Statement of Profit and Loss.

Particulars	Number of Shares	Amount
Note 9(a): Equity share capital		
Authorised equity share capital		
308,000,000 equity shares (31 March, 2023 - 308,000,000) of ₹ 1 each	308,000,000	3,080.00
Issued, subscribed and fully paid up share capital		
206,501,426 equity shares (31 March, 2023 - 187,996,331) of ₹ 1 each	206,501,426	2,065.01

(i) Movement in equity share capital

Authorised

Particulars	Number of shares	Amount
Balance as at 1 April, 2022	308,000,000	3,080.00
Change during the year	-	-
Balance as at 31 March, 2023	**308,000,000**	**3,080.00**
Change during the year	-	-
Balance as at 31 March, 2024	**308,000,000**	**3,080.00**
Issued, subscribed and fully paid up share capital		
Balance as at 1 April, 2022	160,996,331	1,609.96
Add: Shares issued during the year ended 31 March 2023 (Refer note 40 B)	27,000,000	270.00
Balance as at 31 March, 2023	**187,996,331**	**1,879.96**
Balance as at 1 April, 2023	187,996,331	1,879.96
Add: Shares issued during the year ended 31 March 2024 (Refer note 45 & 46)	18,505,095	185.05
Balance as at 31 March, 2024	**206,501,426**	**2,065.01**

Terms and rights attached to equity shares

Equity share has a par value of ₹ 1. They entitle the holder to participate in dividend, and to share in the proceeds of winding up of the Company in proportion to number of and amounts paid on shares held.

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

(ii) Shares of the Company held by the intermediate holding company through its subsidiaries

	Number of equity shares	
	As at 31 March, 2024	As at 31 March, 2023
Veitscher Vertriebsgesellschaft m.b.H., Austria (intermediate holding company)	-	-
Subsidiaries of intermediate holding company		
Dutch US Holding B.V., Netherlands	82,667,832	79,877,771
Dutch Brasil Holding B.V., Netherlands	20,620,887	20,620,887

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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

	Number of equity shares	
	As at 31 March, 2024	As at 31 March, 2023
Dutch US Holding B.V., Netherlands	82,667,832	79,877,771
Dalmia Bharat Refractories Limited (Refer note 40B)	27,020,000	27,000,000
Dutch Brasil Holding B.V., Netherlands	20,620,887	20,620,887
VRD Americas B.V., Netherlands	12,503,807	12,503,807

	Percentage of shares held	
Dutch US Holding B.V., Netherlands	40.03%	42.49%
Dalmia Bharat Refractories Limited (Refer note 40B)	13.08%	14.36%
Dutch Brasil Holding B.V., Netherlands	9.99%	10.97%
VRD Americas B.V., Netherlands	6.06%	6.65%

(iv) Aggregate number of shares issued for consideration other than cash (Refer note 40B)

	As at 31 March, 2024	As at 31 March, 2023
Shares issued under share swap agreement with Dalmia Bharat Refractories Limited	27,000,000	27,000,000
Shares issued as per the scheme of amalgmation of the Company with its erstwhile two fellow subsidiaries	40,857,131	40,857,131

(v) Details of shareholding of promoters

As at 31 March, 2024

Name of Promoter	Number of shares at beginning of year	Change during the year*	Number of shares at the end of year	Percentage of total number of shares at the end of year	Percentage change during the year
Dutch US Holding B.V., Netherlands	79,877,771	2,790,061	82,667,832	40.03%	(2.46%)
Dutch Brasil Holding B.V., Netherlands	20,620,887	-	20,620,887	9.99%	(0.98%)
VRD Americas B.V., Netherlands	12,503,807	-	12,503,807	6.06%	(0.59%)

*Refer note 46

As at 31 March, 2023

Name of Promoter	Number of shares at beginning of year	Change during the year	Number of shares at the end of year	Percentage of total number of shares at the end of year	Percentage change during the year
Dutch US Holding B.V., Netherlands	79,877,771	-	79,877,771	42.49%	(7.13%)
Dutch Brasil Holding B.V., Netherlands	20,620,887	-	20,620,887	10.97%	(1.84%)
VRD Americas B.V., Netherlands	12,503,807	-	12,503,807	6.65%	(1.12%)

The percentage change disclosed in the above table is absolute change in the shareholding of the respective promoters during the year as compared to their opening balance.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars		As at 31 March, 2024	As at 31 March, 2023
Note 9(b): Other equity			
Securities premium		350,955.12	243,110.30
General reserve		8,681.48	8,681.48
Capital reserve		1,465.71	1,465.71
Retained earnings		21,404.76	33,966.01
Total		**382,507.07**	**287,223.50**
(i)	**Securities Premium**		
	Opening balance	243,110.30	6,493.97
	Add: Securities Premium on issue of shares (net of expense incurred of ₹ 2,309.34 lacs and interest earned of ₹ 339.22 lacs parked in short term deposits) (Refer note 45 & 46)	107,844.82	-
	Add: Securities Premium on issue of shares (Refer note 40)	-	236,616.33
	Closing balance	**350,955.12**	**243,110.30**
(ii)	**General Reserve**		
	Opening balance	8,681.48	8,681.48
	Closing balance	**8,681.48**	**8,681.48**
(iii)	**Capital Reserve**		
	Opening balance	1,465.71	1,465.71
	Balance transferred from reserve during the year	-	-
	Closing balance	**1,465.71**	**1,465.71**
(iv)	**Retained earnings**		
	Opening balance	33,966.01	84,620.90
	Net loss for the year	(10,044.56)	(46,610.54)
	Remeasurements of post employment benefit obligation, net of tax	(132.57)	(19.44)
	Transaction with Non-controlling interest (Refer note 43 (c))	2,778.42	-
	Dividend paid	(5,162.54)	(4,024.91)
	Closing balance	**21,404.76**	**33,966.01**

Nature and purpose of Reserves:

Securities premium

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

General reserve

General reserve represents profits transferred from retained earnings from time to time to general reserve for appropriate purposes based on the provisions of the erstwhile Companies Act, 1956. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. It can be utilised in accordance with the provisions of the Companies Act, 2013.

Capital Reserve

Capital reserve is the difference between the consideration and the Share Capital of the erstwhile fellow subsidiaries on 01 April, 2019.

Retained earnings

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

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 10: Borrowings		
Non Current - unsecured		
External Commercial Borrowings	24,478.76	23,389.59
Term Loan from Bank*	877.19	1,319.72
Less: Current maturities of long term borrowings	(535.23)	(440.00)
Less: Interest accrued (included in current borrowings)	(1,113.16)	(76.49)
Total	**23,707.56**	**24,192.82**
Current - secured		
Cash Credit**	82.22	4,630.55
Buyers Credit***	-	837.36
Current - unsecured		
Current maturities of External Commercial Borrowings {including accrued interest of ₹ 1,203.54 lacs (31 March, 2023 - ₹ 66.73 lacs)}	7,449.74	6,280.74
Current maturities of Term Loan from Bank {including accrued interest of ₹ 7.23 lacs (31 March, 2023 - 9.76 lacs)}*	535.23	449.76
Loan from Bank (including accrued interest of ₹ Nil (31 March, 2023 - 12.92 lacs))****	-	102,874.30
Working Capital loan from bank*****	3,734.99	10,000.00
Cash Credit (including accrued interest of ₹ 0.11 lacs (31 March, 2023 - ₹ Nil))**	748.73	-
Total	**12,550.91**	**125,072.71**

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

External Commercial Borrowings - Current : External commercial borrowing of EUR 3,000,000 was taken from the VRD Americas B.V. Netherland (fellow subsidiary) during the financial year 2014-15 which carries interest at applicable 6 month Euribor plus 200 basis points. It was repayable in single installment of EUR 3,000,000 on 31 December 2022. The repayment date has been extended to 31 December 2024 on mutual agreement of both the parties.

External Commercial Borrowings - Current: External commercial borrowing of EUR 3,950,000 was taken from the VRD Americas B.V. Netherland (fellow subsidiary) during the financial year 2016-17 which carries interest at applicable 6 month Euribor plus 150 basis points. It was originally repayable in single installment of EUR 3,950,000 as on 31 December 2023. The repayment date has been extended to 31 December, 2024 on mutual agreement of both the parties.

External Commercial Borrowings - Non Current: External commercial borrowing of EUR 26,000,000 was taken from the RHI Magnesita GMBH during the financial year ended 31 March 2023, which carries interest at applicable 6 month Euribor plus 230 basis points. It is repayable in 10 half-yearly installments starting from 30th June, 2025.

***Term Loan from Bank** amounting to ₹ 877.19 lacs 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 ₹ 66 lacs to ₹ 132 lacs.

****Cash Credit** amounting to ₹ 82.22 Lacs from bank is secured by hypothecation of stock of raw material, semi finished goods, finished goods, store and spares book debts and movable assets with bank and carries interest rate in the range of 9.18% p.a. to 10.50% p.a and repayable on demand. Cash credit amounting to ₹ 748.73 lacs is due to Deutche Bank A.G. having total credit facility available amounting to Euro 12,000,000 which carries interest rate of 8.68% and repayable on demand.

Previous year, Cash Credit amounting to ₹ 2,140.00 lacs from bank was taken which was secured by hypothecation of all current assets and all movable assets by way of first pari passu charge with bank and carries interest rate in the range of 8.5% p.a. to 9.3% p.a.

Previous year, Cash Credit amounting to ₹ 2,490.55 lacs from bank was taken which was secured by hypothecation of all current assets by way of first pari passu charge with bank and carries interest rate in the range of 8.5% p.a. to 9.3% p.a.

*****Buyer's credit** amounting to ₹ 837.36 lacs from bank was taken in previous year which was secured by hypothecation of all current assets and all movable assets by way of first pari passu charge with bank and carried interest rate in the range of 8.5% p.a. to 9.3% p.a.

******Loan from bank:** During the previous year, the Group has taken loan from The Hongkong and Shanghai Banking Corporation Limited Bank (HSBC) for 12 months of ₹ 61,500 lacs which carries interest at Benchmark rate plus margin; where Benchmark rate was T-bill (1 month) and Margin is 2%, which will further increase by 25 basis points every three months. The loan was repayable after 12 months from first utilisation date and partial repayment was also allowed. The Group has prepaid the loan in current financial year.

Short term loan of ₹ 48,500 lacs was taken during the previous year ended 31 March, 2023 from bank for working capital purposes which was guaranteed by RHI Magnesita N.V. (Ultimate holding company). The loan carried interest at applicable One Month T-Bill rate plus Margin (range of 8% p.a. to 9 % p.a). It was repayable in single instalment in 12 months. The Group has repaid the loan in the current year.

*******Working capital** loan of ₹ 3,734.99 lacs is outstanding as at 31 March, 2024. The loan carries interest in the range of 8.50% p.a. to 9.30% p.a. The loan is repayble on demand.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Net debt reconciliation		
Cash and cash equivalents	5,003.29	32,241.96
Non-current borrowings	(23,707.56)	(24,192.82)
Current borrowings	(12,550.91)	(125,072.71)
Lease liabilities	(12,407.17)	(9,664.83)
Net debt	**(43,662.35)**	**(126,688.40)**
Note 11: Other liabilities - non-current		
Deposit from employees	190.77	158.08
Total	**190.77**	**158.08**

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 12: Trade payables*		
Trade payables: Micro enterprises and small enterprises (Refer note 38)	8,441.60	9,457.46
Trade payables: Others	49,840.04	74,922.75
Total	**58,281.64**	**84,380.21**

*Includes foreign currency trade payables amounting to ₹ 11,525.14 lacs as at 31 March, 2024 (31 March, 2023: ₹14,404.18 lacs) which are overdue for more than 180 days. The Group has approached the authorised dealer, under the Foreign Exchange Management (Import of Goods and Services) Regulations, 2015, to condone the delay and seeking permission of extension of time period for settlement of these balances. Pending resolution of this matter, no adjustments are considered necessary in these Consolidated Financial Statements.

Aging of trade payables

As at 31 March, 2024

Particulars	Not Due*	Outstanding for following periods from the due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Micro enterprises and small enterprises	7,603.61	754.83	72.08	2.72	8.34	**8,441.60**
Others	25,555.87	20,417.90	2,795.04	371.68	699.55	**49,840.04**
Total	**33,159.48**	**21,172.73**	**2,867.12**	**374.40**	**707.89**	**58,281.64**

As at 31 March, 2023

Particulars	Not Due*	Outstanding for following periods from the due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Micro enterprises and small enterprises	8,497.82	944.56	6.66	7.59	0.83	**9,457.46**
Others	41,066.13	31,765.43	1,274.45	563.85	252.89	**74,922.75**
Total	**49,563.95**	**32,709.99**	**1,281.11**	**571.44**	**253.72**	**84,380.21**

* **Includes Unbilled**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 13: Other financial liabilities - current		
Unpaid dividend	246.80	290.38
Employee benefits payable	4,936.78	3,409.97
Payables on purchase of property, plant and equipment	690.54	935.49
Payable towards business acquisition	419.50	23,610.64
Others	81.13	1,840.50
Total	**6,374.75**	**30,086.98**
Note 14: Contract Liabilities		
Advances from customers	797.72	3,146.75
Total	**797.72**	**3,146.75**
Note 15: Provisions		
Non - Current		
Provision against asset retirement obligation	286.46	281.07
Total	**286.46**	**281.07**
Movement in provision is set out below:-		
Balance at the beginning of the year	281.07	-
Additions on account of acquisition through business combination (Refer note 40B)	-	274.32
Unwinding of discount (Refer note 25)	5.39	6.75
Balance at the end of the year	**286.46**	**281.07**
Current		
Provision for unspent corporate social responsibility expenditure as at year end (Refer note 27(b))	38.77	233.55
Total	**38.77**	**233.55**
Movement in provision is set out below:-		
Balance as at beginning of the year	233.55	291.08
Add: Expense recognised in Statement of Profit and Loss during the year (Refer note 27)	587.77	488.71
Less: Amount spent during the year	782.55	546.24
Balance as at end of the year	**38.77**	**233.55**

Note 16: Employee benefit obligations

	As at 31 March, 2024	As at 31 March, 2023
Non Current		
(i) Gratuity	1,045.29	871.46
	1,045.29	**871.46**
Current		
(i) Leave obligations	1,907.01	1,353.70
(ii) Gratuity	766.52	638.37
Total	**2,673.53**	**1,992.07**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(i) Leave obligations

The leave obligation cover the Group's liability for earned leave and sick leave.

The entire amount of provision of ₹ 1,907.01 Lacs (31 March, 2023 - ₹ 1,353.70 Lacs) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to avail the full amount of accrued leaves or require payment for such leave within the next 12 months.

	As at 31 March, 2024	As at 31 March, 2023
Leave obligation not expected to be settled within the next 12 months	**1,606.07**	**1,265.27**

(ii) Post employment benefits

(a) Defined Contribution Plan:

The Group has certain defined contribution plans including provident fund, employee state insurance and national pension scheme. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. Contributions are made to employees state insurance for employees at the rate of 3.25% of basic salary as per regulations. Defined contributions are made to national pension fund.The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards contribution to provident and other fund is:

	Year ended 31 March, 2024	Year ended 31 March, 2023
Contribution to provident and other funds:		
Contribution to Employee state insurance	30.00	32.95
Contribution to Provident fund	1,155.31	681.05
Contribution to National pension scheme	61.60	55.38
	1,246.91	**769.38**

(b) Defined Benefit Plan - Gratuity:

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

Name of the fund	Held by the Legal Entity	As at 31 March, 2024	As at 31 March, 2023
RHI Magnesita India Employees Group Gratuity Trust through Kotak Gratuity Group Plan	RHI Magnesita India Limited	1,973.12	1,639.87
Group gratuity plan with Life Insurance Corporation of India	RHI Magnesita India Limited	56.57	49.11
RHI Magnesita India Employees Group Gratuity Trust, erstwhile RHI India Private Limited Group Gratuity Trust with Life Insurance Corporation of India	RHI Magnesita India Limited	266.18	239.05
HCPL Employees Group Gratuity Scheme with SBI Life Insurance Company	RHI Magnesita India Limited	-	270.93
Gratuity Fund Trust with an insurance policy with Life Insurance Corporation of India.	RHI Magnesita India Refractories Limited (Formerly known as Dalmia OCL Limited)	703.44	670.71
Managed by Intermetal Engineers (India) Private Limited Employee Group Gratuity Scheme through Life Insurance Corporation of India ('LIC') Gratuity Group Plan	Intermetal Engineers (India) Private Limited	19.78	16.74
	Total	**3,019.09**	**2,886.41**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

		As at 31 March, 2024	As at 31 March, 2023
		Gratuity - Funded	
A.	**Changes in Defined Benefit Obligation**		
	Defined benefit obligation as at the beginning of the year	4,396.24	2,043.32
	Acquisition adjustment (Refer note 40A & B)	-	1,893.53
	Current service cost	481.28	274.53
	Interest cost	325.32	182.43
	Past Service Cost including curtailment gains/losses	-	211.30
	Benefit paid	(515.15)	(149.26)
	Actuarial loss/(gain) on obligation	143.21	(59.61)
	Defined Benefit Obligation at end of year	**4,830.90**	**4,396.24**
	Change in fair value of plan assets		
	Fair value of plan assets at beginning of the year	2,886.41	1,705.77
	Acquisition adjustment (Refer note 40A & B)	-	939.49
	Expected return on plan assets	213.90	139.03
	Employer contribution	220.84	310.20
	Benefit payments from plan assets	(268.19)	(122.72)
	Actuarial loss on plan assets	(33.87)	(85.36)
	Fair value of plan assets at end of year	**3,019.09**	**2,886.41**
	Net defined benefit (asset)/liability		
	Present value of obligation at the end of the year	4,830.90	4,396.24
	Fair value of plan assets at the end of the year	3,019.09	2,886.41
	Unfunded liability/provision in Balance Sheet	**1,811.81**	**1,509.83**
	Total expense recognised in the statement of profit and loss		
	Current service cost (including Past Service Cost and curtailment Gains/(losses))	481.28	485.83
	Interest cost on defined benefit obligation	325.32	182.43
	Interest income on plan assets	(213.89)	(139.03)
	Total Expense recognised under employee benefits expense (Refer note 24)	**592.71**	**529.23**
	Total expense recognised in OCI		
	Actuarial (Gain) /Loss on defined benefit obligation arising from change in financial assumption	295.38	(30.21)
	Actuarial (Gain) / Loss on defined benefit obligation arising from experience adjustment	(47.41)	(29.40)
	Actuarial (Gain) / Loss due to Demographic Assumption changes	(104.76)	-
	Actuarial loss of plan assets	33.87	85.36
	Unrecognised actuarial loss at the end of year	**177.08**	**25.75**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(B) Actuarial Assumptions:

		As at 31 March, 2024	As at 31 March, 2023
i)	Discounting Rate	6.95%	7.38%
ii)	Future Salary Increase	10% for 2 Years, 8% thereafter	4.5% to 8%
iii)	Retirement Age (Years)	58 to 60	58 to 60
	Ages	**Withdrawal Rate %**	
	Up to 30 Years	5% to 10%	3% to 5%
	From 31 to 44 years	5% to 10%	2% to 5%
	Above 44 years	5% to 10%	1% to 5%

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

(C) Expected contribution for the next 12 months

i)	Service cost	450.23	475.59
ii)	Net Interest cost	114.68	109.82
iii)	**Expected contribution for the next 12 months**	**564.91**	**585.41**

(D) The weighted average duration of the defined benefit obligation is 6.04 years (31 March 2023 — 16.03 years). The expected maturity analysis of undiscounted gratuity benefit is as follows:

Maturity profile of Defined Benefit Obligation			
Years :			
i)	0 to 1 Year	622.82	293.73
ii)	1 to 2 Year	697.24	301.94
iii)	2 to 3 Year	636.00	386.16
iv)	3 to 4 Year	685.57	386.49
v)	4 to 5 Year	523.63	330.16
vi)	5 to 6 Year	502.63	322.73
vii)	6 Year onwards	4,009.47	6,502.83
Total		**7,677.36**	**8,524.04**

(E) Sensitivity analysis on defined benefit obligation

		As at 31 March, 2024	As at 31 March, 2023
Discount rate			
a.	Discount rate - 0.5% to 1% - the liability to increase by	163.43	203.11
b.	Discount rate + 0.5% to 1% - the liability to decrease by	(154.13)	(188.21)
Salary increase rate			
a.	Rate - 0.5% to 1% - the liability to decrease by	(150.82)	(184.43)
b.	Rate + 0.5% to 1% - the liability to increase by	158.44	195.94

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

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(F) Risk Exposures:

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

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

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

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

(G) Defined benefit liability and employer contribution

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
Note 17: Current tax liabilities		
Provision for income tax {(Net of Advance to Income Tax of ₹ 222.44 lacs (31 March, 2023 ₹ Nil)}	2.65	-
Total	**2.65**	**-**
Note 18: Other current liabilities		
Statutory dues (Contribution to Provident Fund and Employee State Insurance, Goods and Services Tax etc)	2,543.59	1,603.77
Deposits from employees	15.64	22.57
Security deposits	518.80	380.25
Other payables	3,733.34	2,801.76
Total	**6,811.37**	**4,808.35**

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Note 19: Revenue from operations (Refer note 39)		
Revenue from contracts with customers		
- Sales of products		
(i) Finished goods	197,201.94	119,134.79
(ii) Traded goods	46,862.55	30,401.64
- Total Refractories Management Services	123,048.88	114,193.55
- Sale of services	6,346.11	5,246.51
	373,459.48	**268,976.49**
Other operating revenues	4,650.92	3,650.16
Total	**378,110.40**	**272,626.65**
Note 20: Other income		
Interest income on financial assets on amortised cost:		
- on bank deposits	297.20	377.71
- on others	110.66	143.88
Net Gain on retirement of right-of-use (Refer note 3(b))	96.28	-
Liabilities / provisions no longer required written back	134.19	108.76
Insurance claim	200.22	380.55
Miscellaneous income	257.71	476.72
Total	**1,096.26**	**1,487.62**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Note 21: Cost of raw materials and components consumed		
Opening stock	35,303.11	20,398.32
Additions on account of acquisition through business combination (Refer note 40)	-	27,936.26
Addition on account of measurement period adjustment relating to business combination (Refer note 40)	13.96	-
Add: Purchases	148,408.92	90,237.77
	183,725.99	138,572.35
Less: Closing stock	41,849.06	35,303.11
Total	**141,876.93**	**103,269.24**
Note 22:		
Purchases of stock-in-trade (traded goods)	68,984.61	71,200.15
Total	**68,984.61**	**71,200.15**
Note 23: Change in inventories of finished goods, work in-progress and traded goods		
Inventories at the end of the year		
Work in progress	7,596.26	7,079.02
Finished goods	17,965.43	22,911.73
Traded goods	15,841.85	24,211.61
	41,403.54	**54,202.36**
Inventories at the beginning of the year		
Work in progress	7,079.02	4,041.84
Additions on account of acquisition through business combination (Refer note 40)	-	4,531.70
Finished goods	22,911.73	12,722.26
Additions on account of acquisition through business combination (Refer note 40)	-	7,636.23
Addition on account of measurement period adjustment relating to business combination (Refer note 40A)	134.00	-
Traded goods	24,211.61	21,242.55
Additions on account of acquisition through business combination (Refer note 40)	-	251.64
	54,336.36	**50,426.22**
Total	**12,932.82**	**(3,776.14)**
Note 24: Employee benefits expense		
Salaries, wages and bonus	33,566.74	18,026.11
Contribution to provident fund & others (Refer note 16)	1,246.91	769.38
Gratuity (Refer note 16)	592.71	529.23
Leave obligation	682.06	369.23
Staff welfare expenses	1,348.94	685.64
Total	**37,437.36**	**20,379.59**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Note 25: Finance cost		
Interest expense:		
– on external commercial borrowings	1,887.06	238.89
– on term loan	101.23	–
– on short term loan	551.70	1,212.56
– on bank loan	638.55	1,233.66
– on cash credit, buyer credit & working capital loan	948.89	274.61
– on bills discounting	159.34	228.92
– unwinding discount	5.39	6.75
– net exchange differences on foreign currency borrowings	889.24	479.64
Interest expenses on lease liabilities	763.80	229.10
Interest expense on Micro enterprises and small enterprises	407.97	–
Others	62.15	42.61
Total	**6,415.32**	**3,946.74**
Note 26: Depreciation and amortisation expense		
Depreciation on property, plant and equipment	9,471.33	4,907.19
Depreciation charge of right-of-use assets	708.96	317.36
Amortisation of intangible assets	8,068.27	1,865.51
Total	**18,248.56**	**7,090.06**
Note 27: Other expenses		
Consumption of stores and spare parts	4,990.88	3,796.26
Consumption of packing materials	4,862.16	3,728.69
Power and fuel	12,510.29	8,413.48
Processing charges	10,720.61	7,567.07
Rent (Refer note 3(b) & 34(b))	441.59	370.62
Repairs and maintenance		
– Plant and machinery	2,484.10	993.78
– Buildings	385.87	34.54
– Others	247.57	180.59
Insurance	1,189.09	580.35
Rates and taxes	285.72	3,311.93
Communication costs	223.97	164.72
Travelling and conveyance	2,181.75	1,346.60
Printing and stationery	45.35	45.09
Freight and forwarding	6,005.41	4,511.76
Advertising and other expenses	386.40	254.00
Expenditure on corporate social responsibility (Refer note 27(b))	587.77	488.71
Legal and professional fees (Refer note 27(a))	3,581.97	2,101.28
Royalty	2,899.00	2,957.05
Directors sitting fees	28.60	35.00

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Bad debts written off	975.71	1,020.35
Allowance for doubtful debts - trade receivables (Net)	685.54	96.03
Allowance for doubtful debts - contract assets (Net)	504.13	7.36
Allowance/(writeback) for doubtful export incentives receivable (Net)	11.53	-
Net foreign exchange differences	1,196.25	1,803.31
Loss on property, plant and equipment sold / scrapped (Net)	730.21	45.21
Bank charges	130.83	70.17
Impairment (reversal) / loss on capital work-in-progress	110.67	(81.75)
Information & technology expenses	1,752.35	1,081.60
Amortisation of Mines	1,118.92	-
Miscellaneous expenses	1,009.78	642.57
Total	**62,284.02**	**45,566.37**
Note 27 (a): Legal & professional include Payment to Auditors as under : -		
Payment to auditor (excluding GST) comprise*		
a) To statutory auditor		
- for audit	234.19	205.82
- for limited review	53.19	28.19
- for certificate	1.25	1.25
- reimbursement of expenses	16.17	8.03
- for other matters	2.40	0.71
b) To cost auditor for cost audit	0.90	0.75
Total	**308.10**	**244.75**

*Payment to auditors for the year ended 31 March 2023 does not include fees amounting to ₹ 189 lacs for Qualified Institutional Placement (QIP) of Equity shares which has not been expensed in the statement of profit and loss (Refer note 7 & 45)

Particulars		Year ended 31 March, 2024	Year ended 31 March, 2023
Note 27 (b): Expenditure on Corporate Social Responsibility (CSR)			
a)	Gross amount required to be spent by the Group during the year	584.96	488.71
b)	Cumulative provision for unspent expenditure at the beginning of the year (Refer note 15)	233.55	291.08
c)	Amount spent during the year on:		
	i) Construction/ acquisition of any asset	-	-
	ii) On purposes other than (i) above	782.55	546.24
d)	Provision for unspent expenditure for the year	9.77	233.55
e)	Cumulative provision for unspent expenditure as at year end# (Refer note 15)	38.77	233.55

Reason for shortfall in the current year

The scope of work for the CSR ongoing project was not fully completed. As a result, ₹ 8.98 lacs has been allocated towards an ongoing project. This amount has been transferred to the unspent CSR account on 25 April 2024 and will be utilized in accordance with the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder. Remaining amount of ₹ 0.79 lacs has been deposited in the PM Care Fund on 04 April, 2024.

Per sub-section (5) of Section 135 of the Act, the Group was required to transfer unspent Corporate Social Responsibility expenditure for the year ended 31 March, 2024 in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act, the time period of such transfer, i.e., six months of the expiry of the financial year end as permitted under the second proviso to sub-section (5) of Section 135 of the

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Act. The amount was deposited before the date of approval of Consolidated Financial Statement in previous year in Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) in compliance with the provisions of Section 135 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and schedule VII of Companies Act, 2013. Details are as given below.

Financial year (a)	Amount to be spent in accordance with section 135(5) (b)	Amount remaining unspent as at the year-end to be transferred to fund under Schedule VII (c)	Amount transferred to fund for ongoing projects within 1 month from end of financial year (d)	Amount transferred to Fund under Schedule VII, within 6 months from end of financial year (or till the approval of these Consolidated Financial Statements, if that is earlier) (e)	Amount transferred to Fund under Schedule VII, after 6 months from end of financial year (till the approval of these Consolidated Financial Statements) (f)	Amount not transferred to Fund under Schedule VII, till the approval of these Consolidated Financial Statements but the period of six months from the end of the financial year has not lapsed (g)
2022-23	488.71	34.10	199.45	34.10	-	-
2023-24	584.96	0.79	8.98	-	-	-

Cumulative provision for unspent expenditure as at 31 March, 2024 includes ₹ 29.00 lacs relating to previous year.

Note 28: Impairment loss of goodwill

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Impairment loss of goodwill	32,577.63	66,068.22
Total	**32,577.63**	**66,068.22**

During the year ended 31 March, 2023, the Group has acquired the Indian refractory business of Dalmia Bharat Refractories Limited (DBRL), resulting in recognition of goodwill amounting to ₹ 1,50,169.05 lacs as the excess of consideration over the fair value of the net assets acquired. During the year ended 31 March, 2023, the Group has also acquired the refractory business of Hi-Tech Chemicals Limited by way of a slump sale on a going concern basis resulting in recognition of goodwill amounting to ₹ 31,091.69 lacs as excess of purchase consideration over the fair value of net assets.

The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired. The Group identifies each legal entity as a single Cash Generating Unit (CGU) under Ind AS 36 which is also the single operating and reportable segment. Hence, for impairment testing, goodwill acquired through business combination is monitored by the management at the Company level as the single CGU. Refer Note 1 for details of legal entities considered as CGU.

In context of goodwill pertaining to RHI Magnesita India Limited ("RHIM") amounting to ₹ 31,091.69 the Group considers each Company as a single cash generating unit. The recoverable amount of the cash generating unit is being considered more than the carrying value of the goodwill as the profit before exceptional items of the current year is more than the carrying value of the goodwill. Accordingly, the management expects that detailed discounted cashflow model working is not required.

During the previous year, for determining goodwill on the acquisition date, the management has considered the acquisition date fair value of equity shares issued by RHI Magnesita India Limited (i.e. the quoted price on the date of acquisition) which is significantly higher than the equity share issue price as agreed in the Business transfer agreement read with share swap agreement dated 19 November 2022, and has resulted in a significant notional increase in the amount of goodwill. Accordingly, based on the conservative view and on comparison of the recoverable amount of CGU with the carrying value as on 31 March, 2023, the group has recognized impairment loss amounting to ₹ 66,068.22 lacs. This loss has been disclosed as a separate line item in statement of profit and loss.

During the current year, the management has tested the goodwill for impairment as on 31 March, 2024 and based on comparison of the recoverable amount of CGU with the carrying value, the Group has recognised an impairment loss amounting to ₹ 32,577.63 lacs. This loss has been disclosed as a separate line item in Statement of Profit and Loss.

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

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Significant estimate: key assumptions used for value-in-use calculations

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

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

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Discount rate (Weighted average cost of capital)	12.30%	13.50%
Growth rate (for terminal value)	5.00%	5.00%

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

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

Impact of possible changes in the key assumptions

Assumption	Impact
Discount rate (Weighted average cost of capital)	If discount rate (weighted average cost of capital) increases by 50 bps, then it would have impact of ₹ 13,323.73 lacs on impairment of goodwill.
Growth rate for terminal value	If growth rate for terminal value decreases by 50 bps, then it would have impact of ₹ 9,088.12 lacs on impairment of goodwill.

Note 29: Income tax expense

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Income Tax Expense		
Current tax		
Current tax on profits for the year	9,080.00	7,857.69
Adjustments for current tax of prior periods	(125.84)	85.07
Total current tax expense	**8,954.16**	**7,942.76**
Deferred tax		
Deferred tax expense/(benefit)	(493.81)	(1,007.50)
Total deferred tax expense	**(493.81)**	**(1,007.50)**
Total Income Tax Expense	**8,460.35**	**6,935.26**

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(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Reconciliation of tax expense and accounting profit multiplied by tax rate		
(Loss) before income tax expense	**(1,550.59)**	**(39,629.96)**
Tax at the rate of 25.168% (Previous year : 25.168%)	(390.25)	(9,974.06)
Adjustments for current tax of prior periods	(125.84)	85.07
Impairment loss of goodwill	8,199.14	16,628.05
Interest on micro enterprises and small enterprises	102.68	-
Interest Income on QIP funds parked in short term FDs	85.37	-
Corporate social responsibility expenditure	147.93	123.00
Penalty with respect to Corporate social responsibility expenditure	-	25.17
Depreciation on consolidation adjustment	176.93	-
Others	264.40	48.03
Income Tax Expense	**8,460.35**	**6,935.26**

Note 30: Fair value measurement

Financial Instruments by category

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Non-current				
Investments	-	0.97	-	0.97
Security deposits	-	515.78	-	142.66
Other financial assets	-	616.61	-	413.46
Current				
Trade receivables	-	81,690.50	-	75,560.10
Cash and cash equivalents	-	5,003.29	-	32,241.96
Bank balances other than above	-	322.71	-	366.69
Other financial assets	-	169.54	567.47	167.01
Total Financial Assets	**-**	**88,319.40**	**567.47**	**108,892.85**
Financial liabilities				
Non Current				
Borrowings	-	23,707.56	-	24,192.82
Lease liabilities	-	11,491.22	-	8,628.63
Current				
Borrowings	-	12,550.91	-	125,072.71
Lease liabilities	-	915.95	-	1,036.20
Trade payables	-	58,281.64	-	84,380.21
Other financial liabilities	65.95	6,308.80	-	30,086.98
Total Financial Liabilities	**65.95**	**113,256.08**	**-**	**273,397.55**

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

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

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 31: Financial Risk Management

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

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

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

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

A. Credit Risk

Credit risk on cash and cash equivalent and bank balances is not significant as it majorly includes deposits with bank and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Other financial assets primary includes security deposits given to lessors. These deposits are given in the normal course of the business operations.

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

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

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

Ageing of trade receivables:

Category	As at 31 March, 2024	As at 31 March, 2023
Not due	50,696.10	43,802.21
Less than 6 months	28,960.49	30,293.62
6 months - 1 year	2,083.88	1,304.86
1-2 years	1,226.11	859.46
2-3 years	471.92	199.28
More than 3 years	272.02	435.14
Total	**83,710.52**	**76,894.58**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Loss allowance as at 31 March, 2024

Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivable	50,696.10	28,960.49	2,083.88	1,226.11	471.92	272.02	83,710.52
Gross carrying amount - Contract assets	26,833.43	-	-	-	-	-	26,833.43
Expected loss rate	(2.08%)	(1.03%)	(11.48%)	(66.84%)	(98.23%)	(73.38%)	
Expected credit losses - Trade receivable	-	(298.15)	(239.19)	(819.51)	(463.55)	(199.62)	(2,020.02)
Expected credit losses - Contract assets	(1,613.75)	-	-	-	-	-	(1,613.75)
Carrying amount of trade receivable (net of impairment)	**50,696.10**	**28,662.34**	**1,844.69**	**406.60**	**8.37**	**72.40**	**81,690.50**
Carrying amount of contract assets (net of impairment)	**25,219.68**	**-**	**-**	**-**	**-**	**-**	**25,219.68**

Loss allowance as at 31 March, 2023

Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivable	43,802.21	30,293.62	1,304.86	859.46	199.28	435.14	76,894.58
Gross carrying amount - Contract assets	32,475.10	-	-	-	-	-	32,475.10
Expected loss rate	(4.68%)	(0.23%)	(7.80%)	(79.07%)	(90.88%)	(69.46%)	
Expected credit losses - Trade receivable	-	(69.80)	(101.77)	(679.55)	(181.11)	(302.25)	(1,334.48)
Expected credit losses - Contract assets	(3,570.73)	-	-	-	-	-	(3,570.73)
Carrying amount of trade receivable (net of impairment)	**43,802.21**	**30,223.82**	**1,203.09**	**179.91**	**18.17**	**132.89**	**75,560.10**
Carrying amount of contract assets (net of impairment)	**28,904.37**	**-**	**-**	**-**	**-**	**-**	**28,904.37**

Allowance for doubtful debts-trade receivables

Particulars	Amount (in ₹ Lacs)
Allowance as on 1 April, 2022	**770.22**
Additions through business combination (Refer note 40A &B)	4,031.60
Reclassified to contract assets	(3,563.37)
Changes in loss allowance (Refer note 27)	96.03
Allowance as on 31 March, 2023	**1,334.48**
Changes in loss allowance (Refer note 27)	685.54
Allowance as on 31 March, 2024	**2,020.02**

B. Liquidity Risk:

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time. The Group's primary sources of liquidity are cash generated from operations. The cash flows from operating activities are driven primarily by operating results and changes in the working capital requirements.

The Group believes that its liquidity position is adequate to fund the operating and investing needs and to provide with flexibility to respond to further changes in the business environment.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(i) **Financing arrangements**

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
Floating rate		
Expiring within one year (bank overdraft and other facilities)	73,219.87	10,732.34
Total	**73,219.87**	**10,732.34**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Rupees and have an average maturity of less than 1 year (31 March, 2023: 1 year).

(ii) **Maturities of financial liabilities:**

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

Contractual maturities of Financial liabilities	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
31 March 2024					
Borrowings	12,281.21	5,208.65	5,015.38	14,018.76	**36,523.99**
Trade Payables	58,281.64	-	-	-	**58,281.64**
Lease Liabilities	1,207.72	1,283.87	1,447.57	39,668.15	**43,607.30**
Other financial liabilities - current	6,374.75	-	-	-	**6,374.75**
31 March 2023					
Borrowings	125,142.16	869.96	2,325.34	20,928.07	**149,265.53**
Trade Payables	87,180.21	-	-	-	**87,180.21**
Lease Liabilities	356.11	1,543.23	881.01	36,233.07	**39,013.42**
Other financial liabilities - current	30,086.98	-	-	-	**30,086.98**

C. Market Risk

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

(i) **Foreign currency risk:** The Group operates internationally and is exposed to foreign exchange risk in relation to operating activities (when revenue or expense is denominated in a foreign currency) arising from foreign currency transactions, primarily with respect to the USD and EUR. The Group manages the exposure through natural hedging, by maintaining appropriate balances of receivables and payables within same currency. The Group also has policies to enter into foreign currency financial contracts in order to manage the impact of changes in foreign exchange rates on the results of operations and future foreign currency denominated cash flows. Forward exchange contracts are not intended for trading or speculative purposes but only for hedge purposes. The Group does not have material foreign currency exposure .

Foreign currency risk exposure

Particulars of unhedged foreign currency exposure in ₹ lacs

Purpose	As at 31 March 2024				As at 31 March 2023			
	USD	EUR	GBP	CHF	USD	EUR	GBP	CHF
Borrowings	-	1,203.54	-	-	-	29,603.60	-	-
Trade Payables	28,161.09	2,193.92	1.70	301.95	37,313.19	4,321.46	1.96	48.67
Payables on purchase of property, plant and equipment	6.02	162.61	-	-	193.58	129.27	-	249.99
Net exposure to foreign currency risk (Liabilities)	**28,167.11**	**3,560.07**	**1.70**	**301.95**	**37,506.77**	**34,054.33**	**1.96**	**298.66**
Trade Receivables	6,027.34	2,170.07	-	-	2,725.33	702.60	650.62	-
Net exposure to foreign currency risk (Assets)	**6,027.34**	**2,170.07**	**-**	**-**	**2,725.33**	**702.60**	**650.62**	**-**

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(All amount in ₹ Lacs, unless otherwise stated)

Particulars of hedged foreign currency exposure in ₹ lacs

Purpose	As at 31 March, 2024	As at 31 March, 2023
	EUR	EUR
Borrowings	29,611.80	-

Sensitivity to risk:	Impact on Profit (Net of tax) Increase/(Decrease)	
Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
USD sensitivity		
INR/USD - Increase by 5%	(828.38)	(1,301.38)
INR/USD - Decrease by 5%	828.38	1,301.38
Euro sensitivity		
INR/EURO - Increase by 5%	(52.01)	(1,247.89)
INR/EURO - Decrease by 5%	52.01	1,247.89
GBP sensitivity		
INR/GBP - Increase by 5%	(0.06)	24.27
INR/GBP - Decrease by 5%	0.06	(24.27)
CHF sensitivity		
INR/CHF - Increase by 5%	(11.30)	(11.17)
INR/CHF - Decrease by 5%	11.30	11.17

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest Rate Exposure

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period, the Group had the following variable rate borrowings:

Particulars	As at 31 March 2024			As at 31 March 2023		
	Weighted average interest rate (%)	% of total loans	Balance	Weighted average interest rate (%)	% of total loans	Balance
Borrowings	7.43%	100.00%	30,671.45	9.45%	100.00%	149,265.53

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates:

Particulars	Impact on Profit (Net of tax) Increase/(Decrease)	
	Year ended 31 March, 2024	Year ended 31 March, 2023
Borrowings		
Interest rate Increase by 1%	(271.33)	(1,116.98)
Interest rate Decreases by 1%	271.33	1,116.98

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 32 : Capital management

A. Risk Management

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

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

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
Net Debt (Refer note 10)	43,662.35	126,688.40
Share capital	2,065.01	1,879.96
Other equity	382,507.07	287,223.50
Non Controlling Interest	-	8,935.50
Total Equity	**384,572.08**	**298,038.96**
Gearing ratio	**11.35%**	**42.51%**

B. Dividend

Particulars		As at 31 March, 2024	As at 31 March, 2023
(i)	**Equity shares**		
	Final dividend for the year 31 March, 2023 of ₹ 2.50 (31 March, 2022 - ₹ 2.50) per fully paid share	5,162.54	4,024.91
(ii)	**Dividend not recognised at the end of the reporting period**		
	In addition to the above dividends, the directors have recommended the payment of a final dividend of ₹ 2.50 per fully paid equity share (31 March, 2023 of ₹ 2.50), in its meeting held on 29 May, 2024. (31 March, 2023: 30 May, 2023). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	5,162.54	4,699.91

Note 33: Contingent Liabilities

Claims against the Group not acknowledged as debts

Particulars	As at 31 March, 2024	As at 31 March, 2023
Demand from income tax	318.00	2,225.29
Demand from industrial and labour laws disputes	462.48	271.65
Demand from goods, excise and service tax authorities	2,224.04	985.08
Demand from customs authorities	291.87	291.88
Demand from central sales tax	3.12	60.92
Bank guarantee	615.82	807.47
Total	**3,915.33**	**4,642.29**

Notes :

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

(ii) Paid under protest of ₹ 116.35 Lacs (31 March, 2023, ₹ 38.16 Lacs)

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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

Note 34 (a): Capital and other commitments:

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
Property, plant and equipment	3,876.05	3,308.98

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

(iii) The Group has long term contracts for which there were no material foreseeable losses. The group has made provision as at 31 March, 2024, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts.

Note 34 (b): Operating Leases

The Group's cancellable operating lease arrangements mainly consists of offices, guest house and warehouse for period of less than 11 months. Terms of lease include terms for renewal, increase in rent in future periods and terms of cancellation (Refer note 27).

Note 35: Earnings per share

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
(a) Basic loss per share (₹)	(4.88)	(27.85)
(b) Diluted loss per share (₹)	(4.88)	(27.85)
Profits used for calculating earnings per share		
Loss attributable to the equity holders of the Group used in calculating Basic Earnings per share	(10,044.56)	(46,610.54)
Loss attributable to the equity holders of the Group used in calculating Diluted Earnings per share	(10,044.56)	(46,610.54)
Weighted average number of shares used as denominator		
Weighted average number of equity shares used as the denominator in calculating basic loss per share	205,669,267.23	167,357,974.84
Weighted average number of equity shares used as the denominator in calculating diluted loss per share	205,669,267.23	167,357,974.84

Note: There are no dilutive instruments.

Note 36: Related Party Transactions

(a) List of Related Parties

(i) Parent entities

The Group is controlled by the following :

Name	Type	Place of Incorporation	Ownership Interest (in %)	
			As at 31 March, 2024	As at 31 March, 2023
RHI Magnesita N.V., Austria	Ultimate holding company	Austria	-	-
Veitscher Vertriebsgesellschaft m.b.H., Austria	Intermediate Holding Company	Austria	-	-
Dutch US Holding B.V., Netherlands	Subsidiary of intermediate holding company	Netherlands	40.03%	42.49%
Dutch Brasil Holding B.V., Netherlands	Subsidiary of intermediate holding company	Netherlands	9.99%	10.97%

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(ii) Key managerial personnel (KMP)

Mr. Parmod Sagar, Managing Director & CEO
Mr. Azim Syed, Chief Financial Officer (w.e.f. 1 May, 2024)
Ms. Vijaya Gupta, Chief Financial Officer (till 30 April, 2024)

(iii) Fellow subsidiaries with whom the Group had transactions

Dutch US Holding B.V., Netherlands
Dutch Brasil Holding B.V., Netherlands
Refractory Intellectual Property GmbH & Co KG
RHI Magnesita GmbH
RHI Urmitz AG & Co KG
Magnesita Refractories Private Limited
VRD Americas B.V. Netherlands
Magnesita Refractories Middle East FZE
RHI Magnesita Switzerland AG (formerly known as RHI Magnesita Interstop AG)
Agellis Group AB, Lund, Sweden
RHI Magnesita Turkey Refrakter
RHI Refractories Africa (Pty) Limited
RHI Magnesita Duetchland AG
RHI Refractories (Dalian) Co Ltd.
Seven Refractories D.O.O (w.e.f. 17 July, 2023)
Dalmia GSB Refractories GmbH (w.e.f. 28 April, 2023)

(iv) Entity holding equity shares more than 10%

Dalmia Bharat Refractories Limited

(v) Relative of KMP

Mr. Christophar Parvesh

(b) Related Party Transactions

Particulars	Relationship	Year ended 31 March, 2024	Year ended 31 March, 2023
Dividend paid			
Dutch US Holding B.V., Netherlands	Fellow Subsidiary	2,066.70	1,996.94
Dutch Brasil Holding B.V., Netherlands	Fellow Subsidiary	515.52	515.52
VRD Americas B.V. Netherlands	Fellow Subsidiary	312.60	312.60
Dalmia Bharat Refractories Limited	Entity holding equity shares more than 10%	675.50	-
Sales:			
RHI Magnesita GmbH	Fellow Subsidiary	25,187.63	29,726.79
RHI Urmitz AG & Co KG	Fellow Subsidiary	1,244.96	1,594.74
RHI Refractories Africa (Pty) Limited	Fellow Subsidiary	8.67	12.29
Seven Refractories D.O.O	Fellow Subsidiary	550.38	-
Dalmia GSB Refractories GmbH	Fellow Subsidiary	530.48	-
Dalmia Bharat Refractories Limited	Entity holding equity shares more than 10%	973.54	-
Purchases			
RHI Magnesita Switzerland AG	Fellow Subsidiary	132.23	-
Magnesita Refractories Middle East FZE	Fellow Subsidiary	14.06	28.56
RHI Magnesita GmbH	Fellow Subsidiary	29,475.92	36,522.51
Seven Refractories D.O.O	Fellow Subsidiary	69.91	-
Dalmia Bharat Refractories Limited	Entity holding equity shares more than 10%	3,503.10	-

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(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Relationship	Year ended 31 March, 2024	Year ended 31 March, 2023
Purchase of spares			
RHI Magnesita GmbH	Fellow Subsidiary	444.89	145.33
RHI Magnesita Switzerland AG	Fellow Subsidiary	620.46	85.13
Magnesita Refractories Private Limited	Fellow Subsidiary	-	1.00
RHI Magnesita Turkey Refrakter	Fellow Subsidiary	-	4.52
Purchase of assets			
RHI Magnesita GmbH	Fellow Subsidiary	253.97	156.13
RHI Magnesita Switzerland AG	Fellow Subsidiary	717.13	486.65
RHI Refractories Africa (Pty) Limited	Fellow Subsidiary	-	20.37
Seven Refractories D.O.O	Fellow Subsidiary	22.46	-
Service income			
RHI Magnesita GmbH	Fellow Subsidiary	2,268.14	1,954.48
Managerial remuneration*			
Mr. Parmod Sagar	KMP	587.55	436.18
Mr. Sanjeev Bhardwaj	KMP	-	16.49
Mr. RVS Rudraraju	KMP	-	171.29
Ms.Vijaya Gupta	KMP	213.44	130.00
*The amount of managerial remuneration does not include the amount attributed towards Equity-settled share options (LTIP) issued by RHI Magnesita N.V. for which no cost is charged from the Group. Also Refer note 37.			
Salary			
Mr. Christophar Parvesh	Relative of KMP	12.88	11.68
Royalty			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	2,874.46	2,957.05
Information Technology Expenses*			
RHI Magnesita GmbH	Fellow Subsidiary	1,538.84	877.91
*Includes reimbursement of expenses			
Expenses reimbursement {Received/(Paid)}			
RHI Magnesita GmbH	Fellow Subsidiary	221.90	371.08
RHI Magnesita GmbH	Fellow Subsidiary	(206.34)	(656.94)
Magnesita Refractories Middle East FZE	Fellow Subsidiary	(41.59)	-
Agellis Group AB, Lund, Sweden	Fellow Subsidiary	-	(13.53)
Refractory Intellectual Property GMbH & Co KG	Fellow Subsidiary	(1,624.68)	-
RHI Magnesita Duetchland AG	Fellow Subsidiary	(24.87)	-
RHI Refractories (Dalian) Co Ltd.	Fellow Subsidiary	(0.48)	-
Dalmia Bharat Refractories Limited	Entity holding equity shares more than 10%	(14.06)	-
Interest Expenses			
RHI Magnesita GmbH	Fellow Subsidiary	1,533.02	66.73
VRD Americas B.V. Netherlands	Fellow Subsidiary	354.04	172.16

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(All amount in ₹ Lacs, unless otherwise stated)

(c) Outstanding balances

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

Particulars	Relationship	As at 31 March, 2024	As at 31 March, 2023
Trade Payables:			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	6,243.55	2,061.43
RHI Magnesita Switzerland AG	Fellow Subsidiary	1,815.92	424.94
RHI Magnesita GmbH	Fellow Subsidiary	15,476.30	30,705.36
Magnesita Refractories Middle East FZE	Fellow Subsidiary	102.98	46.05
Magnesita Refractories Private Limited	Fellow Subsidiary	1.18	1.18
Agellis Group AB, Lund, Sweden	Fellow Subsidiary	14.04	13.98
RHI Magnesita Duetchland AG	Fellow Subsidiary	24.87	-
RHI Refractories (Dalian) Co Ltd.	Fellow Subsidiary	0.48	-
Seven Refractories D.O.O	Fellow subsidiary	104.42	-
Total		**23,783.73**	**33,252.94**
Trade Receivables:			
RHI Urmitz AG & Co KG	Fellow Subsidiary	71.31	96.00
RHI Magnesita GmbH	Fellow Subsidiary	5,367.60	2,325.03
RHI Magnesita Trading B.V	Fellow Subsidiary	-	-
Seven Refractories D.O.O	Fellow Subsidiary	1,144.93	-
Dalmia GSB Refractories GmbH	Fellow Subsidiary	322.49	-
Dalmia Bharat Refractories Limited	Entity holding equity shares more than 10%	696.99	-
Total		**7,603.32**	**2,421.03**
External Commercial Borrowings			
RHI Magnesita GmbH	Fellow Subsidiary	24,478.76	23,322.86
VRD Americas B.V, Netherlands	Fellow Subsidiary	6,336.58	6,280.74
Total		**30,815.34**	**29,603.60**
Other transactions			
Guarantee given to Bank by RHI Magnesita GmbH	Fellow Subsidiary	10,784.81	10,732.34
Guarantee given to Bank by RHI Magnesita N.V., Austria	Ultimate holding company	54,000.00	124,000.00
Total		**64,784.81**	**134,732.34**

Note 37: Equity-settled share option plan (LTIP)

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

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(All amount in ₹ Lacs, unless otherwise stated)

Plans details	Grant date	Vesting Date (Vesting period)	Exercise price	Number of share options	
				As at 31 March, 2024	As at 31 March, 2023
Equity-settled share option plan 2020	8-Apr-20	8-Apr-23 (3 years)	Nil	-	8,510
Equity-settled share option plan 2021	15-Mar-21	15-Mar-24 (3 years)	Nil	3,609	2,456
Equity-settled share option plan 2022	8-Mar-22	8-Mar-25 (3 years)	Nil	7,976	2,216
Equity-settled share option plan 2023	6-Mar-23	6-Mar-26 (3 years)	Nil	10,275	144
Equity-settled share option plan 2024	28-Mar-24	28-Mar-27 (3 years)	Nil	5,723	-
			Total	**27,583**	**13,326**

i) **Summary of share options outstanding under the plan:**

Particulars	As at 31 March, 2024	As at 31 March, 2023
	Number of share options	
Opening balance	13,326	8,749
Granted during the year	17,081	6,329
Exercised during the year	(1,443)	-
Forfeited during the year	(1,381)	(1,752)
Closing Balance	**27,583**	**13,326**

ii) Fair value of share options granted by the Group under each scheme:

Grant Date	Fair Value (Euro)
8-Apr-20	22.70
15-Mar-21	48.28
8-Mar-22	25.86
6-Mar-23	26.40
28-Mar-24	35.32

Expense arising from employee share option plan

The fair value of the LTIP granted that has not been recognised as expense in the Statement of Profit and Loss as the impact is not considered material, is as follows:

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Equity-settled share option plan expenses	395.84	227.18
Total expense	**395.84**	**227.18**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 38: Due to micro and small enterprises

	Particulars	As at 31 March, 2024	As at 31 March, 2023
(i)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end *	7,941.43	9,460.54
(ii)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	500.17	92.20
(iii)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	31,729.24	4,773.85
(iv)	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v)	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	225.15	18.99
(vii)	Interest accrued and remaining unpaid at the end of the accounting year	500.17	92.20
(viii)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

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

Note 39: Revenue from Contracts with Customers

Revenue from contracts with customers (Refer note 19)	Year ended 31 March, 2024	Year ended 31 March, 2023
The Group has recognised the following amounts relating to revenue in the statement of profit and loss:		
Sale of products		
(i) Finished goods	197,201.94	119,134.79
(ii) Traded goods	46,862.55	30,401.64
Total Refractories Management Services	123,048.88	114,193.55
Sale of services	6,346.11	5,246.51
Revenue from contracts with customers	**373,459.48**	**268,976.49**
Other operating revenues	4,650.92	3,650.16
Total Revenue from Operations	**378,110.40**	**272,626.65**

Disaggregation of Revenue

In the following tables, revenue is disaggregated by product group and by geography. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Disaggregation of Revenue by Geography

Within India	337,857.73	233,574.82
Outside India	35,601.75	35,401.67
Total Revenue	**373,459.48**	**268,976.49**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Timing of Revenue Recognition

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

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

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

Performance obligations

Revenue from the sale of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual terms agreed in the customer contract. Control is defined as the ability to direct the use and obtain substantially all the economic benefits from an asset. For the terms CIF (Cost, Insurance and Freight), transport service gives rise to a separate performance obligation to which a part of revenue has to be allocated, as this service is performed after the control of the product is transferred to the customer.

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

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

Transaction price allocated to the remaining performance obligations

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

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

Reconciliation of revenue recognised with contract price

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Contract price	368,785.79	266,552.13
Adjustments for:		
Claims & Rebates	(4,709.27)	(828.99)
Performance Bonus	9,382.96	3,253.35
Revenue from contracts with customers	**373,459.48**	**268,976.49**

Trade Receivables and Contract Balances

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

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

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

Contract liabilities consists of advances from customers. Contract liabilities are presented in note 14.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Trade receivables are presented net off impairment loss in note 5(c).

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Revenue from contract with customers	3,146.75	626.64
Total	**3,146.75**	**626.64**
Movement in Contract Assets		
Opening balance at the beginning of the year	28,904.37	9,972.02
Reclassified from trade receivables (Refer note - 50)	-	1,988.44
Additions on account of acquisition through Business Combination (Refer note 40A & B)	-	30.13
Add: Revenue recognized during the year	373,459.48	268,976.49
Less: Invoiced during the year	(377,144.17)	(252,062.71)
Closing balance at the end of the year	**25,219.68**	**28,904.37**
Movement in Contract Liabilities		
Opening balance at the beginning of the year	3,146.75	627.90
Additions on account of acquisition through Business Combination (Refer note 40A & B)	-	1,729.55
Add: Collection during the year	41,461.14	23,424.26
Less: Gross Sales	(43,810.17)	(22,634.96)
Closing balance at the end of the year	**797.72**	**3,146.75**

Significant judgements in the application of the Standard

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

Information about major customers

Revenues from two customers (31 March, 2023 - three customer) represent approximately ₹ 91,128.96 lacs (31 March, 2023 - ₹ 111,549.53 lacs) of the Company's total revenues.

Note 40: Business Combinations

A. Acquisition of refractory business of Hi-Tech Chemicals

On 18 October, 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 31 January, 2023 for a cash consideration of ₹ 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.

This transaction has been accounted for as per acquisition method specified in Ind AS 103 and accordingly, the difference of ₹ 31,091.69 lacs between the purchase consideration of ₹ 88,414.51 lacs and fair value of net assets of ₹ 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.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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

Particulars	Provisional amount as at acquisition date	Measurement period adjustments	Fair value post completion of measurement period
Assets			
Non-current assets			
Property, plant and equipment	11,330.79	-	11,330.79
Right-of-use assets	6,925.68	-	6,925.68
Capital work-in-progress	1,466.09	17.19	1,483.28
Other Intangible assets	16,328.32	4,774.68	21,103.00
Financial assets			
(i) Other financial assets	71.64	(0.30)	71.34
Other non-current assets	169.86	(29.05)	140.81
Total non-current assets	**36,292.38**	**4,762.52**	**41,054.90**
Current assets			
Inventories	6,798.54	147.96	6,946.50
Financial assets			
(i) Trade receivables	11,858.37	-	11,858.37
(ii) Other financial assets	7.77	(1.22)	6.55
Other current assets	62.83	(2.56)	60.27
Total current assets	**18,727.51**	**144.18**	**18,871.69**
Total Assets assumed	**55,019.89**	**4,906.70**	**59,926.59**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	63.40	-	63.40
Deferred tax liabilities (net)	2,922.20	(1,198.31)	1,723.89
Total non-current liabilities	**2,985.60**	**(1,198.31)**	**1,787.29**
Current liabilities			
Financial liabilities			
(i) Trade payables	644.03	-	644.03
(ii) Other financial liabilities	158.93	(4.79)	154.14
Employee Benefit obligations	18.31	-	18.31
Total current liabilities	**821.27**	**(4.79)**	**816.48**
Total liabilities assumed	**3,806.87**	**(1,203.10)**	**2,603.77**
Net identifiable net assets acquired at fair value (A)	**51,213.02**	**6,109.80**	**57,322.82**
Purchase Consideration (B)	**87,937.65**	**476.86**	**88,414.51**
Goodwill acquired on acquisition (B-A)	**36,724.63**	**(5,632.94)**	**31,091.69**

Note:

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

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

B. Acquisition of refractory business of Dalmia Bharat Refractories Limited

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

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.

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

This transaction has been accounted for as per the acquisition method specified in Ind AS 103 and accordingly, the total purchase consideration of ₹ 285,253.22 lacs has been determined as the sum of the cash consideration of ₹ 48,409.22 lacs and the value of shares issued by the Company to DBRL of ₹ 236,844 lacs. The difference of ₹ 154,271.30 lacs between the purchase consideration of ₹ 285,253.22 lacs and fair value of net assets of ₹ 130,981.95 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.

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

Particulars	Provisional amount as at acquisition date	Measurement period adjustments	Fair value post completion of measurement period
Assets			
Non-current Assets			
Property, plant and equipment	27,707.41	-	27,707.41
Right-of-use assets	11,713.00	-	11,713.00
Capital work-in-progress	1,184.46	-	1,184.46
Other intangible assets (including customer relationship)	94,043.88	900.00	94,943.88
Financial assets			
(i) Other financial assets	46.48	-	46.48
Other non-current assets	52.75	-	52.75
Total non-current assets	**134,747.98**	**900.00**	**135,647.98**
Current Assets			
Inventories	36,789.74	-	36,789.74
Financial assets			
(i) Trade receivables	28,173.63	-	28,173.63
(ii) Cash and Cash equivalents	229.77	-	229.77
(iii) Bank balances other than above	76.16	38.00	114.16
(iv) Loans	28.13	-	28.13
(v) Other financial assets	401.97	-	401.97
Current tax assets (net)	26.63	-	26.63
Contract assets	30.13	-	30.13
Other current assets	11,394.32	(1,200.00)	10,194.32
Total current assets	**77,150.48**	**(1,162.00)**	**75,988.48**
Total Assets assumed	**211,898.48**	**(262.00)**	**211,636.47**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Provisional amount as at acquisition date	Measurement period adjustments	Fair value post completion of measurement period
Liabilities			
Minority Interest	8,890.00	-	8,890.00
Non-current liabilities			
Borrowings	1,001.35	-	1,001.35
Financial liabilities			
(i) Lease liabilities	8,661.23	-	8,661.23
Provisions	273.60	-	273.60
Deferred tax liabilities (net)	3,811.65	(3,723.25)	88.40
Total non-current liabilities	**22,637.83**	**(3,723.25)**	**18,914.58**
Current liabilites			
Borrowings	16,574.94	-	16,574.94
Financial liabilities			
(i) Lease liabilities	59.07	-	59.07
(ii) Trade payables	39,129.10	-	39,129.10
(iii) Other financial liabilities	26.89	-	26.89
Contract Liabilities	18.63	-	18.63
Employee benefit obligations	1,053.50	-	1,053.50
Other current liabilities	3,702.75	38.00	3,740.75
Provisions	1,137.03	-	1,137.03
Total current liabilities	**61,701.93**	**38.00**	**61,739.93**
Total liabilities assumed	**84,339.76**	**(3,685.25)**	**80,654.51**
Net identifiable net assets acquired at fair value (A)	**127,558.72**	**3,423.25**	**130,981.95**
Purchase Consideration	**285,253.25**	**-**	**285,253.25**
Preliminary goodwill acquired on acquisition (B-A)	**157,694.53**	**(3,423.25)**	**154,271.30**

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

Note 41: Transfer Pricing

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international and domestic transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by 30 November, 2024, as required by law. The Management confirms that its international and domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Note 42: Additional regulatory information required by Schedule III:

(i) Details of benami property held

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

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(ii) Borrowing secured against current assets

The Group has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks are in agreement with the books of accounts except as follows:

Name of Bank	Aggregate working capital limits sanctioned (in ₹ Lacs)	Nature of Current asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement	Amount as per books of account	Variance	Whether return/ statement subsequently rectified	Reasons for difference
HDFC Bank*	2,500.00	Inventory	31-Dec-23	73,080.00	73,080.20	0.20	Yes	Rounding off difference because return has been filed in crores and financials have been prepared in Lacs
		Trade Receivables	31-Dec-23	43,748.00	57,140.96	13,392.96	Yes	Trade receivables from related parties and Allowance for doubtful debts have not been considered in the return
		Trade payables	31-Dec-23	57,524.00	57,523.96	(0.04)	Yes	Rounding off difference because return has been filed in crores and financials have been prepared in Lacs
		Inventory	31-Mar-24	62,000.00	61,943.15	(56.85)	No	Return is filed considering numbers as per provisional Financial Statements
		Trade Receivables	31-Mar-24	54,700.00	70,140.98	15,440.98	No	Return is filed considering numbers as per provisional Financial Statements
		Trade payables	31-Mar-24	45,200.00	49,477.90	4,277.90	No	Return is filed considering numbers as per provisional Financial Statements
Axis Bank Limited and State Bank of India**	33,500.00	Inventory	30-Jun-23	28,314.00	27,777.67	(536.33)	No	Return is filed considering provisional financial statements.
		Trade Receivables	30-Jun-23	15,234.00	20,225.51	4,991.51	No	Trade receivables more than 90 days and from related parties are not considered in return.
		Trade Payabes	30-Jun-23	14,051.00	20,280.31	6,229.31	No	Provision of expenses and payable for services not considered in return.
		Inventory	30-Sep-23	31,999.00	32,088.52	89.52	No	Return is filed considering provisional financial statements.
		Trade Receivables	30-Sep-23	18,271.00	27,493.15	9,222.15	No	Trade receivables more than 90 days and from related parties are not considered in return.
		Trade Payabes	30-Sep-23	19,020.00	23,250.38	4,230.38	No	Provision of expenses and payable for services not considered in return.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Name of Bank	Aggregate working capital limits sanctioned (in ₹ Lacs)	Nature of Current asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement	Amount as per books of account	Variance	Whether return/ statement subsequently rectified	Reasons for difference
HDFC Bank	500.00	Inventory	30-Jun-23	1,377.78	1,376.78	1.00	No	Rounding off difference because return has been filed in crores and financials have been prepared in Lakhs.
		Trade Receivables	30-Jun-23	2,617.40	2,301.96	315.44	No	The difference in debtors are due to adjustment made in the books of account which is not considered in DP statements filed with bankers. (e.g. Debtors greater than 90 days and Inter company transactions not eligible for drawing power calculation).
		Trade payables	30-Jun-23	2,334.66	1,929.91	404.75	No	The difference in creditors are due to adjustment made in the books of account which is not considered in DP statements filed with bankers. (e.g. Provisions are not eligible, Creditors related to stock are allowed in DP calculation except Inter company).
		Inventory	30-Sep-23	1,818.23	1,818.24	(0.01)	No	Rounding off difference because return has been filed in crores and financials have been prepared in Lakhs.
		Trade Receivables	30-Sep-23	2,699.80	2,433.43	266.37	No	The difference in debtors are due to adjustment made in the books of account which is not considered in DP statements filed with bankers. (e.g. Debtors greater than 90 days and Inter company transactions not eligible for drawing power calculation).
		Trade payables	30-Sep-23	2,994.54	2,549.42	445.12	No	The difference in creditors are due to adjustment made in the books of account which is not considered in DP statements filed with bankers. (e.g. Provisions are not eligible, Creditors related to stock are allowed in DP calculation except Inter company).
		Inventory	31-Dec-23	1,479.78	1,479.79	(0.01)	No	Rounding off difference because return has been filed in crores and financials have been prepared in lacs.

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(All amount in ₹ Lacs, unless otherwise stated)

Name of Bank	Aggregate working capital limits sanctioned (in ₹ Lacs)	Nature of Current asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement	Amount as per books of account	Variance	Whether return/ statement subsequently rectified	Reasons for difference
		Trade Receivables	31-Dec-23	2,070.29	1,555.25	515.04	No	The difference in debtors are due to adjustment made in the books of account which is not considered in DP statements filed with bankers. (e.g. Debtors greater than 90 days and Inter company transactions not eligible for drawing power calculation).
		Trade payables	31-Dec-23	1,742.27	1,548.70	193.57	No	The difference in creditors are due to adjustment made in the books of account which is not considered in DP statements filed with bankers. (e.g. Provisions are not eligible, Creditors related to stock are allowed in DP calculation except Inter company).
		Inventory	31-Mar-24	1,420.26	1,420.00	0.26	No	Adjustment in Books of Accounts have not been considered in DP calculation.
		Trade Receivables	31-Mar-24	1,662.81	1,087.00	575.81	No	The difference in debtors are due to adjustment made in the books of account which is not considered in DP statements filed with bankers. (e.g. Debtors greater than 90 days and Inter company transactions not eligible for drawing power calculation).
		Trade payables	31-Mar-24	1,320.33	1,180.00	140.33	No	The difference in creditors are due to adjustment made in the books of account which is not considered in DP statements filed with bankers. (e.g. Provisions are not eligible, Creditors related to stock are allowed in DP calculation except Inter company).

*For the quarters ended 30 June, 2023 and 30 September, 2023, the Group has taken waiver from the bank to file the quarterly returns/ statement.

**The credit facilities with the State Bank of India were surrendered on 30 September, 2023. Axis Bank Limited has released the security on current assets on 09 November, 2023. Accordingly, the requirement to submit the quarterly returns/statement was not applicable for the subsequent quarters.

(iii) Wilful defaulter

The Group have not been been declared willful defaulter by any bank or financial institution or government or any government authority.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(iv) Relationship with struck off companies

The Group has transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 as per below:

Name of the struck off company	Nature of Transaction	Balance outstanding as at 31 March, 2024	Relationship with the Struck off company	Balance outstanding as at 31 March, 2023	Relationship with the Struck off company
Star Wire (India) Limited	Sale of Material	-	Not related	6.00	Not related

(v) Compliance with number of layers of companies

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

(vi) Compliance with approved scheme(s) of arrangements

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

(vii) Utilisation of borrowed funds and share premium

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

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries except as mentioned in table below:

During the year, the Holding Company has invested funds (including share premium) in its subsidiary (RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited) ('RHIMIRL')) through issue of share capital. Out of these funds ₹ 6,184.74 lacs have been further invested by RHIMIRL's in its subsidiary (Refer note 47).

(b) The Group 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 Group shall, except as disclosed below:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

During the year, RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited) ('RHIMIRL') has received funds (including share premium) from the Holding Company through issue of share capital . Out of these funds ₹ 6,184.74 lacs have been further invested by RHIMIRL's in its subsidiary (Refer note 47).

(viii) Undisclosed income

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

(ix) Details of crypto currency or virtual currency

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

(x) Valuation of property, plant and equipment and intangible assets

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

(xi) Registration of charges or satisfaction with registrar of companies

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

(xii) Utilisation of borrowings availed from banks

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

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 43: Interest in other entities

(a) Subsidiaries

The Group's subsidiaries at 31 March, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2024	As at 31 March, 2023	
		%	%	%	%	
RHI Magnesita India Refractories Limited (Formerly known as Dalmia OCL Limited)	India	100%	100%	-	-	Refractory- Manufacturing & Selling
RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited)	India	100%	51%	-	49%	Refractory- Manufacturing & Selling
Intermetal Engineers (India) Private Limited	India	100%	100%	-	-	Refractory- Manufacturing & Trading

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) that had non-controlling interests and that was material to the Group. The amounts disclosed for the subsidiary are before inter-company eliminations and post adjustment related to PPA made at the consolidation level.

Summarised Balance Sheet	As at 31 March, 2024	As at 31 March, 2023
Current assets	3,152.02	3,384.56
Current liabilities	2,296.36	2,624.52
Net Current Assets	**855.66**	**760.04**
Non-current assets	17,038.96	18,696.64
Non-current liabilities	623.00	1,220.96
Net non-current assets	**16,415.96**	**17,475.68**
Net Assets	**17,271.62**	**18,235.72**
Accumulated NCI	**-**	**8,935.50**

Summarised Statement of Profit and Loss	Year ended 31 March, 2024	Year ended 31 March, 2023
Revenue	10,096.51	2,836.54
(Loss)/Profit for the year	(112.15)	92.49
Other comprehensive income	0.04	0.37
Total comprehensive (loss)/income	(112.11)	92.86
Profit allocated to NCI	**33.67**	**45.50**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Summarised Statement of Cash Flows	As at 31 March, 2024	As at 31 March, 2023
Cash flows from operating activities	647.17	4.75
Cash flows from investing activities	(162.45)	(38.36)
Cash flows from financing activities	(552.83)	(127.95)
Net decrease in cash and cash equivalents	(68.11)	(161.56)
Cash flow allocated to NCI	-	(79.16)

(c) Transactions with non-controlling interest

The Group has acquired 49% stake in RHI Magnesita Seven Refractories Limited for ₹ 6,184.75 lacs. Immediately, prior to the Purchase, the carrying amount of existing 49% non-controlling interest was ₹ 8,893.02 lacs. The Group recognised gain on lower payment than carrying value for non-controlling interest and recognised in retained earning within equity. The effect on the equity attributable to the owners of Group during the year is summarised as below:

Summarised Statement of Cash Flows	As at 31 March, 2024	As at 31 March, 2023
Carrying amount of non-controlling interest acquired	8,969.17	-
Consideration paid to non-controlling interests	6,184.75	-
Others	6.00	-
Gain over lower payment recognised in retained earning within equity	2,778.42	-

There was no transaction with non controlling interests in previous year.

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(All amount in ₹ Lacs, unless otherwise stated)

Note 44: Additional information required by Schedule III in respect of subsidiaries

Name of the Entity in the group	Net Assets (total assets minus total liabilities) as at 31 March, 2024		Share in profit/(loss) for the year ended 31 March, 2024		Share in other comprehensive income for the year ended 31 March, 2024		Share in total comprehensive income for the year ended 31 March, 2024	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or (loss)	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent								
RHI Magnesita India Limited	52.93%	203,558.79	(244.12%)	24,438.53	4.35%	(5.77)	(240.87%)	24,432.76
Subsidiaries								
RHI Magnesita India Refractories Limited	42.19%	162,252.51	344.68%	(34,506.12)	-(90.74%)	(120.26)	341.37%	(34,626.38)
RHI Magnesita Seven Refractories Limited	4.49%	17,271.78	-(1.46%)	(145.77)	(0.04%)	0.05	-(1.44%)	(145.72)
Intermetal Engineers India Private Limited	0.39%	1,489.00	(1.69%)	168.79	4.97%	(6.59)	(1.60%)	162.20
Non-Controlling Interest in all subsidiaries	0.00%	-	(0.34%)	33.62	(0.04%)	0.05	(0.33%)	33.67
Total	**100%**	**384,572.08**	**100%**	**(10,010.94)**	**100%**	**(132.52)**	**100%**	**(10,143.46)**

Name of the Entity	Net Assets i.e., total assets minus total liabilities as at 31 March, 2023		Share in Profit for the year ended 31 March, 2023		Share in Other Comprehensive Income (OCI) for the year ended 31 March, 2023		Share in Total Comprehensive Income for the year ended 31 March, 2023	
	As a % of consolidated net assets	Amount	As a % of consolidated net profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidated Total Comprehensive Income	Amount
Parent								
RHI Magnesita India Limited	40.61%	121,047.06	(50.23%)	23,389.22	213.14%	(41.05)	(50.12%)	23,348.17
Subsidiaries								
Dalmia OCL Limited	52.82%	157,429.38	150.81%	(70,225.79)	(112.26%)	21.62	150.70%	(70,204.17)
RHI Magnesita Seven Refractories Limited	3.12%	9,300.22	(0.10%)	47.17	(0.99%)	0.19	(0.10%)	47.36
Intermetal Engineers India Private Limited	0.45%	1,326.80	(0.38%)	178.86	1.04%	(0.20)	(0.38%)	178.66
Non-Controlling Interest in all subsidiaries	3.00%	8,935.50	(0.10%)	45.32	(0.93%)	0.18	(0.10%)	45.50
Total	**100%**	**298,038.96**	**100%**	**(46,565.22)**	**100%**	**(19.26)**	**100%**	**(46,584.48)**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 45: Qualified Institutional Placement (QIP) of Equity shares

On 13 March, 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 form time to time (the 'Offering'). Pursuant to the Offering, on 06 April, 2023, the Company has issued and allotted 15,715,034 equity shares of face value ₹ 1 each at a issue price of ₹ 572.70 per equity share including a premium of ₹ 571.70 per equity share aggregating to ₹ 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.

Note 46: Preferential issue of Equity shares

On 01 April, 2023, Board of Directors approved a proposal to raise funds upto ₹ 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 21 June, 2023, the Company has issued and allotted 2,790,061 equity shares of face value ₹ 1 each at a issue price of ₹ 716.83 per equity share including a premium of ₹ 715.83 per equity share aggregating to ₹ 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.

Note 47: Investment in Subsidiary

On 08 May, 2023 and 11 August, 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 ₹ 10 each at a premium of ₹ 197 each for an amount aggregating to ₹ 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. RHIMSRL.

On 21 April, 2023, the Company's 100% subsidiary, RHI Magnesita India Refractories India Limited (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 24 July, 2023, RHIMIRL has completed the purchase of 49% i.e. 98,00,000 equity shares having face value of ₹ 10/- each of RHIMSRL for a consideration amounting to ₹ 6,184.75 lacs. Consequently, RHIMSRL has become a 100% wholly owned subsidiary of RHIMIRL.

Note 48: Merger

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

Further, the draft scheme of merger was filed with Registrar of Companies, Delhi & Haryana and Chennai on 09 February, 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 Consolidated Financial Statements.

Note 49:

During the year ended 31 March, 2024, the Group has reclassified following comparatives. These reclassifications are primarily to conform to the current years classification, which do not have material impact on the Consolidated Financial Statements.

Note Description	Note No.	Previously reported Amount	Revised amount	Change	Purpose
Trade receivables	5(c)	78,745.08	75,560.10	(3,184.98)	For better presentation
Contract assets	5(g)	26,915.93	28,904.37	1,988.44	For better presentation
Provisions		(1,196.54)	-	1,196.54	For better presentation
Trade payables	12	87,180.21	84,380.21	(2,800.00)	For better presentation
Other current liabilities	18	2,008.35	4,808.35	2,800.00	For better presentation

Notes to Consolidated Financial Statements

Note 50: Summary of other accounting policies

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

(i) Leases

As a lessee

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

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

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

For lease liabilities at the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

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

(ii) Financial assets

A. Classification and initial recognition

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

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

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

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

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

B. Subsequent measurement

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

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

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial assets are designated upon initial recognition at fair value through profit or loss when the same are managed by the Group on the basis of their fair value and their performance is evaluated on fair value basis in accordance with a risk management or investment strategy of the Group. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in other income in the Consolidated Statement of Profit and Loss.

Notes to Consolidated Financial Statements

b. ***Financial assets measured at amortised cost***

Assets that are held for collection of contractual cash flows, where the assets' cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income in the Consolidated Statement of Profit and Loss.

c. ***Fair value through other comprehensive income (FVOCI):***

Financial assets are measured at fair value through other comprehensive income (OCI) if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

C. ***Derecognition***

A financial asset is derecognised only when

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

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

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

D. ***Impairment of financial assets***

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

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

E. ***Income recognition – Interest***

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

(iii) Financial Liabilities

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

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

Classification, initial recognition and measurement

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

Subsequent measurement

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

Notes to Consolidated Financial Statements

De-recognition of financial liability

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

(iv) Offsetting Financial Instruments

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

(v) Fair Value Measurement

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

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

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

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

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

(vi) Derivative financial instruments

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

(vii) Income Taxes

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

Notes to Consolidated Financial Statements

(viii) Inventories

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

(ix) Cash and Cash Equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(x) Provisions and contingent liabilities

a) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Consolidated Financial Statements.

(xi) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Consolidated Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(xii) Segment reporting

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

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

Notes to Consolidated Financial Statements

(xiii) Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with required conditions. Export incentive under Remission of Duties and Taxes on Export products (RODTEP), Merchandise Exports from India Scheme (MEIS) and duty drawback are accrued when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

(xiv) Employee benefits

Defined benefit plan - Gratuity

The liability recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Defined contribution plans

The Group's contribution to provident fund, national pension scheme and employees' state insurance scheme are considered as defined contribution plans and are charged as expense in the Consolidated Statement of Profit and Loss, based on the amount of contribution required to be made and when services are rendered by the employee.

Other Benefits - Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long-term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(xv) Equity-settled share option plan (LTIP)

RHI Magnesita N.V. (the 'Ultimate Holding Company') has implemented a share option plan for the members of senior management of the RHI Magnesita Group.

The LTIP is treated as an equity-settled share option plan as the Group does not have an obligation to make any settlement.

The fair value of the LTIP granted is recognised as employee benefits expense with a corresponding increase in reserves. The total amount to be expensed is determined by reference to the fair value of the options granted:

a) including any market performance conditions

b) excluding the impact of any service and non-market performance vesting conditions, and

c) including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

Notes to Consolidated Financial Statements

(xvi) Foreign currency translation

(i) Functional and presentation currency

Items included in the Consolidated Financial Statements are measured using the currency of the primary economic environment in which the Group operates (`the functional currency'). The Group's operations are primarily in India. The Consolidated Financial Statements are presented in Indian rupee (₹), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Consolidated Statement of Profit and Loss.

Foreign exchange differences arising on foreign currency borrowings are presented in the Consolidated Statement of Profit and Loss within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit and Loss on a net basis within Other Income/Expense.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(xvii) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(xviii) Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(xix) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(xx) Trade receivables

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

Notes to Consolidated Financial Statements

(xxi) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

(xxii) Business Combinations

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the:

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

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

(xxiii) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to effect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The acquisition method of accounting has been used to account for business combinations by the Group.

The Group combines the financial statements for the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transaction between group companies are eliminated. Unrealised losses are also been eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with the equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

(xxiv) Contributed equity

Equity shares are classified as equity.

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

RHI MAGNESITA

Notes to Consolidated Financial Statements

Note 51: Previous year figures

The Company has completed the acquisition of the refractory business of Hi-Tech Chemicals Limited on 31 January, 2023 and RHIMIRL and RHIMSRL on 05 January, 2023. Accordingly, the previous period figures are not comparable.

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

Abhishek Rara
Partner
Membership Number: 077779

Place: Gurugram
Date : May 29, 2024

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

Dr. Vijay Sharma
Chairman
(DIN-00880113)

Parmod Sagar
Managing Director & CEO
(DIN - 06500871)

Azim Syed
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

ADDENDUM TO THE NOTICE OF

FOURTEENTH ANNUAL GENERAL MEETING OF RHI MAGNESITA INDIA LIMITED

Addendum to the Notice dated 14 August 2024 convening the Fourteenth (14th) Annual General Meeting ('**AGM**') of RHI Magnesita India Limited ('**the Company**') scheduled to be held on **Friday, 27 September 2024 at 11:30 a.m. (IST)** through Video Conferencing / Other Audio Visual Means ('**VC/OAVM**'):

Members of the Company are hereby informed that Ms. Sonu Chadha (DIN: 00129923) was appointed as an Additional and Independent Director of the Company under Section 161 and 149 of the Companies Act, 2013 (the "**Act**") read with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the '**SEBI Listing Regulations**') and Articles of Association of the Company with effect from 13 August 2024 for second consecutive term of five (5) years, subject to approval of Members of the Company, by resolution passed through circulation on 7 August 2024 by the Board of Directors of the Company on the basis of recommendation of the Nomination and Remuneration Committee (the "**NRC**") of the Board. The Company has further received a notice from a member proposing the candidature of Ms. Sonu Chadha for the office of Independent Director of the Company for second term of 5 years pursuant to the provisions of Section 160 of the Companies Act, 2013 ('Act') read with Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

However, while sending the notice of this AGM the agenda pertaining to re-appointment of Ms. Sonu Chadha was inadvertently omitted to be included in the notice by the Company and is now being added in the aforesaid Notice through this addendum as item no. 7 as a Special Business and this addendum shall be deemed to be an integral part of the original Notice dated 14 August 2024 including the notes provided therein.

Attention of the shareholders is specifically drawn to the attached explanatory statement to explain the background of the proposal and the recommendation of Nomination and Remuneration Committee as well as Board of Directors of the Company thereon.

SPECIAL BUSINESS:

Item No. 7:

Re-appointment of Ms. Sonu Chadha (DIN: 00129923) as a Director and Independent Director

To consider and, if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** Ms. Sonu Chadha (DIN: 00129923), who was re-appointed as an Additional Director (Category: Non-Executive Independent) of the Company with effect from 13 August 2024 by the Board of Directors, based on recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 **('the Act')** (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, and is eligible for re-appointment and consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152, 160 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), in accordance with the provisions of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, Ms. Sonu Chadha (DIN: 00129923), be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 years commencing from 13 August 2024 to 12 August 2029.

RESOLVED FURTHER THAT any Director or the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient for re-appointment of Ms. Sonu Chadha (DIN: 00129923), as a Non-Executive Independent Director of the Company."

By Order of the Board of Directors

Sanjay Kumar
Company Secretary
Membership No. A17021

Gurugram, 6 September 2024

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Kanjurmarg Village Road, Kanjurmarg (East)
Mumbai - 400042
CIN: L28113MH2010PLC312871
Tel: 91 22 66090600
E-mail: corporate.india@RHIMagnesita.com
Website: www.rhimagnesitaindia.com

Notes:

1. The Statement pursuant to Section 102(1) of the Act, in respect of the special business proposed above to be transacted at the ensuing 14th AGM, is annexed hereto and forms part of the Notice.

2. This addendum to the Notice of AGM is available on the website of the Company at https://www.rhimagnesitaindia.com/investors/financials-reports/annual-reports and websites of stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also on the website of NSDL at www.evoting.nsdl.com.
3. The aforesaid proposal for re-appointment of Ms. Sonu Chadha as an Independent Director would also be included in the remote e-voting facility commencing on Tuesday, 24 September 2024 at 9:00 A.M. (IST) and ending on Thursday, 26 September 2024 at 5:00 P.M. (IST) (both days inclusive) and in the e-voting during the AGM as stated in Notice dated 14 August 2024.
4. All the processes, notes and instructions relating to attending AGM through VC / OAVM and e-voting set out for and applicable for the ensuing 14th AGM shall *mutatis-mutandis* apply to attending AGM through VC / OAVM and e-voting for the resolution proposed in this Addendum to the Notice of AGM. Furthermore, the Scrutinizer appointed for the ensuing 14th AGM will act as Scrutinizers for the Resolution proposed in this Addendum.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND/ OR REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Item no. 7

Ms. Sonu Chadha was previously appointed as an Additional Independent Director by Board of Directors of the Company on 13 August 2019 and further approved by members of the Company in their tenth (10th) AGM held on 28 August 2020 for first term for five years from the date of her appointment to 12 August 2024.

Further, based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors had re-appointed Ms. Sonu Chadha (DIN: 00129923) as an Additional and Independent Director of the Company under Section 161 of the Companies Act, 2013 (the "**Act**") read with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the '**SEBI Listing Regulations**') and Articles of Association of the Company with effect from 13 August 2024 for second consecutive term of five (5) years, subject to the approval of Members of the Company, by resolution through circulation on 7 August 2024.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Director requires approval of the members of the Company. Further, in terms of amendment in the SEBI Listing Regulations effective from 1 January 2022, a listed entity shall ensure that approval of shareholders for appointment of a person in the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the re-appointment of Ms. Sonu Chadha would require approval of Members of the Company.

The Company also received a Notice under Section 160 of the Act from a Member in writing proposing the candidature of Ms. Sonu Chadha for appointment as an Independent Director of the Company. Ms. Sonu Chadha has given a declaration to the Board that she meets the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

In the opinion of the Board, Ms. Sonu Chadha fulfils the conditions specified in the Act, Rules made thereunder and Listing Regulations for appointment as an Independent Director and she is independent of management. The Board recommends her appointment as an Independent Director for another five (5) consecutive years with effect from 13 August 2024.

Further, Ms. Sonu Chadha has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as an Independent Director of the Company. Ms. Sonu Chadha has also confirmed that she is not debarred from holding the office of a director by virtue of any order passed by SEBI or any such authority. Ms. Sonu Chadha is not disqualified from being appointed as a director in terms of Section 164 of the Act. She has confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('**IICA**').

A brief profile of Ms. Sonu Chadha, the nature of her expertise in specific functional areas, disclosure of relationship between Directors, inter-se, names of Companies in which she holds Directorship, Committee Memberships / Chairmanships, her shareholding etc. are provided herein.

A copy of the draft letter of appointment as an Independent Director stating the terms and conditions is available for inspection by Members at the Registered Office of the Company between 11.00 a.m. and 01.00 p.m. on all working days of the Company from the date of dispatch of this Addendum till Friday, 27 September 2024 and the same is also available on the website of the Company at the link *https://www.rhimagnesitaindia.com*.

As required under Regulation 36 of the SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standard-2, other requisite information is annexed hereto, and forms a part of this Notice.

Except Ms. Sonu Chadha and her relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in anyway concerned or interested, financially or otherwise, in the Resolution set out in this Notice.

The Board of Directors recommends the resolution given in the Notice for approval of Members of the Company as a Special Resolution.

The Board recommends the resolution set forth at item no. 7 for the approval of the Members.

By Order of the Board of Directors

Sanjay Kumar
Company Secretary
Membership No. A17021

Gurugram, 6 September 2024

ANNEXURE

Details of Director seeking re-appointment pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with clause 1.2.5 of the Secretarial Standard -2

Particulars of Ms. Sonu Chadha seeking re-appointment

Name of Director	Ms. Sonu Chadha
Director Identification Number	00129923
Designation / Category of Director	Non-Executive, Independent Director
Age	53 years
Brief Resume & Experience/ Expertise	Ms. Sonu Chadha is an entrepreneur with an extensive experience of more than 25 years in managing all aspects of business operations. Ms. Chadha is the Founder Director of Impressions Services Pvt. Ltd. She has been responsible for expanding the company's geographic service footprint to over 45 cities and towns throughout the country. She has also facilitated the establishment of a single-window procurement experience as a Partner at Wildflower Mercantile. In addition, Ms. Chadha serves as a principal advisor to the founder of Cartellagroup.com, an HR technology start-up. She is associated with Unnayan Foundation as its Trustee and is committed to the cause of clean, Open Defecation Free India and promoting dignity of women. She is a Bachelor of Arts degree holder from University of Delhi (1992). She has a diploma in Interior Design from South Delhi Polytechnic (1993) and has a CPSS Certification from British Institute of Cleaning Science (2011).
Terms and conditions of appointment or re-appointment	Appointment for second consecutive term of five (5) years commencing from 13 August 2024 to 12 August 2029 and shall not be liable to retirement by rotation.
Remuneration to be paid	She shall be paid a fee for attending meetings of the Board or Committees thereof, reimbursement of expenses for participating in the Board and other meetings.
Remuneration last drawn	Not applicable
Date of first appointment on the Board	13 August 2019
Shareholding in the Company including beneficial ownership	nil
Relationship with Other Directors and other Key Managerial Personnel of the Company	Ms. Sonu Chadha is not related to any Directors and Key Managerial Personnel of the Company.
The Number of Meetings of the Board attended during FY 2023-24	Five (5) out of Five (5)
Directorship in other listed entities (in India)	nil
Chairmanship/Membership of the Committees of the Board of Directors of the listed entity (in India) (includes only Audit Committee and Stakeholders' Relationship Committee)	nil
Resignation from listed entity (in India), if any, in the past three years.	Not applicable
In case of Independent Directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	**SKILLS AND CAPABILITIES REQUIRED FOR THE ROLE OF INDEPENDENT DIRECTOR** - Operational Experience - Leadership - Financial, Regulatory / Legal & Risk Management - Understanding of laws, rules and regulations - Corporate Governance - Information Technology - Integrity and ethical standards - Corporate Social Responsibility activities

	MANNER IN WHICH THE PROPOSED APPOINTEE MEETS THE ABOVE REQUIREMENT: Ms. Sonu Chadha is an entrepreneur with an extensive experience of more than 25 years in managing all aspects of business operations. Ms. Chadha is the Founder Director of Impressions Services Pvt. Ltd. She has been responsible for expanding the company's geographic service footprint to over 45 cities and towns throughout the country. She has also facilitated the establishment of a single-window procurement experience as a Partner at Wildflower Mercantile. In addition, Ms. Chadha serves as a principal advisor to the founder of Cartellagroup.com, an HR technology start-up. She is associated with Unnayan Foundation as its Trustee and is committed to the cause of clean, Open Defecation Free India and promoting dignity of women. The Nomination and Remuneration Committee and Board is of the opinion that Ms. Sonu Chadha meets the above-mentioned skills and capabilities required for the role of Independent Director.

By Order of the Board of Directors
Sanjay Kumar
Company Secretary
Membership No. A17021

Gurugram, 6 September 2024

Notes

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RHI MAGNESITA

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