

14th Annual General Meeting

RHI Magnesita India Limited

27 September 2024

- **Mr. Sanjay Kumar - Company Secretary, RHI Magnesita India Limited:**
- Good morning, dear shareholders. I, Sanjay Kumar, Company Secretary of your Company, hereby welcome you all to 14th Annual General Meeting, which is being held through video conference. I hope you and your family members are well, healthy, safe, and well. I would like to take you through certain key points regarding your participation in this meeting. The facility for joining the AGM through video conference and other audio-video means is being made available for the members. All members who have joined this meeting are by default placed on mute mode to avoid disturbance arising from any background noise and ensure smooth and seamless conduct of the AGM. When question answer session starts, the name of shareholders who are registered as speaker shareholder will be announced one by one. Speaker shareholder session will be conducted in audio-video mute mode. Once your name is announced, you will be sending a request to unmute your microphone. Kindly unmute your microphone, switch your camera on and speak. If you are not able to switch on video mode by any reason, please use audio mode only to ensure great clarity and minimize background voices. We recommended to use headphone or earphone which with a microphone. For better experience, please ensure lighting at your area and ensure that Wi-Fi is not connected to any other devices and no other background applications are running on the device.
- If it is observed that there is a connectivity problem at the speaker shareholder end, we would ask the next speaker to join. If the connectivity improves, we will call those shareholders who had connectivity issues earlier to join again once the other registered shareholders complete their questions. We would like to request the shareholder to limit their max speech to 3 minutes each to allow maximum shareholder participation. During the AGM, if any shareholder faces any technical issues, contact on the helpline number mentioned in the notice of the AGM or refer to the F&Q section available on the site of the NSDL. If at any time during the AGM, you got disconnected from your end, check your Internet connection and login again using same process. The shareholders who have not voted during the e-voting period are requested to kindly vote on the resolutions stated in the notice during the meeting as per the point 28H on the page 41 of the Annual Report. Naresh Verma & Associates Practicing Company Secretary has been appointed at scrutinizer to scrutinize the e-voting process in a fair and transparent manner. Since the AGM is being held to video conference and other audio-video visual means and the resolution mentioned in the notice concerning this meeting have already been put to vote, there will be no any proposing or seconding of the resolution.

- Thank you. As the quorum of the meeting is present, now Dr. Vijay Sharma, Chairman, will proceed this meeting. Sir.
- **Dr. Vijay Sharma - Chairman, RHI Magnesita India Limited:**
- Good morning valued shareholders. I welcome you all to the 14th Annual General Meeting of your Company. I also welcome the Board of Directors and Auditors of the Company for this meeting. Your Company has an unwavering commitment to safety first. Kindly allow me to take a moment to request you all to always be aware of the surroundings for any safety gap and always try your best to be safe for the benefit of yourself and your family. Before proceeding further, let me introduce you to the Board of Directors and Auditors attending this meeting through video conference from their respective locations. Mr. Nazim Sheikh, Independent Director.
- **Mr. Nazim Sheikh – Independent Director, RHI Magnesita India Limited:**
- Good morning to everybody. Welcome to all the shareholders of RHI. Wish you all the best. Thank you.
- **Dr. Vijay Sharma - Chairman, RHI Magnesita India Limited:**
- Pleasure to introduce our new board member, Mr. Kamal Sarda, Independent Director. Welcome, Mr. Sarda.
- **Mr. Kamal Sarda - Independent Director, RHI Magnesita India Limited:**
- Good morning, everyone. Welcome to the shareholder and this will be my first AGM to attend. Thank you all.
- **Dr. Vijay Sharma - Chairman, RHI Magnesita India Limited:**
- Mr. Gustavo Lucio Goncalves Franco, Non-Executive Director.
- Mr. Erwin Jankovits, Non-Executive Director.
- Mr. Pramod Sagar, Managing Director & CEO of the Company, is physically present in the meeting.
- Mr. Abhishek Rara, representative of statutory auditors, Price Waterhouse Chartered Accountants LLP, is physically present in the meeting.
- Mr. Naresh Varma, Secretarial Auditor have joined this meeting through video conference from his location.
- Mr. Azim Syed, Chief Financial Officer & Chief Investor Relation Officer.
- Mr. Sanjay Kumar, Company Secretary of the Company, are also physically present in the meeting.

- This Annual General Meeting is being held through video conference, which being called, conveyed, and conducted in compliance with the provision of the Companies Act 2013, including the rules made there under applicable secretarial standards along with the directions of the Ministry of Corporate Affairs. The live stream of this meeting is being webcast on NSDL website. The Company has taken the requisite steps to enable members to participate and vote on the items being considered at this AGM. The registers are required under the Companies Act 2013 are open for inspection on request. The Company has received 3 letters along with board resolutions from corporate shareholders appointing an authorized representative under Section 113 of the Companies Act 2013 in respect of 11.58 crore equity share representing 56.07% of the paid up equity capital of the Company. Since there is no physical attendance of the members, the requirement of appointing proxies is not applicable. Those Members who have not voted earlier through remote e-voting, can cast their vote in the course of this meeting through e-voting facility.
- The notice for conveying the meeting is already circulated to all members and with your permission, I take the notice as received and read. I am pleased to report that RHI Magnesita India has successfully completed another year of sustainable, resilient, and profitable growth in the financial year 2023-24. The Annual Report for the year ended on 31st March 2024, along with the directors report and audited annual accounts of the Company have been circulated to you. With your permission, I take them as read. The financial year 2023-24 witnessed various geopolitical developments leading to the headwinds affecting industries across the sector. Despite this, your Company's prominent market presence and extensive product portfolio with a core expertise in total refractory management and services ensured sustained growth in the medium term. While the fiscal year experienced robust market conditions in India, global demand for refractories was subdued, impacting global pricing levels. The successful integration of acquisitions including Dalmia OCL Limited, now RHI Magnesita Refractories and High-Tech Chemicals fostered strong synergies within our operation. This is reflected in Company's growth in sales and profitability driven by contribution from the acquired assets and our ability to manage operational excellence with technical marketing and R&D capabilities.
- Your Company's resilient performance is rooted in strong fundamentals, a market leadership position, a Vocal for Local manufacturing strategy, Make in India, and recent acquisitions that have created a balanced portfolio of refractory products and a robust platform for growth. India remains one of the highest growth market globally for refractory and your Company is well positioned to capitalize on this opportunity. The overall performance of your Company has met expectations, showcasing a level of efficiency that aligns with our strategic planning and operational goals. In the year end, 31st March 2024, your Company's revenue grew 38% year-on-year with consolidated income of ₹3,792 crores, while adjusted EBITA before one-time and expectation items stood at ₹578 crores at 15.3%. Your Company always strives and continue to develop strategies to take on challenges presented by market conditions to ensure our presence as a market leader remains intact with a focus of increasing market share to create value for all the shareholders. This was true again for the year 2023.

- In 2023, RHIM India established a new business vertical to serve iron making industry. This new division will support the industry through strategic partnership, addressing key challenges such as reliability of domestic refractory supply and improvement in productivity and performance of iron making plants. This new vertical will enhance the Company's growth by leveraging synergies from acquisitions and expanding into unrepresented areas such as iron making, DRI, and pellets. It will also broaden the company's product offering across all segments and create opportunities for cross selling. I take this opportunity to reemphasize that your Company contributes its growth journey in the region we have established a robot 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 concern undergoes thorough investigation by our internal audit, risk, and compliance team, ensuring that RHIM India continues to do business in a responsible and ethical manner. Continuing the commitment towards environment and communities at large, your Company has proactively implemented initiatives to reduce carbon footprint and optimize resource utilization. Your Company continue continues to strive to achieve its recycling targets while maintaining value for the customers.

- RHIM India is dedicated to uplifting the communities in lives and works and work with. We are committed to supporting communities at large, focusing on their inclusive growth of employment. We operate a comprehensive community investment program, which each project aimed at bringing long lasting social improvements. India's ambitious domestic manufacturing and infrastructure development goals have significantly boosted the refractory industry. The government of India's focus on manufacturing and infrastructure will continue to drive the refractory industries growth. The government's initiative to make substantial investment in infrastructure development have positioned the refractory sector as an enabler for India's manufacturing narrative, directly contributing to India's manufacturing ambitions, fostering sustainable growth, and enhancing the nation's industrial competitiveness on the global scale. I am confident that RHIM will take further leaps and bounds to leverage on the growth opportunities and continue to create value for shareholders, customers, employees, partners, and communities at large.

- As my tenure as Chairman of RHIM will be concluded from 12th November 2024, I take this opportunity to thank valued shareholders for their continuous confidence in RHIM India. It has been great honor to serve as the Chairman of your Company and I take this pride in witnessing the growth of your Company over the years in India. I am now pleased to share that Mr. Pramod Sagar will be taking over as Chairman, MD & CEO of your Company effective from 12 November 2024. His leadership has been instrumental in growth of RHIM, India. This is a testament of his contribution and leadership to the Company and I am more than confident that he will take on the role of Chairman, MD & CEO with great pride and fulfill the expectations of all our valued shareholders. Now, I will take questions from the registered shareholders. Mr. Aspi Bamanshaw Bhesania please.

- **Mr. Aspi Bamanshaw Bhesania - Shareholder:**
- One minute, one minute. Hello. Hello. Can you see me and hear me?
- **Dr. Vijay Sharma - Chairman, RHI Magnesita India Limited:**
- Hello yeah. Yes, yes, yes, we can hear you.
- **Mr. Aspi Bamanshaw Bhesania - Shareholder:**
- Sir, I'm Aspi from Bombay. Thanks for giving me an opportunity to speak. Sir, why no physical AGM? Now, many companies are holding physical AGM, including Bajaj Group held a physical AGM in Pune. Sir, I would request you also to hold physical meeting from next time. Sir, please do not hold the meeting in last week of September. At least 60 meetings today, how do you expect us to attend 60 meetings? Sir, I congratulate the entire management on excellent results. However, due to impairment, there is a loss. How much impairment is still left out? Sir, impairment of goodwill means we paid more goodwill. Does it mean we have paid more goodwill, please explain? Sir, there is an interest of 10 crore in quarter one. Sir, why don't you come with a small rights issue and become debt free so that you can acquire more companies in future? Sir, our inventories and receivables look very high. Sir quarter one, our revenue is less quarter-on-quarter and year-on-year. However, PBT is higher quarter-on-quarter and year-on-year, which is very good. Sir, what is the reason for PBT increasing in revenue reducing, if somebody can explain? Thank you very much and all the best for the future.
- **Mr. Pramod Sagar – Managing Director & CEO, RHI Magnesita India Limited:**
- Thank you very much, Aspi for your valued feedback. Regarding why the EBITA or PBT has gone up and revenue is less, because technically we thought profitability is more important than going for a commodity business where we dilute our margins, where we can increase the volume and revenue, but we thought as of now profitability of the Company is more important than revenue or volumes. About physical, yes, we will definitely look into it and try to have a physical meeting next time. What else, impairment? Yes, as of now, we don't see any impairment is coming, but it also depends upon market conditions which as of now we don't see and the dilution of market though market is a little bit you know slow particularly steel, but we don't see it as a long-term. Long-term, we still see a sustainable growth of steel industry, cement industry, and we will continue to grow.
- Yes, debt free, we can make this Company debt free. We have our ECB loan term loan, which is having five years term. So, we wanted to pay it back, but because of it is term loan we have to live with that, but otherwise the cash in the bank is very healthy and after this ECB loan, we will be debt free and as you suggested, we will keep on looking at options to acquire other Companies. It is always on the table if some good opportunity comes which fit into our scheme of things, we will definitely look into it.

- **Mr. Aspi Bamanshaw Bhesania - Shareholder:**
- And please do not hold the meeting in last week of September when there are so many meetings.
- **Mr. Pramod Sagar – Managing Director & CEO, RHI Magnesita India Limited:**
- Yeah, you know, it is not our only fault. Everybody tried to do it in September. So, if I shift it still, you will have 15 meetings instead of 16 meeting. So, it is always difficult, you know.
- **Mr. Aspi Bamanshaw Bhesania - Shareholder:**
- No, but if you hold it in first of September, there are not many meetings.
- **Mr. Pramod Sagar – Managing Director & CEO, RHI Magnesita India Limited:**
- We will look into it, for sure. Definitely, we will see.
- **Mr. Aspi Bamanshaw Bhesania - Shareholder:**
- Thank you very much and all the best for the future. Thank you, Sir.
- **Mr. Pramod Sagar – Managing Director & CEO, RHI Magnesita India Limited:**
- Thank you, Aspi Saab.
- **Dr. Vijay Sharma - Chairman, RHI Magnesita India Limited:**
- Thank you, Mr. Praveen Kumar please.
- **Mr. Sanjay Kumar - Company Secretary, RHI Magnesita India Limited:**
- Not available, Sir.
- **Dr. Vijay Sharma - Chairman, RHI Magnesita India Limited:**
- Okay. Mr. Anil Babubhai Mehta Ji.
- **Mr. Sanjay Kumar - Company Secretary, RHI Magnesita India Limited:**
- He is also not available, Sir.
- **Dr. Vijay Sharma - Chairman, RHI Magnesita India Limited:**
- No, okay. Lekha Satish Shah. Mr. Bimal Kumar Agarwal.
- **Mr. Sanjay Kumar - Company Secretary, RHI Magnesita India Limited:**
- No. Manjit Singh.

- **Dr. Vijay Sharma - Chairman, RHI Magnesita India Limited:**
- Mr. Manjit Singh. *Niche karo, niche karo.* Okay. Mr. Praveen Kumar, are you there? Mr. Anil Babubhai Mehta, ji?, Lekha Satish Shah? Vimal Kumar Agarwal?, Manjit Singh? Since other shareholders are not present or available for some reason, we can go ahead, right?
- **Mr. Sanjay Kumar - Company Secretary, RHI Magnesita India Limited:**
- Yes.
- **Dr. Vijay Sharma - Chairman, RHI Magnesita India Limited:**
- Okay. I on behalf of the Board of Directors, would like to thank all our valued shareholders including our customers, vendors, lenders, and shareholders for continuing their support and upholding their confidence and trust in us. I also thank the directors, statutory and secretarial for joining the meeting through audio-video mode. We remain deeply grateful to all our employees for their contribution and commitment to growth of the organization. I would like to authorize Mr. Sanjay Kumar, Company Secretary to conduct the voting procedure and conclude the meeting. The e-voting results would be announced within 48 hours of conclusion of the meeting and the same would be submitted to the Stock Exchange and uploaded on the website of the Company and NSDL. With your consent, I and all other board members would like to close this meeting. Thank you.
-

End of Transcript