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RHI MAGNESITA

RHI MAGNESITA INDIA LTD.
(Formerly Orient Refractories Ltd.)
301, 316-19, Tower B, EMAAR Digital Greens
Golf Course Extension Road, Sector 61,
Gurugram, Haryana-122011, INDIA
T +91 124 4062930
E corporate.india@rhimagnesita.com
www.rhimagnesitaindia.com

Date: 4 September 2023

Department of Corporate Services
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001
STOCK CODE: 534076

Department of Corporate Services
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai
STOCK CODE: RHIM

Dear Sir/Madam,

Sub: Submission of Annual Report for the Financial Year 2022-23

Dear Sir/ Madam,

This is to inform you that the 13th Annual General Meeting ("**AGM**") of the Company will be held on **Thursday, 28 September 2023 at 12.30 P.M. (IST)** through Video Conferencing/ Other Audio-Visual Means in compliance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), the Annual report of the Company along with the Notice of AGM for the financial year 2022-23, being sent through electronic mode to the Members, is attached.

The notice of AGM and Annual Report 2022-23 is also uploaded on the website of the Company i.e. https://www.rhimagnesitaindia.com/investors/financials-reports/annual-reports

This is for your record and reference.

Yours faithfully,
For RHI Magnesita India Limited

Sanjay

Sanjay Kumar
Company Secretary
(ICSI Membership No. -17021)

RHI Magnesita India Limited
RHI MAGNESITA

CC:

ISIN: INE743M01012
National Securities Depository Limited
4th Floor, 'A' Wing, Trade World,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013

ISIN:INE743M01012
Central Depository Services (India) Limited
A-Wing,25th Floor, Marathon Futurex,
Mafatlal Mills Compounds,
N M Joshi Marg, Lower Parel (E), Mumbai – 400013

Skyline Financial-Services Pvt. Ltd.
D-153 A, 1st Floor, Okhla Industrial Area, Phase-I,
New Delhi-110020

RHI MAGNESITA

We, Rise Together

RHI Magnesita India Limited

Annual Report 2022-23

RHI MAGNESITA

The year 2022-23 brought to us the great opportunity to bring together three leading refractory businesses in India to build one strong, integrated, new RHI Magnesita India. It has been an integration of people, processes and practices, that paves the way towards building a market leader that can potentially drive the Indian refractory industry through the 21st century and beyond.

The integration has enabled the best of the talents, the customers, and partners, to come together to create a common future, a future of great possibilities with shared values. It has led to the birth of a new RHI Magnesita India which commits itself to be a **R**esponsible market leader that invests in **I**nnovative technologies to build a **S**ustainable refractory industry by **E**mpowering people.

We are responsible for delivering high-quality, new-age, refractory solutions that meet the evolving needs of our customers and the environment. We are innovative in developing new products and technologies that improve our and our customer's performance and efficiency. We are utilizing natural resources sustainably and reducing our carbon footprint. We are empowering our employees to grow their skills and contribute towards our shared success.

We welcome our colleagues, customers, partners, investors, communities and all other stakeholders to the new RHI Magnesita India. We, **RISE Together!**

Corporate Information

BOARD OF DIRECTORS

Independent Directors

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

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

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

Unit No. 705, 7th Floor, Lodha Supremus, Kanjurmarg Village Road, Kanjurmarg (East), Mumbai,
Maharashtra-400042
Telephone no.: +91 22 49851200
E-mail: corporate.india@RHIMagnesita.com
Website: 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-832108

SHARE REGISTRAR AND TRANSFER AGENT

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

RHI MAGNESITA

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Chairman's Message

Dr. Vijay Sharma
Chairman

We believe that the recent acquisitions will expand the company's product portfolio, strengthen its market position and create a strong platform for growth to achieve its long-term objectives.

Dear Shareholders,

I am pleased to present to you the annual report of RHI Magnesita India Ltd. for the financial year ended 31 March, 2023.

Despite the challenges posed by macro-economic volatility and geo-political tensions, RHI Magnesita India Ltd. has sustained its growth and performed well during the year. We have continued to strengthen our position as a leading refractory company, driven by our commitment to innovation, customer focus, and operational excellence.

Birth of a Responsible Market Leader

In the latter part of the financial year, the company successfully completed two strategic acquisitions in the refractory business, to strengthen its long-term growth strategy. The first acquisition was the Indian refractory business of Dalmia Bharat Refractories Limited ("DBRL"), completed on 6 January, 2023 through a share swap consideration. The second acquisition was Hi-Tech Chemicals' refractory business, completed on 31 January, 2023 through a slump sale as a going concern. These acquisitions would expand the company's product portfolio and strengthen its position in the Indian market, as well as for exports. We believe that these acquisitions will create a strong platform for growth and help the company to achieve its long-term objectives. Subsequent to the integration of the two leading refractory makers with RHI Magnesita India ("RHIM"), the company has emerged as the market leader that aims to act as a responsible leader that would continue to invest in innovative technologies to build a sustainable business.

Continued Growth

During the year, RHIM successfully implemented several initiatives to enhance its production capability and efficiency, while maintaining high standards of quality and safety. Our investments in making import substitute products through technology exchange with the parent company have also yielded promising results, enabling us to offer innovative and sustainable solutions to meet the evolving needs of our customers.

In the year ended 31 March, 2023, your company's revenue grew 37% year-on-year to ₹ 27,263 million, while Adjusted EBITDA grew 11.5% to ₹ 4,388 million. Though, impairment of investment in a subsidiary and cost of integration of the two new acquisitions adversely impacted the PAT, which is expected to be of one-time in nature.

Doing Business Responsibly

While the company continues to grow in the market, we have put in place well-defined and adequate internal control system commensurate to the size of the business and the nature of the industry we operate in. The Internal Control system ensures safeguarding and protecting the assets of the company. RHIM Code of Conduct sets out our commitment to uphold high ethical standards wherever we operate. We train our employees on ethical business conduct, and we expect them to follow the Code. Any reported ethical concerns are investigated thoroughly by our Internal Audit, Risk & Compliance team.

Sustainability & Social Commitment

At RHI Magnesita India Ltd., we are committed to sustainability and responsible business practices. We recognize the potential impact of our operations on the environment and society, and we are taking proactive steps to mitigate these risks. We have implemented several initiatives to reduce our carbon footprint, optimize our resource utilization, and promote social responsibility. During the year, several Corporate Social Responsibility initiatives were also implemented benefitting more than one lac people from underprivileged sections.

Thanking you

I would like to take this opportunity to express my sincere gratitude to our shareholders, customers, employees, and partners for their unwavering support and commitment to our business. I also extend my appreciation to our Board of Directors for their valuable guidance and leadership.

In conclusion, I am confident that RHI Magnesita India Ltd. is well-positioned to capitalize on the opportunities and challenges of the future, and we remain committed to delivering long-term value to our stakeholders.

Warm regards,

Vijay Sharma
Chairman

Managing Director's Message

Mr. Parmod Sagar
Managing Director & CEO

With an unrivaled product range, production footprint, talent pool and reach to service our customers, we are now well on track to evolve India as the refractory products, R&D and service hub for the global market.

Dear Shareholders,

In FY2022-23 your company remained committed to further strengthening its market leadership in India. We ramped up our capacity with the acquisition of the two leading refractory businesses in India. These acquisitions will help us serve our customers in India with a local -for- local approach and give fillip to our strategic ambitions of evolving the country as the refractory products, R&D and service hub to serve the markets globally in the long run. With an unrivaled product range, production footprint, talent pool and reach to service our customers, we are now well on track towards realizing that. Thank you for your continued support and trust on us through this journey.

We aspire to be a responsible market leader that would continue to drive innovation in the industry. Be the sustainability frontrunner and empower our people and partners to deliver world-class products and services. We are on a mission to rise together with all our stakeholders to create shared value and continue to bring in positive changes to our industry, customers and everyone who depends on us.

The Integration

The acquisitions brought to us the challenge of integrating the newly acquired businesses — people, culture, processes, products, policies. The biggest integration in the history of the Indian refractory industry. We saw this as an opportunity — to bring in the best from the three businesses and create a greater organization that is stronger and more efficient to serve its customers. To tap this opportunity, we had set up Project Milan that was aimed at amalgamating the best of three companies to build a new integrated RHI Magnesita India. The focus of the project were our Customers, People, Processes and Network. The project team did all the hard and smart work to deliver on the synergy expectations in each of these areas successfully. The integration remains ongoing and as we proceed further, you would start seeing the synergy realizations in our business performance.

Improving Operational Efficiencies

While we continue realizing the synergies out of the integration, your company has prioritized some key areas to focus on to drive future growth. The integration has given us a well distributed network of plants across the country. Operational efficiency building, particularly of the newly acquired plants, through product optimization, better cost management, productivity improvement and modernization will find our attention. We have strategic capex plans in place for modernization and automation of some of the newly added production facilities. Continuous improvement of operational performance of our customer sites for enhanced customer service delivery is another important focus area for us and has direct linkage to our profitability as well as brand value. We are working on better management of our working capital while maintaining our price leadership. Efficient management of both finished good and raw material inventory would continue to get management attention considering a larger production and sales network, and more dynamic market environment now. All this will be backed by a digital transformation journey your company has embarked upon. While we migrated to the latest SAP S4 HANA last year, the newly acquired Jamshedpur plant has now also been integrated into the same ERP system. Thanks to our parent group, there is a digital transformation project being implemented which would make us more data and process driven, improving our efficiencies. This will be well supplemented by a new Global Shared Service being set up by the parent company to service the India business.

New Business Development

The acquisitions, particularly that from DBRL, has also brought to us new business development opportunities. Apart from helping us strengthen our position in the Cement segment, we now have opportunities to make inroads into the Iron Making and other segments which we intend to drive with a dedicated sales and technical team. I take this opportunity to welcome a new set of Small and Medium Business (SMB) partners to RHI Magnesita India. This dealer network would help us reach the small and medium enterprises whom we have not been servicing directly through our regular sales network. The partners will work as extended arm of our sales team and provide reach for some of our products and services in the untouched customer segments and markets.

Safety, Sustainability and Diversity remains priority

100% safety at work is what we strive for. Continuous safety awareness programs were conducted through the year at our plants and customer sites. During the year, your company also started training programs for occupational health & safety management system for the customers which were well attended and appreciated by the customers at various sites. While safety remains a core pillar of our sustainability strategy, continuous effort is being made on reducing our CO_2 emissions and energy consumption. The change in fuel from LDO to PNG has resulted in substantial reduction in emissions. We have seen 307% year-on-year increase in our total waste recovery through recycling and other methods. Our water consumption has reduced almost by 50%. The global RHI Magnesita group has set a target of a 10% product recycling rate by 2025, which has been achieved three years early. In India, the Bhiwadi plant has been able to put in practice a successful product recycling process wherein 22% of its products are now being recycled. The same is being replicated in the other plants with encouraging progress so far. We intend to increase the gender diversity within the organization. Your company has made considerable progress in last few years in this regard. We remain committed to our set goal to have 30% women employees in coming years.

As we continue our growth journey as a newly integrated company, I take this opportunity to thank you and all our stakeholders — customers, vendor partners, bankers, govt. authorities and our employees for the continuous support. We are committed to continue creating shared value for all of us in days to come. We, Rise Together!

Warm regards,

Parmod Sagar
Managing Director & CEO

Board of Directors

Dr. Vijay Sharma
Chairman

Dr. Vijay Sharma is a Metallurgist with over 43 years of rich experience in Special Steel Manufacturing. 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 23 publications to his credit.

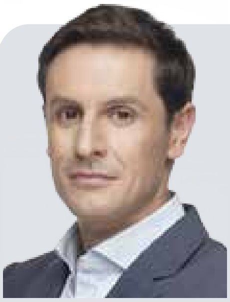
Mr. Nazim Sheikh is a metallurgical expert with over 44 years of varied experience in Ferroalloys, Manganese and Iron Ore mining operations, procurement, and raw materials management. Mr. Sheikh served as the Managing Director of Sandur Manganese & Iron Ores Ltd. (SMIORE) before he retired in 2020. He 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).

Mr. Nazim Sheikh
Independent,
Non-Executive Director

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. Gustavo Franco was appointed Chief Sales Officer in January 2020, prior to which he was Senior VP of Process Industries and Minerals. He joined Magnesita in 2001 as a Technical Marketing Engineer, after finishing his Bachelor's degree in Mechanical Engineering at the Federal Center for Technological Education of Minas Gerais and since then has developed his career in the refractory industry. Over the course of six years, he progressed through various sales managerial roles in South and North America and was part of the Executive Committee of Magnesita Refratários from 2015 to 2017. In 2018, he completed the Senior Executive Programme with the London Business School.



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

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

Ms. Ticiana Kobel is 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 was appointed as the Vice President Corporate Development, Merger & Acquisitions (M&A) in RHI Magnesita GmbH in 2020 prior to which 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. Erwin Jankovits
Non-Independent,
Non-Executive Director

Mr. Parmod Sagar
Managing Director &
CEO

Mr. Parmod Sagar comes with more than 3 decades of extensive experience of serving the steel and refractory industry. A Mechanical Engineer, Mr. Sagar started his career in the steel industry and worked in the sector for over 7 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, Mr. Sagar 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. Additionally, he is also the Chairman of the Indian Refractory Makers Association and has recently been appointed as the President of World Refractories Association.

Financial Highlights — Consolidated

Total Revenue

₹27,263Mn

↑ 37%

Adjusted EBITDA*

₹4,388Mn

↑ 11.5%

16.1% margin

Earnings per share (EPS)**

₹14.5ps

↓ 13.1%

Cash flows generated

₹2,602Mn

Capex

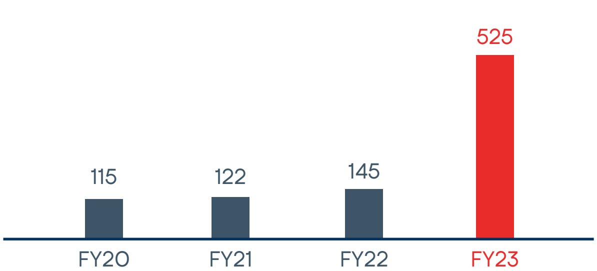
₹423Mn

Cash returned to shareholders

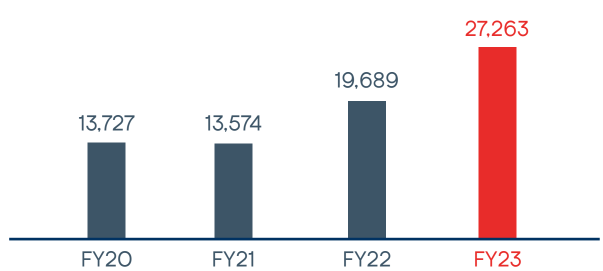
₹402Mn

Historical Performance

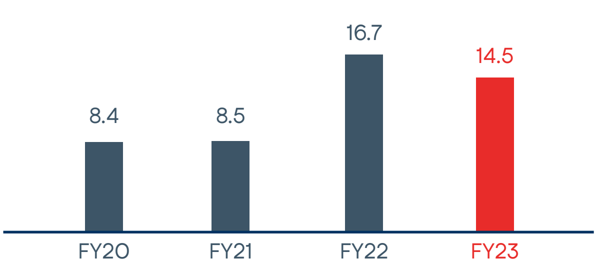
Capacity (kt)



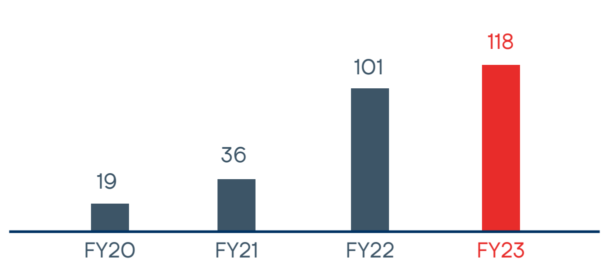
Revenue (₹ Mn)



EPS (₹ Per Share)



Market Capitalization (₹ Bn)



*Adjusted EBITDA is profit before tax excluding depreciation and amortization expense, finance costs and one time integration expenses of ₹640 Mn.

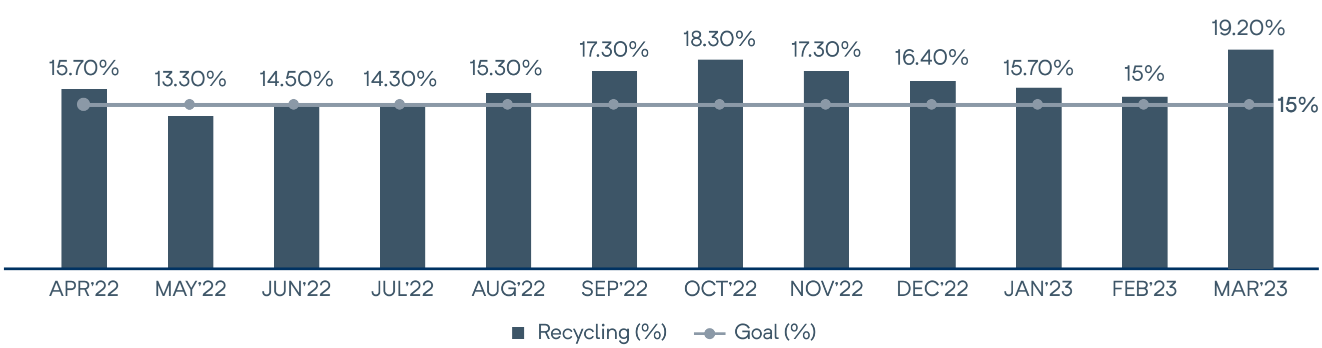
**EPS is computed after reducing impact of impairment loss of goodwill and net integration expenses.

RHI MAGNESITA

A Year of Strategic Progress

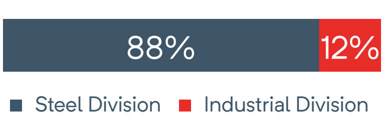
Sustainability at the core

Recycling Rate (%)



- Utilization of recycled refractory material significantly reduces emissions (Every tonne recycled represents 2 tonnes of avoided CO_2).
- The global RHI Magnesita group has set a target of 10% recycling rate by 2025, which has been achieved three years early.
- Within the global group, India has the highest recycling rate of 16% (FY 2023).
- RHI Magnesita India benefits from group R&D and investments in sustainable technologies. Multiple initiatives of CO2 emissions reduction are underway.

Balanced Portfolio and go-to-market



- Recent acquisitions create balanced portfolio. The revenue share of Steel and Industrial divisions has changed from 93:7 (FY22) to 88:12 (FY23).
- Along with a strong industrial product offerings, strategic local production footprint in south and west India.

Note: Share of total revenue from operations

Capital Returns

- Dividend recommended of ₹ 2.50 per fully paid-up equity share
- Constant dividend payout since 2017

Financial Performance

- Cashflow from operations of ₹ 2,387 Mn
- Net Debt to Adjusted EBITDA at 3.40

Strengthening Market Leadership

During the financial year 2022-23, RHI Magnesita India completed the acquisition of two leading refractory businesses in India — the Indian refractory business of Dalmia Bharat Refractories Ltd. and the refractory business of Hi-Tech Chemicals. The acquisitions are in line with the strategic ambition of the company to grow its manufacturing capacity in India to develop it into a global manufacturing, R&D and service hub for refractories.

Through the consolidation of the two company's production into RHI Magnesita India's operations, significant network optimization synergies are being captured. The integration has resulted in increasing RHI Magnesita India production capacity to more than 500,000 tons per annum. With this the company has positioned itself as the leading refractory player in India with an unrivaled product range, plant footprint and reach to service its customers in India and the larger region of West Asia and Africa.

The acquisition of the Indian refractory business of Dalmia Bharat Refractories Ltd. brings a well distributed footprint of five plants in east, west, and south India and a strong product portfolio for cement and other non-steel category of user industries. The company expects synergies coming from cross-selling and improved cost baseline from fixed cost optimization, resource bundling and economies of scale.

The acquisition of the refractory business of Hi-Tech Chemicals brings a well-established semi-automated, modern production plant for steel flow-control products in Jamshedpur. The product portfolio is highly complementary to the flow control production at Bhiwadi. RHI Magnesita India expects to drive cost synergies from optimized production.

Project Milan

Following the acquisitions, RHI Magnesita India initiated "Project Milan" exclusively focusing on integration of the three companies. The project was kicked off on 1 December, 2022. The project team comprising of workstream experts worked under the strategic direction of a steering committee which included representation from the global parent company's top management and the India senior management. During the initiation and planning stage of the project, various aspects like scope, budget, timeline, risks, stakeholders, communication plan etc. were clearly defined. Post the completion of acquisition of both the companies, the team was expanded to include colleagues from the newly acquired entities. Project Milan team was successful in ensuring smooth transition and effective communication to our stakeholders with minimum disruption to the ongoing business.

New Organization Structure

The integration provided the company a great opportunity to relook at its organization structure to make it future ready – an organization that is customer focused, agile, efficient and performance driven with capabilities to deliver on our growth potential. It brought to the company a pool of best of the resources from the three earlier companies who were delivering great results for their respective organizations. With the new Leadership Team at the helm, Project Milan workstreams well supported by the People & Culture team worked on understanding the skills and capabilities of individuals to devise the full organizational structure. Keeping up with its continued focus on being customer centric, with the new Org structure, the company have been able to represent itself as one strong team with one face to its customers.

Celebrating the biggest integration in the Indian refractory industry

With a collective resolve to RISE Together and drive the Indian refractory industry, the company committed to work as one team to strengthen its position as a responsible market leader that invests in innovative technology across the value chain to make its network more modern and sustainable and, build a strong talent pool in India to service the global refractory industry by empowering its people. The integration was celebrated with all the stakeholders including employees, customers, business partners and vendors through the months of February — April 2023.

With Employees

On 8 February, along with RHI Magnesita Global CEO Stefan Borgas, India MD & CEO Parmod Sagar and the new Leadership Team, the colleagues came together at a central location in Gurugram, India which was connected virtually to all 9 plants, 34 customer sites and offices across the country to celebrate the momentous occasion.

2000+

employees across 9 plants and 34 sites & offices participated

With Customers

The India Integration celebrations would have been incomplete without the customers being a part of this watershed moment in the history of the Indian refractory industry. On 9 February, more than 60 top executives from Steel, Cement, Glass and NFM industries joined the leadership team of the company deliberate upon the path towards building an “Atmanirbhar” (“self-reliant”) Indian refractory industry that is well-equipped to serve its stakeholders with a “Make-in-India” approach.

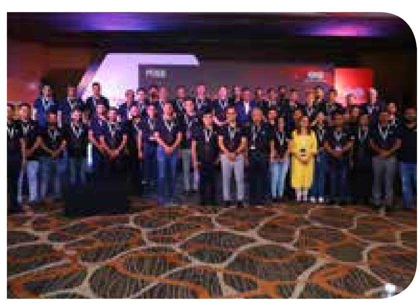
60+

customers engaged in-person

With Business Partners

Manthan Sammelan 2023

RHI Magnesita India has onboarded more than 25 dealers (SMB Partners) from across the country, who will help the company reach the small and medium enterprises whom it has not been selling directly through the regular sales network. The partners would help the company cater to the untouched customer segments and markets. The company played host to the dealers for a day full of energizing brainstorming sessions at New Delhi on 3 March.



25+

dealers onboarded

With Vendors

Bandhan 2023

To celebrate the partnership and to recognize the contributions of the supply partners in the growth of the company, RHIM hosted Bandhan 2023 – the Supply Partner Meet and Supplier Excellence Awards at New Delhi on 21 April. More than 200 of supply partners joined the leadership team of the company to engage in insightful discussions on defining common growth path ahead. The company also presented India Procurement Vision 2025 and sought the support of the supply partners in realizing this.

200+

suppliers engaged

Striving towards 100% Safety

At RHI Magnesita, safety is just not the top priority, it's a value that guides every decision that the company makes.

The company's unwavering commitment to the well-being of its employees, customers, and communities is a foundational pillar of its corporate culture. Throughout the year, the company has implemented a comprehensive range of safety initiatives and programs designed to maintain and enhance our safety standards. These initiatives include:

Hand Safety Campaign:

A drive towards prevention of hand and finger injuries at work organized across our customer sites.

National Safety Week Campaign:

A week dedicated to promoting safety and creating awareness among people about the importance of safety measures and precautions in preventing accidents and injuries.

6S Implementation Program:

Aimed at identifying and eliminating waste, spotting abnormalities, and improving productivity while maintaining safety throughout the manufacturing process.

Safety Training for the customers:

With the objective of promoting Occupational Health & Safety (OHS) management system and Six Sigma lean management, training sessions were organized for the senior officials of the customers to build awareness on mitigating hazards to ensure 100% safety at work.

In the past year, RHI Magnesita continued to prioritize safety and was recognized for its efforts through prestigious awards and achievements. These awards validate its dedication to safety and underscore the confidence our stakeholders have in our commitment to their well-being.

Safety Recognition from our customers

RHI Magnesita's steadfast commitment to safety has not only been validated but celebrated by its customers. The company is proud to have been recognized for its best safety practices by two of its valued customers for the year 2022. This esteemed recognition underscores RHI Magnesita's unwavering commitment to safety, quality, and customer satisfaction. During the 52nd National Safety Week ceremony held at both the customer sites, respective refractory services teams were recognized for their outstanding safety performance throughout the year. The company extends gratitude to its customers for recognizing its efforts and it reaffirms its promise to uphold safety as a core value in all that it does.

Best Safety Performance Award to Vizag Plant

In the 2nd edition of Confederation of Indian Industry (CII) Andhra Pradesh Industrial Safety Excellence Awards 2022, RHI Magnesita Visakhapatnam plant has been recognized as the Best Safety Performer (in Category-3 Industry - Ports, Logistics, Warehouses, Manufacturing, Automobile) and won the Bronze award in the category out of the total of 40 participant industries. The team was awarded the trophy and certificate by Neeraj Sarada, Chairman CII Andhra Pradesh in a ceremony held at Visakhapatnam.

The state-level safety excellence awards are aimed at recognizing good safety performance by industrial establishments and encourage industries to promote programs for accident prevention and safety.

Accelerating the Make-in-India drive

With the recent acquisitions, RHI Magnesita India now operates through a network of nine state-of-the-art manufacturing facilities strategically located across the country serving the customers with speed, efficiency and reliability.

Plant	Key Product Portfolio
Bhiwadi	Flow Control, Purge Plugs, Alumina Mixes
Rajgangpur	Flow Control, Basic Bricks, Alumina Bricks, Alumina Mixes, Silica Bricks, Purge Plugs, Lances
Jamshedpur	Flow Control, Tap Hole Clay, Darts, Pretap Plugs
Visakhapatnam	Alumina Mixes, Fired Alumina Bricks, Precast
Dalmiapuram	Alumina Mixes, Alumina Bricks
Bhilai	Lances
Khambhalia	Alumina Mixes, Fired Alumina Bricks
Cuttack	Unfired Basic Bricks
Katni	Alumina Mixes (Advanced Monolithics)

RHI Magnesita India focuses on seamless supply of the widest range of technologically advanced refractory products, solutions and services with cost efficacy and speed of delivery to its customers. The company envisions transforming India as the manufacturing, R&D and service hub serving the global refractory demand. In line with this strategic vision, it has expanded its domestic manufacturing capabilities through organic and inorganic means, aligning its business strategies with the pillars of self-sufficiency, sustainability, and technological advancement. Over the past year, the company has taken significant strides in bolstering local manufacturing by means of capacity expansion and technology transfer arrangements with European and American plants of the parent group company. Additionally, the company has successfully deployed some of the world-class products and systems in the Indian steel plants during the year.

New Purge Plug making unit commissioned at Bhiwadi

In a major boost to its "Make-in-India" strategy execution, RHI Magnesita India commissioned its new Purge Plug making unit at the Bhiwadi plant in India. The unit has been developed as part of a technology transfer arrangement with RHI Magnesita group's the Urmitz plant in Germany. It will enable the company to further grow its highly profitable Purge Plug business and allow it to gain new customers in this segment, particularly in the India, West Asia and Africa market. The company has successfully achieved highest purging duration in some of the leading customer plants with the help of India-made Purge Plugs.

Successful trial of STG 33 for the first time in India

RHI Magnesita refractory services team started the trial of its world-class Tundish Gate Submerged Nozzle Changer INTERSTOP® STG 33 in SMS II slab caster no. 6 at one of the integrated steel plant in Central India. The trial is the first one to be executed in India and comes as a major boost in building an innovative refractory industry in the country. Against the guarantee of 17 heats, the team was able to achieve a record 47 heats, logged this new record surpassing the previous best of 45 heats. Sealed Tundish Gate (STG) for slabs comes with integrated monotube changer and is a process control technology for automatic casting. The innovative system supports clean steel production and automation with minimal maintenance and long lifetime of parts.

Monotube Changer MTC-ESP commissioned for the first time in India

RHI Magnesita successfully commissioned Monotube Changer MTC-ESP at the Slab Tundish Caster in one of the leading steel makers based in southern India. The MTC-ESP is one of its advanced technology flow control solutions and has been commissioned for the first time in India. The MTC Nozzle (NC) has been manufactured in the Bhiwadi plant in a major boost to its local production capabilities.

The development of MTC NC began in Bhiwadi as a technology transfer project from RHI Magnesita's ISO plant in Dalian, China and has been executed following global guidelines and standards. This development enables the company to offer its customers in India with MTC ESP as part of Slab Tundish Management with complete local production and commissioning expertise.

Tap Hole Clay production at Jamshedpur

As a part of technology transfer arrangement with its plant in Contagem (Brazil), RHI Magnesita has set up a Tap Hole Clay (THC) manufacturing line at its Bhiwadi plant. The production of THC has now been shifted to the company's newly acquired Jamshedpur plant to consolidate its operations and expand its business in Iron-making segment in India. The quality of the product has already been acknowledged as the best-in-class by some of its customers.

Development of indigenous ISOJET C Tap Hole Sleeve

Customer-centricity is one of RHI Magnesita's core cultural value. One of its customers was facing issues like deterioration of steel quality and production loss due to longer lead time with the supply of Europe-made segmented sleeve for its Blast Oxygen Furnace (BOF). RHI Magnesita India developed ISOJET C Tap Hole Sleeve in its Bhiwadi plant. Upon deployment of ISO pressed sleeve, significant performance improvement by 25% was observed with increase in average life from 140 heats to 180 heats.

Yield Improvement through indigenous IBOS ladle solution

RHI Magnesita's innovative pre-cast bottom for Steel ladles solved the problem of high metal retention at ladle bottom and high erosion at impact zone encountered at one of its customer plants. Manufactured at the Visakhapatnam plant, IBOS ladle solution increases steel yield with tailor-made prefabricated safety lining. It has a patented shape for avoiding / delaying vortex formation and optimizing steel yield by reducing residual steel up to 70% for every heat.

Creating Value for the Customers

RHI Magnesita lives innovation to create value for its customers by providing the best service and solutions. The company believes in working closely with its customers and understanding their concerns, cultures and ways of working.

The teams deployed at various customer sites work with creative mindset and a continuous improvement approach. They have been steadfastly committed to not only meeting but exceeding the expectations of the customers and taking the customer services to 1200°C and beyond. Some of the record-breaking performances in the past year are highlighted as under —

- Highest-ever sequence length of Billet Caster along with highest-ever torpedo ladle life of 2002 heats against the guaranteed life of 1500 heats achieved at an integrated steel plant in Eastern India.
- Achieved highest-ever life in EAF of 637 heats with highest EBT life with record 452 heats at a customer plant operating in steel-sponge iron industry.
- Achieved highest-ever EAF life of 606 heats against the guaranteed life of 550 heats at the company's newest Full Line Solutions (FLS) contract site.
- Highest-ever torpedo life of 2121 heats with no brick repair and only intermediate gunning at India's leading integrated steel plant manufacturing high-end flat products.
- Highest-ever life in RH degasser with 108 heats, an all-time high life recorded at one of the leading producers of long steel products.

In addition, the company took up new initiatives with innovative products and solutions in order to fulfil evolving customers' needs as per changing market dynamics.

First-ever refractory repair and maintenance job in Sinter Plant

RHI Magnesita team executed the major task of refractory repair work in areas like furnace side-wall refractory, furnace roof insulation change and furnace discharging side, new catch door and annealing new cover casting etc. based on observation of interruptions and online analytical job like thermography and visual inspection. The job was executed with utmost safety by strictly following the Standard Safety Operating Procedures and 6-directional hazard identification.

Development of PCPF DELTA for EAF roof lining

RHI Magnesita's PCPF DELTA is a unique and innovative refractory application which is instrumental for steel production in Electric Arc Furnace (EAF). Currently being manufactured at its Visakhapatnam plant, it has been deployed in two of India's leading integrated steel plants with highest EAF life achievements in the range of 495-683 heats. The conventional methods of in-situ casting involved casting directly into the metal frame with moderate heating which resulted in paltry life of 150 heats.

Setting up a Global Shared Service

With the Indian economy going through a transformational growth journey, RHI Magnesita is turbo charging its growth in the country by integrating the recently acquired Indian refractory businesses. As the company moves ahead, it is committed to continuously refining its processes, leveraging technology for greater automation, and fostering a culture of continuous improvement.

To support the business with processes and standards that are consistent with its group's global business processes, RHI Magnesita has set up the Global Shared Services (GSS) centre in India. The establishment of the centre marks a significant step forward in its journey to become an agile, customer-centric, and operationally robust organization. It is also in line with the company's long-term strategic objective of developing India as a key refractory manufacturing, R&D and services hub.

The centre, set up at Gurugram, is the 5th GSS, with the other four located in China, Europe, North and South America. Keeping in mind the growing significance of the India market for its global operations, RHI Magnesita has established the GSS in India 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).

Starting with a team of 53 skilled professionals, the centre will cater to the company's India operations initially. In phase 2, the centre will extend its services to support the India, West Asia, and Africa regional operations including that of the recent acquisitions made by the company in India. In a subsequent third phase, the GSS India will be elevated to service certain activities for RHI Magnesita's growing global business which spans over 125 countries. It will do so in collaboration with the other four GSS hubs across the world.

Echoing RHI Magnesita's commitment to flexibility and talent empowerment, about 60% of the GSS staff currently operates from the base location in Gurugram, while the remaining 40% works remotely from

various RHI Magnesita plants and office locations across India. This approach ensures seamless collaboration and synergy between teams, strengthening the company's capability to deliver value to its customers and stakeholders. At present, RHI Magnesita GSS India boasts a young and vibrant workforce, with round 70% of its staff aged under 40, reflecting the company's commitment to fostering a culture of innovation, agility, and inclusivity.

4

key areas of service delivery

53

skilled professionals

Driving Positive Changes through Industry Engagements

RHI Magnesita India remains committed engaging with all the industry stakeholders to stay at the forefront of promoting innovation, knowledge-sharing and technical advancements.

The company actively participated in several key industry exhibitions and conferences throughout the fiscal year, each playing a distinct role in its growth and industry influence. The company's participation in these events was guided by the principles of continuous learning, fostering collaborations, exchanging product and solutions know-how and sharing its perspectives on industry challenges and potential solutions.

Building Collaboration at ICRJ 2022

The International Conference on Refractories, Jamshedpur (ICRJ) is a biennial international conference jointly organized by Indian Ceramic Society, Jamshedpur Chapter and Tata Steel Ltd. RHI Magnesita India MD & CEO, Parmod Sagar participated in the 7th edition of the coveted ICRJ as one of the Chief Guests. He highlighted the larger challenges of raw material price inflation, irregular container availability, sea freight hike, energy crisis, environmental restrictions etc. faced by the refractory industry which needs joint working by the refractory industry and its user industries especially in the post-COVID world. He asserted that we need to make social and environmental sustainability as a core pillar of our growth strategy, building a greener future for the industry.

RHI MAGNESITA

Promoting Circular Economy at MMMM 2022

RHI Magnesita presented its recycling solutions to customers and industry stakeholders at the "International Conference on Resource Efficiency and Circular Economy in Mineral and Metal Sectors" as part of the 13th International Exhibition & Conference on Minerals, Metals, Metallurgy and Materials (MMMM 2020) in New Delhi. As one of the panelists, Parmod Sagar, MD & CEO, RHI Magnesita India, presented various initiatives of the company towards achieving 15% reduction of CO_2 emission by 2025. Also, he emphasized upon the need for building close collaboration between refractory makers and customers from Steel and Cement industry to create an environment where recycled and low CO_2 score products are valued and there is a willingness to invest in green products.

Presenting New-age Refractory Technologies

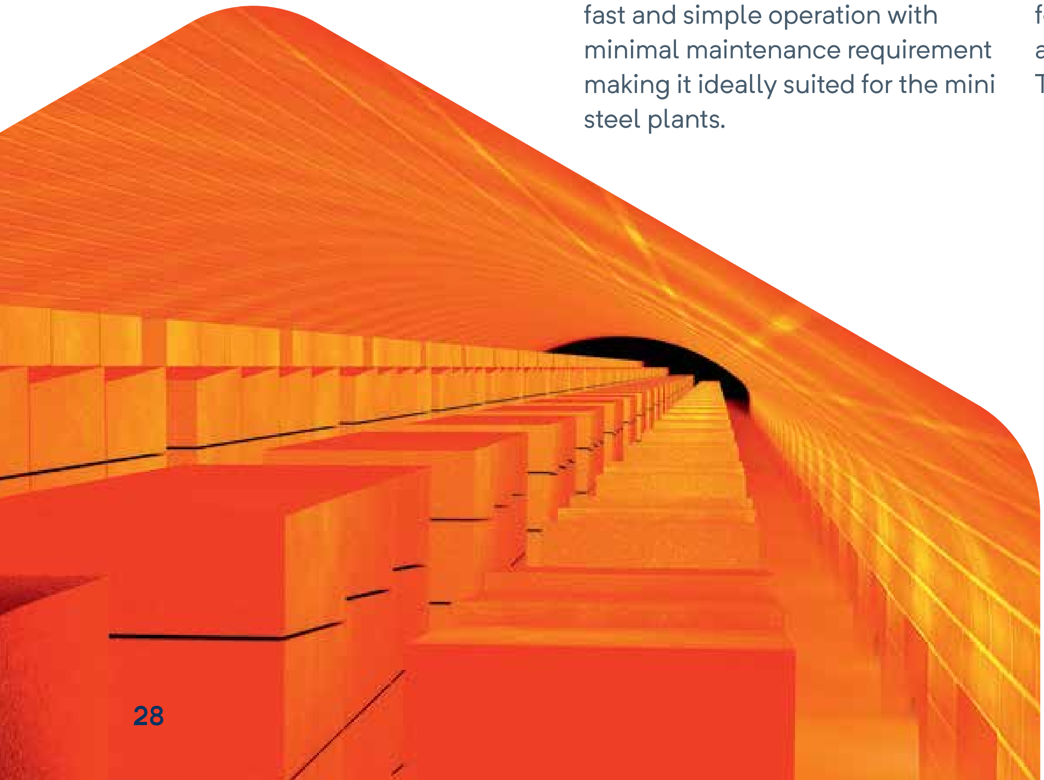
RHI Magnesita India Refractory TechnoForum is a roadshow series catering to the Steel and Cement makers wherein the company hosts interactive dialogues to make the senior professionals from the user industries aware of the latest technological developments happening in refractory and its usage globally. In these sessions, the company also deliberates on improving steel/cement production, optimizing cost, using modern tools like AI, robotics and thermal imaging technologies for better yield and improved productivity, and so on. In 2022, two such TechnoForums were held in Ludhiana and Goa for the steel and cement manufacturers respectively.

At Ludhiana

RHI Magnesita launched its World-class INTERSTOP® SO Ladle Gate System for the steel makers of Punjab, Haryana, and Himachal Pradesh at the India Refractory TechnoForum held at Ludhiana in September 2022. The highly innovative ladle gate system is a high performance, user-friendly system which is specially designed for small ladles. The system comes with compact dimensions and is made for safe, fast and simple operation with minimal maintenance requirement making it ideally suited for the mini steel plants.

At Goa

At the TechnoForum in Goa, the RHI Magnesita team engaged with the technical experts from the Indian cement industry in a series of invigorating discussions on sustainable production of cement, optimizing kiln performance for improving productivity, 3D laser scanning and drone technology for kiln maintenance etc. The team presented RHI Magnesita's diverse product portfolio, digital solutions and services, solutions for carbon footprint reduction and its innovative Spinosphere Technology.



Showcasing Robotics and Digital Solutions

RHI Magnesita presented its latest innovation and technologies at METEC India in November 2022 at Mumbai. More than 200 senior executives from the Steel and NFM industry visited its booth and engaged with the Sales and Marketing & Solutions team in conversations on refractories for the 21st century. The company created a digitally engaging environment at the booth to showcase its full range of refractory products and solutions. MD & CEO, RHI Magnesita India Parmod Sagar participated as one of the panelists along with other industry leaders in the parallel conference on "Vision 2047 – Mission 500 MT Steel Production – The Journey Ahead". He highlighted the crucial role refractory makers need to play in making India realize the vision of 500 MT per annum steel production by 2047.

Scan the QR to watch the event highlights.

Leading the Industry Collaboration at IREFCON 2022

RHI Magnesita participated as the title sponsor at IREFCON 2022 – the largest congregation of refractory makers in India. With the central theme of "Indian Refractory's Big Leap — Opportunities & Challenges", the two-and-a-half days of conference hosted a diverse set of refractory suppliers from across the world. The company's Global CEO Stefan Borgas joined the top executives from other refractory companies in a CEO Roundtable. A theme lecture was presented by Global CCO Gustavo Franco along with paper presentations by R&D and Technical experts on New Age Digital Refractory Solutions, Low expansion / shrinkage refractory for Coke Oven application, and Gyro Nozzle — Basics & Benefits: for clean Steel manufacturing in long product segment.

Presenting Refractories for Foundries at IFEX 2023

RHI Magnesita participated in the 19th International Exhibition on Foundry Technology, Equipment, Supplies and Services concurrent with 71st Indian Foundry Congress — IFEX 2023 held at Noida. More than 150 customers engaged with the newly integrated sales team during the three days to explore RHI Magnesita's complete range of products and solutions offerings for the foundry segment. The booth had a large interactive video wall to showcase the company's refractory portfolio including solutions for different types of furnaces, ladles, AOD converters and tundish materials.

Together with the Communities

Positively impacting 100,000 beneficiaries through 11 major CSR projects

RHI Magnesita strongly believes in the upliftment of the communities we live and work with. The company is committed to support vulnerable and underprivileged communities with focus on their inclusive growth and empowerment. The company operates a comprehensive community investment program in most of its key operational areas with each project aimed at bringing long-lasting social improvements.

As a market leader in the refractory industry, RHI Magnesita has set a benchmark by achieving 100% utilization of its Corporate Social Responsibility budget. The company took up 11 major community development projects, positively impacting the lives of more than 100,000 underprivileged people. The activities were focused in the vicinity of its operations, particularly in regions like Visakhapatnam, Cuttack and Bhiwadi to promote healthcare, education, infrastructure development and women empowerment. About 51% of its CSR spend last year was dedicated for the implementation in the priority focus areas of Education and Health Care.

CSR Projects 2022-23 Snapshot

At a village near Visakhapatnam, the company supports a local trust in running a health-care centre providing free services to more than 500 patients every month.

Near Cuttack, the company is building a 1.8 km cemented road that connects Damaka village with the National Highway benefitting 400 rural families along with the neighboring villages.

700 families are getting safe drinking water supply every day from the two RO water plants at Venkatapuram and Bharinikam villages near Visakhapatnam.

500+
patients served every month

1.8 km
village road under-construction

700
families are getting safe drinking water supply

The company is funding the construction of a hostel building at LV Prasad Eye Institute in Visakhapatnam to house eye-care trainees who service the underprivileged communities.

For women and child safety, the company has been running awareness campaigns in Alwar district covering more than 70,000 women and children so far.

The company has regularly been providing free study materials to underprivileged students and supporting the rural schools with quality infrastructure at Venkatapuram Govt. School and T Sirasapalli Anganwadi near Visakhapatnam.

70000+

beneficiaries of women and children safety awareness program

In Cuttack, the company has built two new classrooms in a rural high school benefitting 350 children from nearby villages including Uchapada, Bainchua, Popada, Rajakana, Kadei, etc.

The company is supporting National Association for the Blind (NAB) in conducting breast cancer detection trainings for 5000 blind women from the slums of Delhi NCR.

A public bus stand in Bhiwadi, that was in a dilapidated condition, has been renovated. It is also being used now for promoting girl child education.

350+
children benefited from new classrooms

5000+
women being trained on breast cancer detection

Getting Rewarded and Recognized

RHI Magnesita India is immensely proud to present the honors, accolades and acknowledgments that the company has garnered throughout the year.

These recognitions not only reflect the company's unwavering commitment to its core values and objectives but also underscore its position as a leader in our industry. They showcase the company's dedication to push boundaries, passion for continuous improvement, and relentless pursuit of creating value for its stakeholders.

Recognition for its commitment towards gender diversity

RHI Magnesita has been recognized by The Economic Times as one of India's "Best Organizations for Women". Such recognitions motivate the company to accelerate its efforts towards building a more inclusive and diverse workplace. Representing the company, Vijaya Gupta, CFO, RHI Magnesita India and Pooja Chauhan, India Talent Acquisitions Lead, received the trophy from Honorable Governor of the state of Telangana and Lieutenant Governor of the Union Territory of Puducherry Dr. Tamilisai Soundararajan during the ceremony.

RHI Magnesita is committed to ensure that women represents 33% of its senior leaders in the global organization by 2025. In RHI Magnesita India, some of the key functions which include Finance, Internal Audit Risk & Compliance, Commercial Management, Quotations, Talent Acquisition, are led by highly efficient women leaders today. In last one year, the company has more than doubled its women employee strength in India through various policy and culture interventions.

Business Today Best CEO - Industrials Award

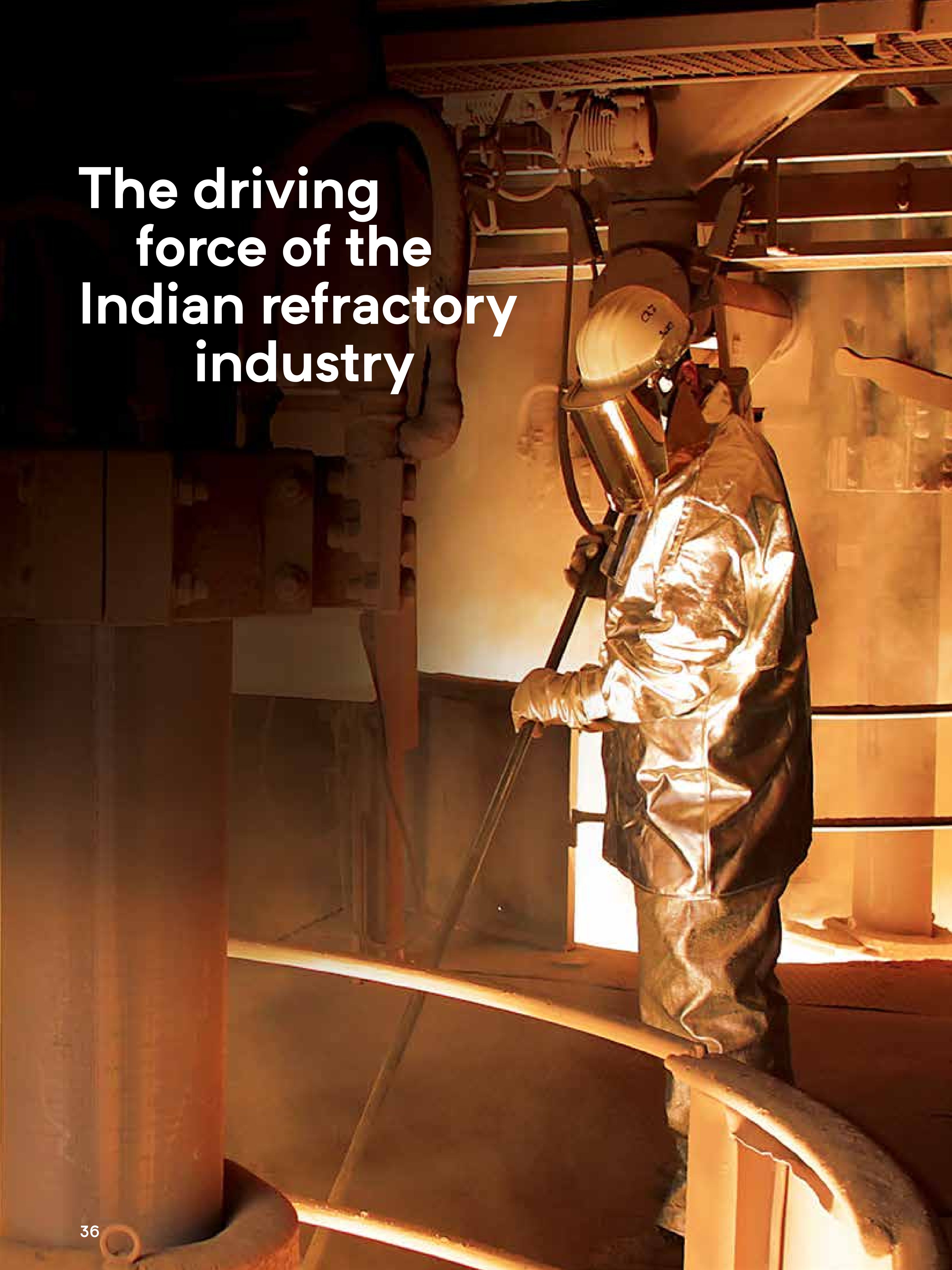
Parmod Sagar, MD & CEO of RHI Magnesita India, has been awarded the prestigious "Best CEO" in the Industrial sector award at the Business Today (BT) Mindrush 2023 event held in Mumbai. The award is based on the BT-PwC India's Best CEO ranking published annually. Jyotiraditya Scindia, Minister of Civil Aviation and Steel in the Indian Government and Aroon Purie, Chairman of India Today Group handed over the award to Parmod in a ceremony organized in April 2023.

Business Today's Best CEOs list profiles winners belonging to three categories of companies — Super Large, Mid-sized and Emerging — and across 15 sectors such as Automobiles, BFSI, Consumer Goods, Industrial, Transport & Logistics and Pharma.

The BT-PwC ranking uses a robust methodology to assess the top 500 most valuable companies in the country by market capitalization for growth in revenues, profits, EBITDA and total shareholder returns. After applying further stringent filters, the names of top 3 CEOs in each group - overall and sector-wise - are placed before the jury, who choose the final winners.

Amongst the Top 100 largest emerging companies in India

RHI Magnesita India Ltd. breaks into the top 100 of the coveted list of Fortune India The Next 500 and becomes the top-ranked refractory company for the second consecutive year. The company ranks 98 in the 2023 edition of the annual list of Fortune India The Next 500 published by the renowned Fortune magazine annually. This is substantial jump of 20 ranks from the previous year. The company ranked 118 in 2022 and was awarded the Rising Star for making the biggest leap in the ranking by achieving the highest growth in 2021 among all ranked companies. The listing is the definitive ranking of India's Next 500 largest corporations and stands to recognize growth deliveries made by emerging companies. The evaluations were based on the performance of the company during the Indian financial year of 2021-22.



The driving force of the Indian refractory industry

NOTICE

Notice is hereby given that the Thirteenth (13th) Annual General Meeting ("**AGM**") of RHI Magnesita India Limited (herein after known as '**RHIM India**' or '**the Company**') will be held on **Thursday, 28 September 2023 at 12:30 p.m. (IST)** through Video Conferencing ("**VC**")/ Other Audio-Visual Means ("**OAVM**") to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt:

   (a) the audited standalone financial statement of the Company for the financial year ended 31 March 2023, the reports of the Board of Directors and Auditors thereon; and

   (b) the audited consolidated financial statement of the Company for the financial year ended 31 March 2023, and the report of 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 2023, and the report of Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.

   RESOLVED FURTHER THAT the audited consolidated financial statement of the Company for the financial year ended 31 March 2023, and the report of Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

2. To declare a dividend on equity shares for the financial year ended 31 March 2023, 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 2023."

3. To appoint Mr. Erwin Jankovits (DIN- 07089589), 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. Erwin Jankovits (DIN- 07089589), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

SPECIAL BUSINESS

4. To ratify the remuneration of Cost Auditor for the financial year ending 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** in accordance with the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. K G Goyal & Associates, Cost Accountants (Firm Registration No. 000024), appointed by the Board of Directors as cost auditors, to conduct the audit of cost records of the Company for the financial year ending 31 March 2024 being ₹ 90,000/- (Rupees Ninety Thousand only) plus applicable tax and reimbursement of out of pocket expenses that may be incurred by them in connection with the aforesaid audit, be and is hereby ratified."

By Order of the Board of Directors

Sanjay Kumar
Company Secretary
Membership No. A17021

Gurugram, 10 August 2023

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. The Ministry of Corporate Affairs ("**MCA**") has vide its circular dated 8 April, 2020, 13 April 2020, 5 May 2020, 13 January 2021, 8 December 2021, 14 December 2021, 5 May 2022 and 28 December 2022, (collectively referred to as "**MCA Circulars**") permitted convening the Annual General Meeting ("**AGM**" or "**e-AGM**") through video conferencing ('**VC**') or other Audio Visual Means ('**OAVM**') without physical presence of the Members of the Company at a common venue. In accordance with MCA Circulars, provisions of the Companies Act, 2013 ('**Act**') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the AGM of the Company is being held through VC/ OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. The Explanatory Statement pursuant to Section 102(1) of the Act, setting out material facts concerning the Special Business to be transacted at the AGM, is annexed hereto and forms part of this Notice. Pursuant to requirements of Listing Regulations in relation to corporate governance and the applicable Secretarial Standards, the information required to be provided in case of retiring by rotation/ seeking appointment, is set out at the Annexure to this Notice.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM are 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, physical attendance of Members has been dispensed with.

Accordingly, the facility for appointment of proxies by the Members will **NOT** be available for the AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this Notice.

4. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF's, NRI's, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to RHIM.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders 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.

5. **The Company has fixed book closure date from Friday, 15 September 2023 to Thursday, 21 September 2023 (both days inclusive) for determining entitlement of Members to final dividend for the financial year ended 31 March 2023, if approved at the AGM.**

6. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made by Friday, 6 October 2023 as under:

   i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("**NSDL**") and the Central Depository Services (India) Limited ("**CDSL**"), collectively "Depositories", as of end of day on Thursday, 14 September 2023;

   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, 14 September 2023.

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,:

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

   b. F**or shares held in physical form:** to the Company/ Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 dated 3 November 2021. The Company has sent letters for furnishing the required details.

8. 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/ and on the website of the Company's Registrar and Transfer Agents, Skyline Financial Services Private Limited ("**SFSPL**") at https://www.skylinerta.com/downloads_page.php. It may be noted that any service request can be processed only after the folio is KYC Compliant.

9. SEBI vide its notification dated 24 January 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or SFSPL, for assistance in this regard.

10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or SFSPL, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

11. 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 Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website https://www.rhimagnesitaindia.com/. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to SFSPL in case the shares are held in physical form.

12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.

13. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company from 22 September 2023 (9:00 am IST) to 25 September 2023 (5:00 pm IST) through email on investors.india@rhimagnesita.com. The same will be replied by the Company suitably.

14. Members are requested to note that, dividends if not encashed for a period of 7 consecutive years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("**IEPF**"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from

the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to Corporate Governance Report which is a part of this report.

15. Notice of the AGM along with the Annual Report 2022-23 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.rhimagnesitaindia.com, 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 and on the website of NSDL https://www.evoting.nsdl.com

16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Act and relevant documents, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. 28 September 2023.

17. Members attending the meeting through VC/OAVM shall be counted for the purpose of determining the quorum under Section 103 of the Act.

18. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1 April 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their valid PAN with the DPs (if shares held in dematerialized form) and the Company/SFSPL (if shares are held in physical form).

    A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to investors.india@rhimagnesita.com on or before Thursday, 21 September 2023. Shareholders are requested to note that in case their PAN is not registered or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable.

    Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF/JPG Format) by e-mail to investors.india@rhimagnesita.com. The aforesaid declarations and documents need to be submitted by the shareholders on or before Thursday, 21 September 2023.

    For Resident Shareholders: Tax shall be deducted at source under section 194 of the Income-tax Act, 1961 @10% on the amount of Dividend declared and paid by the Company during the Financial Year 2023-24 provided a valid PAN is provided by the shareholder. If PAN is not submitted, TDS would be deducted @20% as per section 206AA of the Income tax Act, 1961.

    a) **For Resident Individual:** No TDS shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received during FY 2023-24 does not exceed ₹ 5,000. Please note that this includes the future dividends, if any, which may be declared by the Board in the FY 2023-24.

       Separately, in cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual who are 60 years and above), no tax at source shall be deducted provided that the eligibility conditions are being met. Needless to say, PAN is mandatory. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

    b) **For Resident Non-Individual:** No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide relevant details and documents:

       i. **Insurance Companies:** Self-declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority of India (IRDAI)/LIC/GIC.

       ii. **Mutual Funds:** Self-declaration that it is registered with SEBI and is notified under section 10 (23D) of the Income-tax Act, 1961 along with self-attested copy of PAN card and certificate of registration with SEBI.

       iii. **Alternative Investment Fund (AIF):** Self declaration that its income is exempt under section 10 (23FBA) of the Income-tax Act, 1961 and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.

       iv. **New Pension System (NPS) Trust:** Self declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the Income-tax Act, 1961 and is being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.

v. **Other Non-Individual shareholders:** Self attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.

Please note that as per section 206AB introduced by the Finance Act, 2021 effective 1 July 2021 and amended by Finance Act, 2022 in case a person has not filed his/ her Return of Income for the preceding financial year and the aggregate of tax deducted at source in his/her case is ₹ 50,000 or more in the said financial year, TDS will be higher of the following:

a) Twice the rate specified in the relevant provision of the Income-tax Act, 1961; or b) Twice the rate or rates in force; or c) The rate of five per cent.

The non-residents who do not have the permanent establishment and residents who are not required to file a return under section 139 of Income Tax Act, 1962 are excluded from the scope of a "specified person" i.e. levy of higher TDS under section 206AB of Income-tax Act, 1961

For Non-resident Shareholders: Taxes are required to be withheld in accordance with the provisions of section 195 of the Income-tax Act, 1961 at the applicable rates in force. As per the relevant provisions of section 195 of the said Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them. In case of GDRs and Foreign Portfolio Investors ("FPI")/ Foreign Institutional Investors ("FII"), the withholding tax shall be as per the rates specified in section 196C and 196D of the Income Tax Act, 1961 respectively plus applicable surcharge and cess on the amount of Dividend payable to them.

However, as per section 90 of the Income-tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- Self-attested copy of the PAN card allotted by the Indian Income Tax authorities.
- Self-attested copy of Tax Residency Certificate (TRC) for Financial Year 2023-24 obtained from the tax authorities of the country of which the shareholder is a resident.
- Shareholders who have PAN and propose to claim treaty benefit need to mandatorily file the Form 10F online at the link https://eportal.incometax.gov.in/ with effect from 1 April 2023 to avail the benefit of DTAA.
- Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement for Financial Year 2023-24.
- Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty
- In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate.
- In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore DTAA.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident shareholder.

19. Instructions for e-voting and joining the AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS

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

ii. The remote e-voting period commences on Monday, 25 September 2023 (9:00 a.m. IST) and ends on Wednesday, 27 September 2023 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, 21 September 2023 i.e. **cut-off date**, may cast their vote electronically.

The e-voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-voting facility, either during the period commencing 25 September 2023 to 27 September 2023 or e-voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.

iii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution again.

iv. The Board of Directors 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.

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

vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/ she can use his/her existing User ID and Password for casting the vote. In case of individual shareholders holding securities in dematerialized mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "**Login method for remote e-voting and joining virtual meeting for individual shareholders holding securities in dematerialized mode.**"

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

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

Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 are mentioned below:

I) Login method for remote e-voting and joining the virtual meeting and joining the virtual meeting for individual shareholders holding securities in dematerialized mode

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

Login method for individual shareholders holding securities in dematerialized mode is given below:

Type of shareholders	Login Method
Individual shareholders holding securities in dematerialized mode with NSDL.	**A. NSDL IDeAS facility** **If you are already registered, follow the below steps:** 1. Visit the e-Services website of NSDL. Open web browser and type the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will need to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. 4. Click on "Access to e-voting" appearing on the left-hand side under e-voting services and you will be able to see e-voting page. 5. Click on options available against Company name or e-voting service provider-NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. **If you are not registered, follow the below steps:** a. Option to register is available at https://eservices.nsdl.com. b. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c. Please follow steps given in points 1-5.

Type of shareholders	Login Method
	B. e-voting website of NSDL 1. Open web browser and type the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will need to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. C. Shareholders/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** App Store Google Play
Shareholders holding securities in dematerialized mode with CDSL	1. Existing users who have opted for Easi/Easiest, they can login through their User id and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the e-voting menu for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting 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 https://web.cdslindia.com/myeasi/Registration/EasiRegistration or 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 from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual shareholders (holding securities in dematerialized mode) login through their DPs	1. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility. 2. Once logged-in, you will be able to see the e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. 3. Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot User details/Password option available at respective websites.

Helpdesk for individual shareholders holding securities in dematerialized mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

II) **Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders holding securities in dematerialized mode and shareholders holding securities in physical mode.**

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

1. Visit the e-voting website of NSDL. Open web browser by clicking the 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, Password/OTP and a verification code as shown on the screen.

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

5. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example: if your Beneficiary ID is 12************** then your User ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example: if EVEN is XXXXXX and folio number is 001*** then User ID is XXXXXX001***

6. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-voting, then you can use your existing Password to login and cast your vote.

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

   c) How to retrieve your 'initial password'?

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

      (ii) In case you have not registered your e-mail address with the Company/ Depository, please follow instructions mentioned in this Notice.

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

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

   b) "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.co.in mentioning your demat account number/ folio number, PAN, name and registered address.

d) Members can also use the OTP based login for casting the votes on the e-voting system of NSDL.

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

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

10. After you click on the "Login" button, home page of e-voting will open.

Details on Step 2 are given below:

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

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

2. Select "EVEN" of Company, which is 125333 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".

3. Now you are ready for e-voting as the voting page opens.

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

5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number.

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

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

General guidelines for shareholders

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

2. In case of any queries related to e-voting, you may refer the Frequently Asked Questions ("FAQs") for Shareholders and e-voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com. For any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, e-mail: evoting@nsdl.co.in, toll free no: 1800 1020 990/1800 224 430.

3. Members may send a request to evoting@nsdl.co.in for procuring User id and Password for e-voting by providing demat account number/ folio number, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card). If you are an Individual shareholder holding securities in dematerialized mode, you are requested to refer to the login method explained above.

B. INSTRUCTIONS TO MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC/ OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com following the steps mentioned above for login to NSDL e-voting system.

   After successful login, you can see VC/ OAVM link placed under Join meeting menu against company name. You are requested to click on VC/OAVM link placed under "Join Meeting" menu. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.

3. Members are encouraged to join the Meeting through Laptops for better experience.

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

5. Members who need assistance before or during the meeting, can contact NSDL on evoting@nsdl.co.in / 18001020 990 and 1800 224 430.

6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at investors.india@rhimagnesita.com from 22 September 2023 (9:00 a.m. IST) to 25 September 2023 (5:00 p.m. IST).

   Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.

2. 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 https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

By Order of the Board of Directors

Sanjay Kumar
Company Secretary
Membership No. A17021

Gurugram, 10 August 2023

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

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT 2013 READ WITH SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Item No. 4:

The Board of Directors of the Company, based on recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. K G Goyal & Associates, Cost Accountants of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31 March 2024.

In terms of the provisions of the Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending 31 March 2024 as set out at item no. 4 of the Notice.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice. The Board commends the Ordinary Resolution set out at item no. 4 of the Notice for approval by the Members.

Annexure — A

INFORMATION PROVIDED PURSUANT TO REQUIREMENTS GIVEN UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON THE GENERAL MEETINGS IN RESPECT OF INDIVIDUALS PROPOSED TO BE APPOINTED/ RE-APPOINTED AS DIRECTOR(S):

Particulars	Mr. Erwin Jankovits
Director Identification Number	07089589
Date of Birth (Age)	13 August 1971 (52 Years)
Date of Appointment	11 February 2015
Qualifications	University graduation in Material Science from Montan University, Leoben, Austria
Brief Resume, Experience and Expertise in specific functional areas	Having 25 years' experience in international business in industrial sector such as Metal, Steel, Refractory and Refractory consuming industry in several functions and leadership roles. Starting in Research & Development and Quality Management, Marketing, Sales, General Management and Merger & Acquisition.
Directorships held in other listed companies (excluding Private Limited Companies, Section 8 Companies, Foreign Companies & LLP's)	Nil
Committee Memberships of other Companies (consider only equity listed company)	Nil
Number of shares held in the Company	Nil
Number of meetings of the Board attended during the year	8 (Eight)
Relationship between directors inter-se and with key managerial personnel of the Company	There is no inter-se relationship between Mr. Erwin Jankovits 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. Gustavo Lucio Goncalves Franco and Ms. Ticiana Kobel.
Terms and conditions of reappointment	Mr. Erwin Jankovits has been appointed in terms of the provisions of Act and is responsible to undertake the roles and responsibilities prescribed under the provisions of the Act and other laws for the time being in force. In addition, he is also responsible to undertake the roles and responsibilities assigned by the Board from time to time.
Details of proposed remuneration and the remuneration last drawn, if any	Nil
Date of first appointment on the Board	11 February 2015

By Order of the Board of Directors

Sanjay Kumar
Company Secretary
Membership No. A17021

Gurugram, 10 August 2023

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

BOARD REPORT

Dear Members,

Your directors have great pleasure in presenting the 13th Integrated Annual Report of RHI Magnesita India Limited ("**the Company**" or "**RHIM**" or "**RHIM India**") along with the audited standalone & consolidated financial statements of the Company for the financial year ("**FY**") ended 31 March 2023 (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	
	2022-23	2021-22	2022-23*	2021-22
Revenue from operations	248,836.87	199,493.59	272,626.65	199,937.33
Total expenditure before finance cost, depreciation and amortization	212,318.55	160,818.03	236,639.21	161,131.84
Operating Profit	**36,518.32**	**38,675.56**	**35,987.44**	**38,805.49**
Add: Other income	1,303.98	515.68	1,487.62	543.14
Profit before finance cost, depreciation, amortization, exceptional items and taxes	**37,822.30**	**39,191.24**	**37,475.06**	**39,348.63**
Less: Finance Costs	2,060.72	217.89	3,946.74	217.89
Profit before depreciation, amortization, exceptional items and taxes	**35,761.58**	**38,973.35**	**33,528.32**	**39,130.74**
Less: Depreciation and Amortization Expenses	4,177.88	3,363.48	7,090.06	3,382.52
Profit before exceptional items and tax	**31,583.70**	**35,609.87**	**26,438.26**	**35,748.22**
Less: Exceptional Item	(66,068.22)	-	(66,068.22)	-
(Loss)/Profit before taxes	**(34,484.52)**	**35,609.87**	**(39,629.96)**	**35,748.22**
Less: Total Tax Expense	8,194.47	8,817.55	6,935.26	8,847.78
(Loss)/Profit for the year (A)	**(42,678.99)**	**26,792.32**	**(46,565.22)**	**26,900.44**
Total other comprehensive (Loss) (B)	(41.05)	(100.60)	(19.26)	(101.36)
Total comprehensive (Loss)/Income for the year (C=A + B)	**(42,720.04)**	**26,691.72**	**(46,584.48)**	**26,799.08**
Less: Share of Profit of Non-Controlling Interest	-	-	45.50	-
Total Comprehensive (Loss)/Income attributable to the Company/ the Company alongwith its subsidiaries	-	-	(46,629.98)	26,799.08
Retained Earnings: Balance brought forward from the previous year	**84,485.19**	**62,298.05**	**84,620.90**	**62,326.40**
Add: (Loss)/Profit for the year attributable to the Company/ the Company alongwith its subsidiaries	(42,678.99)	26,792.32	(46,610.54)	26,900.44
Add: Other Comprehensive (Loss)/Income attributable to the Company/ the Company alongwith its subsidiaries recognized in Retained Earnings	(41.05)	(100.60)	(19.44)	(101.36)
Less: Transaction costs (stamp duty) on issue of shares, net of tax	-	479.67	-	479.67
Balance which the Board have apportioned as under to:				
Dividend on Ordinary Shares	**4,024.91**	**4,024.91**	**4,024.91**	**4,024.91**
Total Appropriations	4,024.91	4,024.91	4,024.91	4,024.91
Retained Earnings: Balance to be carried forward	37,740.24	84,485.19	33,966.01	84,620.90

**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 ₹ 199,493.59 Lacs to ₹ 248,836.87 Lacs during the current financial year 2022-23 registering the growth of 24.73% as compared to the previous FY 2021-22. Further, during the current financial year 2022-23, the profit before tax (PBT) on revenue decreased from ₹ 35,609.87 Lacs to ₹ (34,484.52) Lacs. Similarly, the profit after tax (PAT) on revenue decreased from ₹ 26,792.32 Lacs to ₹ (42,678.99) Lacs.

On consolidated basis, the revenue from operations has been increased from ₹ 199,937.33 Lacs to ₹ 272,626.65 Lacs during the current financial year 2022-23 registering the growth approx. 36.35% as compared to the previous financial year. Further, during the current financial year 2022-23, the profit before tax (PBT) on revenue decreased from ₹ 35,748.22 Lacs to ₹ (39,629.96) Lacs. Similarly, the profit after tax (PAT) on revenue decreased from ₹ 26,900.44 Lacs to ₹ (46,565.22) Lacs.

During the year ended 31 March 2023, PBT has been declined primarily due to impairment loss of investment and goodwill amounting to ₹ 66,068.22 lacs. For more details, please refer note no. 28 of the standalone and consolidated financial statements of the Company.

3. MANAGEMENT DISCUSSION AND ANALYSIS

RHI Magnesita India is the leading manufacturer and supplier of high-grade refractory products, systems and solutions which are critical for high-temperature processes exceeding 1,200°C in a wide range of industries, including steel, cement, non-ferrous metals and glass. This includes Magnesia and Alumina based bricks and mixes for large industrial customers as well as specialty refractory products like Isostatic products and Slide Gates. The Company takes pride in its position as the market leader for refractories in India and has gained a strong reputation globally for its high-quality products.

RHI Magnesita India Limited organization structure was established as a result of the integration of three erstwhile 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. The integration synergized, simplified and consolidated the strengths of the three companies to serve its customers more efficiently as one combined entity. As a result of the merger, the Company emerged as the largest manufacturer of refractory products in India - a "one-stop-solution" for all refractory products and solutions for the Indian market, with capabilities ranging from innovation and research and development ("**R&D**") to production of refractories, product marketing and sales, installation, services, monitoring and recycling.

RHIM products and services are categorized into two operating divisions based on the customer industries they serve: a division for the supply of products and services to the steel industry (the "Steel Division") and a division for the supply of products and services to the cement and lime, non-ferrous metals, chemicals, energy industries, glass and other industries (the "Industrial Division").

Steel Division:

In fiscal 2023, the Steel Division accounted for about 88% of RHIM's revenue from operations. RHIM offers a broad range of refractory products within its Steel Division, enabling the Company to provide comprehensive solutions to meet the refractory requirements of steel manufacturers. Refractory management service contracts are a significant component of the Steel Division's revenue, accounting for about 44% in fiscal 2023.

Industrial Division:

Demand for refractories in the non-steel industries operates on a longer replacement cycle, with cement and lime customers typically carrying out annual maintenance to replace rotary kiln refractories, while customers in the non-ferrous metals and glass industries may only need to replace refractory lined equipment every ten years. In order to reduce dependency on imports to serve this segment and to increase the Company's revenue share in this segment, RHIM completed the acquisition of the Indian refractory business of Dalmia Bharat Refractories Limited ("**DBRL**"), housing refractories business of Dalmia Bharat Group recently (details given elsewhere in this report) which has a well-diversified product and end-industry mix.

The Company has historically catered to its customers in and outside India through its own facilities, with certain additional customers outside India catered to through facilities operated by the larger RHI Magnesita Group. The revenue streams comprise (i) sales in India of products made by the Company, (ii) sales outside India of products made by the Company, (iii) sales in India of imported products made by other entities of the global RHI Magnesita group, and (iv) services provided by the Company to the larger RHI Magnesita Group. RHIM has a strong focus on R&D with a world-class R&D centre operational in Bhiwadi which benefits from the global R&D and technical expertise and experience of its parent company. As the customers' requirements and specifications can vary across their facilities, the RHIM R&D is focused on customization of products and services as per customer need, with ongoing innovation and refinement.

As on date, the Company owned and operated 9 (nine) production facilities in India (including its subsidiaries), with an aggregate refractory production capacity of 537 KTPA (approx). These advanced manufacturing facilities are strategically located in Bhiwadi (Rajasthan), Visakhapatnam (Andhra Pradesh), Rajgangpur (Odisha), Khambhalia (Gujarat), Dalmiapuram (Tamil Nadu), Jamshedpur (Jharkhand), Bhilai (Chhattisgarh), Katni (Madhya Pradesh) and Cuttack (Odisha). Additionally, RHIM through its subsidiary Intermetal Engineers (India) Private Limited, operates a plant in Mumbai that manufactures metallurgical equipment.

The Company is committed to sustainable manufacturing practices, aligning with the global RHI Magnesita group's approach. With a focus on reducing the environmental impact of its operations, the global RHI Magnesita group strives for net-zero emissions, invests in new technologies, increases recycling, improves energy efficiency, switches to greener fuels, and utilizes green electricity. RHIM aims to leverage the Group's investments in these areas and further develop processes that reduce CO2 emissions in refractory production.

Strengths

RHIM demonstrates several key strengths that establish the

Company as a trusted leader in the refractory industry and position it to seize opportunities in the rapidly growing Indian market:

a. **Trusted brand and strong operational platform post-merger:** RHIM benefits from the esteemed brand reputation, industry relationships, and technical expertise of the global RHI Magnesita group, the global leader in refractories with 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 player in the fast-growing Indian refractory market:** Following the integration of three Indian subsidiaries of the global RHI Magnesita group, and subsequent acquisition of two leading refractory companies in India recently, RHIM has solidified its position as a leading 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 portfolio of products and heat management solutions:** RHIM's business model sets it apart with a wide range of refractory products and services catering to major customer industries in India. Unlike competitors who specialize 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 (R&D) 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 R&D capabilities:** R&D is a key focus for RHIM as it strives to develop optimized and tailored products and solutions to meet the diverse requirements of its customers. Leveraging the global R&D expertise and technical experience of the global RHI Magnesita group, RHIM's R&D activities are primarily conducted 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 a focus on sustainability:** The 9 (nine) refractory manufacturing facilities strategically placed across the key steel and cement producing markets in India, RHIM now has the widest refractory production footprint in the country. The facilities boast 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.

Strategic Initiatives

a. **Deriving synergies from the Acquisitions:** RHIM aims to leverage the acquisitions of Indian refractory business of DBRL and the refractory business of Hi-Tech Chemicals (details given elsewhere in this report) to create long-term value for its stakeholders. By combining the acquired businesses' local expertise with the support of the global RHI Magnesita group, RHIM seeks to optimize manufacturing operations, reduce import-related expenses, and expand its product range. Cross-selling and upselling opportunities will be pursued to enhance market share in both domestic and export markets.

b. **Expanding and upgrading manufacturing capacities:** The Company plans to improve its local manufacturing capabilities to efficiently meet the growing demand from existing and new customers. This involves achieving operations excellence, productivity and performance improvement 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 goal is to streamline production processes and align manufacturing practices with those of the global RHI Magnesita group.

c. **Leveraging existing R&D capabilities:** RHIM India will continue to focus on Research and Development to customize products and meet customer requirements effectively. The Company will continue to leverage the R&D capabilities of the global RHI Magnesita group to facilitate technology transfers and develop high-grade products in India. With growing demand from the Steel customers for green steel production, RHIM would increase its attention towards increasing its share of production and sale of recycling as well as develop more carbon efficient products locally.

d. **Growing the solutions contract business:** The Company aims to expand its solutions contract business, focusing on increasing the proportion of revenue derived from services.

The Company plans to provide 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 in some of the less leveraged industry segments have opened up. This includes Iron Making and Direct Reduced Iron (DRI). A dedicated sales and technical experts' team is being built from the existing resources to focus on developing the Company's business in these promising segments.

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

Opportunities & Threats

RHI Magnesita India possesses several compelling opportunities for growth:

a. **Strong global presence:** The Company holds a prominent position in its sector both domestically and globally, establishing a robust global presence that enhances its competitive advantage.

b. **Diversified product portfolio:** RHIM India, particularly after the integration of the Indian refractory business of DBRL and the refractory business of Hi-Tech Chemicals, boasts a diverse range of products, enabling it to cater effectively to a wide array of end applications. This versatility enhances the company's ability to meet the specific needs of various industries.

c. **Favourable domestic industry growth:** Overall the user industries in the domestic market, such as steel and cement, are experiencing substantial growth. This positive trend creates a conducive environment for RHIM to capitalize on the increasing demand for refractory products, positioning the Company for expanded market share and enhanced profitability.

d. **Synergies from inorganic expansion:** The Company has pursued inorganic expansion initiatives, which are anticipated to yield synergistic benefits. By leveraging strategic acquisitions and partnerships, RHIM can drive overall growth and unlock new business development opportunities.

The Company faces certain significant threats that require careful consideration:

a. **Competition from global players:** The Company operates in a highly competitive market and faces competition from other established global refractory players. Maintaining market share and profitability may be challenging in the face of aggressive competition, requiring the Company to continuously innovate and differentiate itself.

b. **Integration Challenges with Recent Acquisitions:** The successful integration of recent acquisitions is crucial for RHIM India's growth and operational efficiency. Any difficulties in integrating these acquisitions could impede the realization of synergies and potentially hinder overall performance.

c. **Unfavourable macroeconomic and policy changes:** The business environment is subject to macroeconomic fluctuations and changes in policies that can impact the refractory industry. Unforeseen economic downturns, shifts in government regulations, or geopolitical instability could pose risks and disrupt business operations.

d. **Volatility in raw material prices:** RHIM relies on raw materials like magnesite and alumina, the prices of which can be volatile. Fluctuations in raw material prices can impact the Company's cost structure, profitability, and pricing competitiveness.

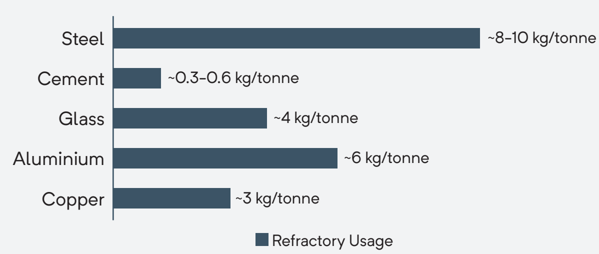
RHIM proactively monitors and strategizes to mitigate risks and maintain a competitive edge in the refractory market.

End User Industry: Overview and Outlook

Refractory products play a critical role in modern industrial high-temperature manufacturing processes, enabling equipment and fixtures such as steel ladles and furnaces, cement rotary kilns, copper converters, and glass furnaces to withstand extreme thermal, mechanical, and chemical stress, ensuring efficient and reliable operations.

Though, refractory products manufactured by RHIM find primary application in high-temperature manufacturing processes within industries such as iron and steel, non-ferrous metals, cement, glass, petrochemicals, energy etc., the demand for refractories is very closely linked to the production of steel and cement.

Per ton consumption of refractory across end use industry

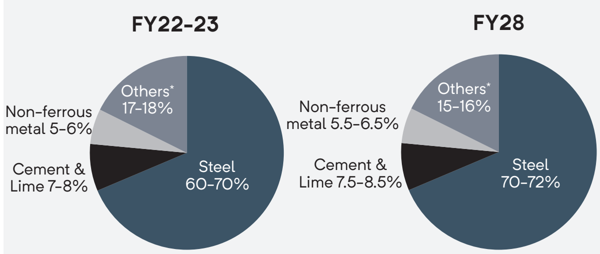


Source: Industry, CRISIL MI&A Research

About 8-10 kg of refractories is used to manufacture one tonne of steel and nearly 0.3-0.6 kg is used for producing one tonne of cement.

In India, refractory consumption in the steel and cement industries has increased with consistent and robust growth in production due to the Make-in-India initiative. Also, the government's support for products through Atmanirbhar Bharat has boosted production across various industries. Demand for refractories from Steel industry constitutes 70% during the FY 2022-23 as per a CRISIL research. Steel industry is going to remain the key user, with its share increasing 1-2% in fiscal

2028 over fiscal 2022. The share of refractories across end-use industries will not move very differently in fiscal 2028 over fiscals 2022-23. Since steel production will grow at a robust pace in both the domestic and international markets, more refractories will be needed.



*Others include glass, ceramic, chemical, energy & chemistry, paper & pulp, paint, and sugar

Source: Industry, CRISIL MI&A Research

Steel Industry Overview

Global Steel Industry

The global steel market reached a value of US$ 907 billion in calendar year ("**CY**") 2022. The market is predicted to reach a value of US$ 1,077 billion *(Source: IMARC)* by CY 2028, exhibiting a growth rate (CAGR) of 2.8% during 2023-28. The world crude steel production reached 1,885 million tonnes (mt) in CY 2022 *(Source: World Steel)*.

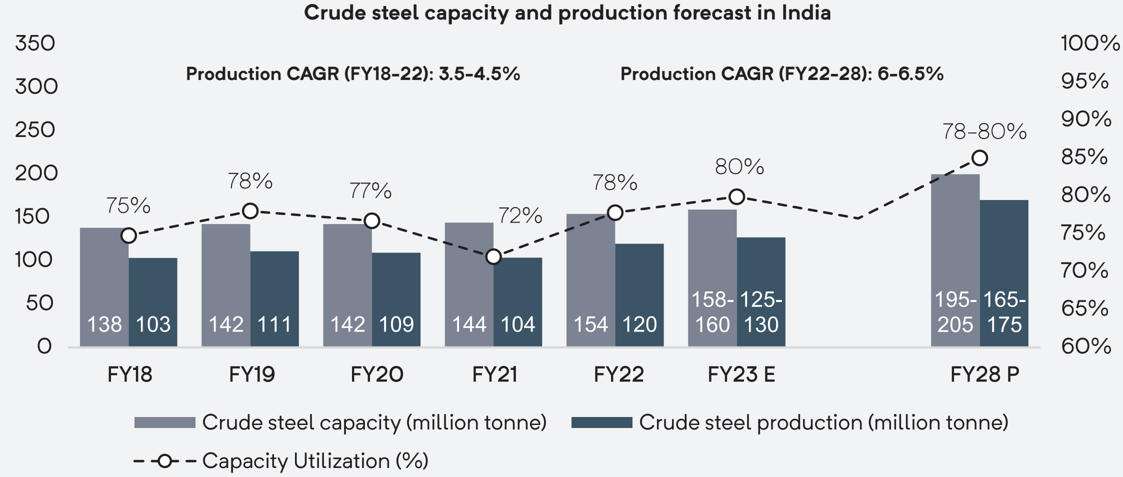
China remained world's largest crude steel producer (1,018 mt) followed by India (125.3 mt), Japan (89.2 mt) and the US (80.5 mt), based on rankings released by the World Steel Association in CY 2022. Per capita finished steel consumption in CY 2022 was 221.8 kg for world and 645.8 kg for China. China has been a leader in this industry for quite a long time now, but India has the potential to emerge as a leading global leader with the right strategy and action plan.

Indian steel industry

India is currently the world's second largest producer of crude steel. The country produced 125.3 million tonnes of crude steel in CY 2022 as against 118.2 million tonnes the previous year. This was mainly fueled by demand from the manufacturing and construction sectors. The government's support through the Production Linked Incentive ("**PLI**") scheme, which has a budget of US$ 847 million, is encouraging planned capacity expansion and the construction of specialty steel capacity. Capacity for domestic crude steel expanded from 142.24 million tonnes per annum (MTPA) in 2018 to 157.58 MTPA in 2022. CRISIL MI&A Research expects net capacity addition of 57-60 MT in next 5-6 years, owing to healthy profitability and debt reduction in the past two fiscals. The share of large players is expected to rise to 67% in fiscal year 2028 from 62% in fiscal year 2022, driven by increased capex on healthy profitability and strong revenue. Ramp-up of acquired assets will also help expand capacities. Production of total finished steel stood at 118.71 MT showing a growth of 6.0% over the year. India was a net exporter of total finished steel. The financial year saw a rally in prices because of higher exports. To improve domestic supply and correct prices, the government imposed an export duty of 15% on steel products in May 2022. Resultantly, exports fell ~50% on-year over April-November 2022. In addition to lower prices, high raw material prices put pressure on margins. In mid-November 2022, the government rolled back the duty.

Multiple factors like the government's PLI scheme, the ongoing consolidation of the steel industry, implementation of the PM Gati Shakti Yojna. PM Awas Yojana, emergence of the EV market in automobile segment, and the larger infrastructure push by the government through National Infrastructure Pipeline etc. would propel the steel industry growth. The crude steel production is estimated to grow at a CAGR of 6-6.5%.

Crude steel capacity and production forecast in India



Note: E-Estimated, P-Projected

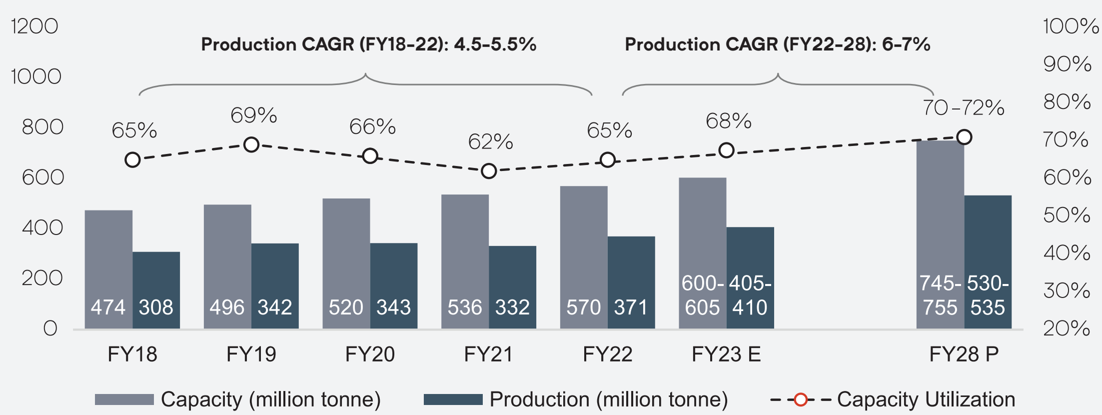
Source: CRISIL MI&A Research, industry

Indian Cement Industry Overview

In the medium term, capex towards key infrastructure projects such as construction of the remaining stretch of the 25,000 KM (approx.) under the Bharatmala Pariyojana, the government's target to double the existing metro length, increase the number of airports from 140 to 220 by 2025, and implementation of five river-linking projects will drive healthy cement demand growth in the infrastructure segment. Hence, infrastructure and rural housing (given continued concretization of kutcha houses) will be the key growth drivers.

CRISIL MI&A Research expects cement production to clock a CAGR of 6-7% over fiscal years 2023-28 against a CAGR of 5-6% from over fiscal years 2018-22. Therefore, with the incitement of government's vision to make India a $5 trillion economy in the next 5 years, the spending on better infrastructure will require more cement production. Furthermore, demand from urban and rural housing, additional capacity plans by large players, PLI implementation, and other schemes will support the increase of cement production in India.

Cement capacity and production forecast in India



Note: E-Estimated, P-Projected

Source: CRISIL MI&A Research, industry

Refractory Industry Overview

Global Refractory Industry

The global refractory industry is estimated to have been worth US$ 22-23 billion in 2022. Significant investment has been made in the construction of residential and commercial structures because of increasing urbanization and industrialization, particularly in emerging economies such as China and India. Expansion of the automotive sector in emerging countries has been aided by that country's increasing need for transport and ongoing road and rail construction. The iron, steel and cement sectors has also grown as a result. With increase in construction activities, demand for the glass industry increased, which eventually had driven the demand for the refractory industry.

Globally, the refractories market size is likely to attain a CAGR of 3.4% by value and is projected to reach US$ 27.4 billion by the end of 2025. Some of the key driving factors for refractories and a boost for refractory product suppliers lie mainly in the ever-growing demand from the iron and steel industry.

Indian Refractory Industry

As per previous market trends, the demand growth for refractories fluctuated from fiscal years 2018-22. Demand for refractories grew at 19% on-year in fiscal year 2020 to approximately 1.4 million tonnes. However, the domestic demand for refractories declined during the pandemic due to difficulty in imports of finished products and challenges in procurement of raw materials. At present, India's total refractory market is estimated at Rs. 15,000 crore in fiscal year 2022 as per market estimates. Demand for the domestic refractory industry is at approximately 1.5 million tonnes, with a growth rate of approximately 15% on-year in fiscal year 2022. This is due to an increase in the imports of refractories and greater consumption of indigenous production by end-use industries. The sudden hike in the demand growth rate clearly indicates that the industry has overcome the COVID-19 pandemic-era challenges and that businesses have returned to pre-COVID-19 performance.

As per CRISIL research, Indian refractory industry demand to grow at 5.5-6% CAGR in the medium term from fiscal years 2022-28. The increased production of end-use industries of refractories will positively impact demand. Refractories' demand is estimated to reach approximately 2.1 million tonnes in fiscal year 2028. The growth in demand will be backed by India's vision of becoming a US$ 5 trillion economy by fiscal year 2027-28 and a US$ 7 trillion economy by 2030. This is boosting the infrastructure, building and construction and automotive industries, which are the key consumers of the end users of refractories. These industries have started increasing capacities and production to cope with demand as elaborated above.

Outlook

As evident from the above, the refractory industry is poised to grow well over the foreseeable future, on the back of various end sectors such as steel, cement and glass, among others. Factors such as the government's vision to reach a US$ 7 trillion economy by fiscal year 2030 along with 300 million tonnes of steel production by 2030 and Atmanirbhar Bharat initiatives, are spurring economic and infrastructure development in India. This bodes well for demand for refractory products.

To cater to the expected rise in demand, RHIM is complementing its organic growth with inorganic growth initiatives. The recent acquisitions by the Company not only expand the Company's production capacity but also diversify its product portfolio, thereby enabling it to cater to more end applications.

The Indian refractory business of DBRL which was transferred to RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited), operates with a well-established production footprint in west and south India, positioning the Company strategically to serve these regions effectively. With a strong industrial product offering, it enhances the go-to-market portfolio by providing comprehensive solutions across all segments and industries. The Company anticipates synergistic benefits from cross-selling opportunities, allowing it to leverage its well-established product offerings to drive revenue growth. Moreover, RHI Magnesita India Refractories Limited aims to optimize its cost structure by leveraging fixed cost optimization, resource bundling, and economies of scale, resulting in an improved cost baseline and enhanced profitability.

The acquisition of the refractory business of Hi-Tech Chemicals enables RHIM to augment its flow control production capacities in India, incorporating market-standard low-pressure technologies. This strategic move not only expands RHIM's product offerings but also creates significant synergies through cross-selling opportunities. Additionally, RHIM expects to achieve cost synergies by optimizing production processes in collaboration with the Bhiwadi plant.

As the synergies from two recently acquired business start contributing to the overall growth and performance of RHIM, the Company will leverage their operational strengths, expand product portfolios, and capitalize on cross-selling opportunities to achieve economies of scale and drive profitability.

By capitalizing on its strong global presence, diversified product portfolio, localization of imported products, favourable domestic industry growth, and anticipated synergies from inorganic expansion, RHI Magnesita India Limited is well-positioned to continue to grow and strengthen its position as the driving force of the Indian refractory industry.

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 2022-23. The payment of final dividend is subject to the approval of the members at their 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., 14 September 2023). The dividend distribution will result in cash outgo of on ₹ 5,162.53/- 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 www.rhimagnesitaindia.com/investors/corporate-governance/policies

5. RESERVES

The Board of Directors has decided to retain the entire amount of profits in the statement of profit and loss. For complete details on movement in reserves and surplus during FY 2022-23, please refer the statement of changes in equity and note 9(b) of standalone financial statements for the period under review.

6. ACQUISITIONS AND TAKEOVERS

During the period under review, the Company has made the following acquisitions/takeovers:

A. Acquisition of the refractory business of Hi-Tech Chemicals Limited situated at Jamshedpur, Jharkhand

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 for a cash consideration of ₹ 62,100 Lacs (approx.) through the Business Transfer Agreement (BTA) executed on 18 October 2022.

On 31 January 2023, the Company has completed the acquisition of the refractory business of Hi-Tech Chemicals Limited for a revised cash consideration of ₹ 87,937.65 Lacs. For more details, please refer note no. 40 of the financial statements.

The acquired business primarily engaged in manufacturing and suppling refractors, isostatically pressed ceramics, slide gate plates and other allied products and has manufacturing facility in Jamshedpur, Jharkhand.

B. Acquisition of Indian refractories business of Dalmia Bharat Refractories Limited

On 19 November 2022, the Company entered into a Share Swap Agreement ('**SSA**') with Dalmia Bharat Refractories Limited ("**DBRL**"), housing refractories business of Dalmia Bharat Group, for acquiring 82,483,642 equity shares, each fully paid up, having a face value of ₹ 10/- each, representing 100% of the equity share capital of RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited) ("hereinafter referred as **RHIM**

Refractories"), at a consideration of ₹ 1,708 Crores (approx.) to be paid through issue of and in exchange for 27,000,000 fresh equity shares of ₹ 1/- each of RHI Magnesita India Limited at a premium of ₹ 631.5029/- i.e. @ ₹ 632.5029/- per share through preferential allotment alongwith net debt of ₹ 443 Crores (approx.) held by RHIM Refractories, subject to closing adjustments.

On 5 January 2023, the Company completed the acquisition of 100% shareholding in RHIM Refractories in terms of SSA. The Company has discharged the consideration by way of issuance and allotment of 27,000,000 fresh equity shares of the Company to DBRL at an issue price Rs. 632.5029 per share as per BTA in accordance with Securities and Exchange Board of India (Issue of Share Capital and Disclosure Requirements), Regulation, 2018 ("SEBI ICDR Regulations"). Further, these shares were recorded at a transaction price of Rs. 877.20 which was prevailing at an acquisition date (i.e. 5 January 2023) as per Indian Accounting Standards (Ind AS) 103.

By virtue of above said SSA, DBRL has also transferred its 51% shareholding of RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) ("hereinafter referred as **RHIM Seven**") to RHIM Refractories. RHIM Seven was a joint venture between DBRL and Seven Refractories GmbH, Vienna.

On 24 July 2023, RHIM Refractories has acquired from Seven Refractories GmbH, Vienna balance 49% equity shares having face value of ₹ 10/- each of RHIM Seven for consideration amounting to ₹ 6,184.75 Lacs in terms of the provisions of Share Purchase Agreement dated 21 April 2023, including amendments thereof read with Share Transfer Agreement dated 17 July 2023.

RHIM Refractories owns (A) four plants situated at (a) Dalmiapuram, Tamil Nadu (b) Khambalia, Gujarat (c) Bhilai, Chhattisgarh and (d) Rajgangpur, Orissa and (B) three mines situated at (a) Bauxite mines at Pilidhar, Devbhumi, Dwarka, Gujarat, (b) Quartzite mines at Chiraipani,Patrapalli, Raigarh, Chhattisgarh and (c) Quartzite mines at Bhikampali, Kapilapur via Panchagon, Jharsuguda, Odisha. As on date, RHIM Refractories is in the process of transferring abovesaid mines in its name. Further RHIM Seven has one plant situated at Katni, Madhya Pradesh.

7. DETAILS OF SUBSIDIARY COMPANIES

As on 31 March 2023, the Company has two subsidiaries i.e. Intermetal Engineers (India) Private Limited ("**Intermetal**") and RHIM Refractories (together called as "**subsidiaries**") and one step down subsidiary namely RHIM Seven.

RHIM Refractories became wholly owned subsidiary of the Company with effect from 5 January 2023. Post closure of FY ended 31 March 2023, RHIM Refractories has also become the material subsidiary in terms of the provisions of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**'), as may be applicable.

On 5 January 2023, RHIM Refractories holds 51% of paid-up share capital of RHIM Seven, consequently, RHIM Seven becomes the step-down subsidiary of the Company. Further after acquisition of balance 49% of paid-up share capital of RHIM Seven on 24 July 2023, RHIM Seven becomes 100% wholly owned subsidiary of RHIM Refractories.

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.

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/subsidiary-annual-reports.

Financial Performance of Subsidiaries Company

The highlights of financial performance of the subsidiaries for FY 2022-23 are as follows:

(Amount in ₹ Lacs)

Sr. no.	Particulars	Intermetal	RHIM Refractories*	RHIM Seven*
1	Revenue from operation	533.61	20,738.13	2,835.60
2	Profit before tax/(loss)	239.80	(71,634.66)	347.87
3	Profit after tax/(loss)	178.86	(70,227.01)	259.94

* [from 5 January 2023 to 31 March 2023.]

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**.

8. SHARE CAPITAL STRUCTURE OF THE COMPANY

The share capital structure of the Company as on 31 March 2023, is given below:

Authorized Share Capital	₹ 308,000,000.00/- constituting of 308,000,000 equity shares of ₹ 1/- each.
Issued, Subscribed and Paid-up Share Capital	₹ 187,996,331.00/- constituting of 187,996,331 equity shares of ₹ 1/- each.

During the period under review, the members of the Company at their 1st Extra Ordinary General Meeting ("**EGM**") held on 21 December 2022, approved the issuance of 27,000,000 equity shares having face value of ₹ 1/- each at an issue price of ₹ 632.5029/- each amounting to ₹ 1,708 Crores to DBRL on preferential basis for consideration other than cash. Subsequent to above, the Board of Directors at their meeting held on 5 January 2023 allotted abovesaid equity shares to DBRL. As per the Securities and Exchange Board of India (Issue of Share Capital and Disclosure Requirement) Regulation,2018 ("**SEBI ICDR Regulations**") the said equity shares are subject to lock-in up to 31 August 2023.

Furthermore, post end of FY 2022-23, the share capital of the Company was changed in the following phases:

A. The members of the Company in their 2nd EGM held on 13 March 2023 approved the issuance of securities including equity shares having face value of ₹ 1/- each through qualified institutional placement for an amount not exceeding ₹ 1,500 Crores. 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 equity shares of ₹ 1/- each at an issue price of ₹ 572.70/- each to 57 qualified institutional buyers aggregating to ₹ 900 Crores (approx.) .

B. The members of the Company through postal ballot on 1 June 2023 has approved the issuance of 2,790,061 equity shares having face value of ₹ 1/- each at an issue price of ₹ 716.83/- each to Dutch US Holding B.V. one of the promoter of the Company on preferential basis for an aggregate amounting ₹ 200 Crores (approx.). Considering 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 equity shares of ₹ 1/- each at an issue price of ₹ 716.83/- each to Dutch US Holding B.V aggregating ₹ 200 Crores (approx.). As per the 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 equity shares of Dutch US Holding B.V. are also locked-in up to 31 December 2023.

Consequent to aforesaid allotments, the revised share capital structure of the Company as on date is follows:

Particulars	Change in Share capital post end of FY 2022-23
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 date	₹ 206,501,426.00/- constituting of 206,501,426 equity shares of ₹ 1/- each.

9. CHANGE OF REGISTERED OFFICE OF THE COMPANY

With effect from 1 April 2022, the registered office of the Company has been shifted to Unit No.705, 7th Floor, Lodha Supremus, Kanjurmarg Village Road, Kanjurmarg (East), Mumbai-400042.

10. INCREASE OF BORROWING LIMIT AND POWER TO CREATE CHARGE ON THE ASSETS OF THE COMPANY

The members of the Company in their 2nd EGM held on 13 March 2023 have accorded their approval pursuant to Section 180 (1) (c) and 180 (1) (a) of the Companies Act, 2013, to increase the borrowing power of the Board and power to create charge on assets of the Company to secure the borrowing upto ₹ 5,000 Crores respectively.

11. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENT

The members of the Company in their 1st EGM held on 21 December 2022 have accorded their approval as per Section 186 of the Companies Act, 2013 to increase the limits applicable for making investment / extending loan and giving guarantee or providing security in connection with loans to persons / bodies corporate upto ₹ 2,500 Crores.

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:

On 5 January 2023, the Company had acquired 82,483,642 equity shares of RHIM Refractories having face value of ₹ 10/- each at an issue price of ₹ 207/- in terms of the SSA dated 19 November 2022.

Further, on 8 May 2023, the Company has subscribed 16,975,051 equity shares of RHIM Refractories having face value of ₹ 10/- each at an issue price of ₹ 207/- aggregating amounting to ₹ 351 Crores (approx.) on right basis.

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

12. UTILISATION OF FUNDS

In view of acquisitions and takeover undertaken by the Company during the period under review, as discussed elsewhere in this report, the Company has raised the funds by

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

The entire funds raised through qualified institutional placement has been utilized during the quarter ended 30 June 2023 for repayment/ prepayment in full or in part of certain outstanding borrowings availed by the Company, investment in one of its Subsidiary i.e. RHIM Refractories and general corporate purposes.

(B) Issue of shares through Preferential allotment of ₹ 200 Crores (approx.)

During the quarter ended 30 June 2023, no amount was utilized by the Company for the funds raised through preferential allotment as trading approval on the shares allotted under preferential allotment was received on 08 August 2023.

Post which the Company initiated the utilization of funds for the defined objects i.e. (a) Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by the Company (b) Investment into one of the subsidiaries, i.e. RHIM Refractories and (c) General corporate purposes

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

13. 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.

14. 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.

The Company has an adequate internal control system in place and also has reasonable assurance on authorizing, recording, and reporting transactions of its operations. The Company has a well-placed, proper, and adequate internal controls environment, commensurate with the size, scale, and complexities of its operations. The Company had already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity-level policies, processes, and operating-level standard operating procedures.

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

(a) recording and providing reliable financial and operational information;

(b) complying with the applicable statutes;

(c) safeguarding assets from unauthorized use;

(d) executing transactions with proper authorization and ensuring compliance with corporate policies;

(e) prevention and detection of frauds/errors and

(f) continuous updating of IT systems.

The Company's management has assessed the effectiveness of the Company's internal control over financial reporting as of 31 March 2023.

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 2023, the Company's internal financial controls were adequate and operating effectively.

15. HUMAN RESOURCES

For RHIM, employees are its most valuable asset and the Company is committed to the wellbeing and development of its employees. Your Company believes in enhancement of competencies of its employees. Employees are facilitated to participate in various training programs, equal emphasis is given on technical & soft skills. numerous opportunities have been created for the employees to develop.

During recent years, Company's main focus of in-house trainings was on interpersonal skills, behavioral attributes, customer focused culture, lean implementation and 6's at shop floor. The dedicated learning and development programmes enhance the right skill sets and relevant knowledge to employees to achieve operational and futuristic benefits. The Company endeavors to keep the employee's motivation high by providing congenial & respectful work atmosphere and rewarding/remunerating effectively. 100% safety of our employees is one of the important operative targets for RHIM. Various initiatives have been launched to engage employees.

Celebrating festivals and achievements on various occasions is part of RHIM culture. Various activities and programs have been conducted within the organization to create fair and equitable work culture leading to cordial relations between the management and the employees of the Company.

16. 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: www.rhimagnesitaindia.com/investors/corporate-governance/policies

Members can also refer note 36 of the financial statements, which set out related party disclosures.

17. 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 Company during the FY 2021-22 voluntarily applied for adjudication of offence in respect of delay in spending the unspent CSR expenditure of ₹ 135.40 Lacs for the year ended 31 March 2021. A penalty was imposed by the Registrar of Companies, Maharashtra on the Company and its Key Managerial Personnels (KMPs) vide its order dated 31 March 2023 and the same was duly paid. The Company has no outstanding amount due in respect of CSR for any of the previous year including current FY 2022-23.

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/investors/corporate-governance/policies

18. RISK MANAGEMENT

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 ISO risk management practices. Deep-dive risk assessments are performed for areas of emerging or prevailing risks, which, in 2022, 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 Safety and Health 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 after every six months and is reviewed after three months in all the operational plants and extended to the customer sites also. The safety audits were conducted at regular intervals by internal and external agencies. The stage 1 audit for all three standards (ISO 9001, 14001 & 45001) was successfully completed for the Visakhapatnam Unit. The employee 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.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Parmod Sagar (DIN: 06500871) was reappointed as Managing Director and Chief Executive Officer of the Company for a period of five years w.e.f. 4 March 2023 to 3 March 2028. Proposal for reappointment of Mr. Parmod Sagar along with revision in his remuneration was placed before the members post receipt of necessary recommendation from Nomination and Remuneration Committee and Board of Directors in their meeting held on 10 August 2022 and the same was approved by the members in their Annual General Meeting dated 26 September 2022.

Ms. Vijaya Gupta took over as Chief Financial Officer, with effect from 27 May 2022 in place of Mr. Sanjeev Bhardwaj, who has been assigned new roles and responsibilities within the organization. Ms. Vijaya Gupta is having thirty years of work experience and she is rank holder Chartered Accountant and has completed Special Management Program from IIM(C).

Ms. Ticiana Kobel (DIN: 09850411), w.e.f. 5 January 2023, was appointed as non-independent & non-executive additional director of the Company by the Board of Directors at their meeting held on 5 January 2023. In terms of Listing Regulations and Act, her appointment was regularized by the shareholders of the Company at their 2nd EGM held on 13 March 2023 and her office will be liable to retire by rotation.

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Erwin Jankovits (DIN: 07089589) retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment alongwith other required details forms part of the Notice of the AGM.

Mr. RVS Rudraraju (DIN: 00425640) tendered his resignation from Directorship of the Company with effect from closure of business hours on 13 February 2023. The Board accepted the resignation and put on record its sincere appreciation for the contributions made by Mr. RVS Rudraraju during his association with the Company as a Director.

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

The Independent Directors have also submitted the declarations that they have registered their names in the independent directors' data bank.

No Independent Director was appointed during the period under review.

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.

Pursuant to the provisions of Section 203 of the Act, Mr. Parmod Sagar, Managing Director and Chief Executive Officer, Mr. Sanjeev Bhardwaj, Chief Financial Officer (upto 27 May 2022), Ms. Vijaya Gupta (w.e.f. 27 May 2022) and Mr. Sanjay Kumar, Company Secretary were KMPs of the Company as on 31 March 2023.

During the year, Mr. RVS Rudraraju — Whole Time Director ceased to be the KMP of the Company with effect from 13 February 2023.

20. 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 KMP and also 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 KMP and senior management is subject to the approval of the Nomination and Remuneration Committee and Board of Directors. Remuneration of KMP and senior management is 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 KMP and senior management 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 www.rhimagnesitaindia.com/investors/corporate-governance/policies

21. 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 2022-23.

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 2023, the applicable Accounting Standards have been followed and there were no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 March 2023, 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.

22. 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 2023 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.

23. 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 Annual General Meeting to be held in the year 2027.

The Auditor's Report for the FY 2022-23 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 2022-23. The Secretarial Audit Report for the financial year ended 31 March 2023, is appended as **ANNEXURE - III** to this report.

The observations of the Secretarial Auditor in their report are self-explanatory and therefore, the Directors do not have any further comments to offer on the same.

Further, as required under Section 204 of the Act and rules thereunder, the Board has appointed M/s. Naresh Verma & Associates, Company Secretaries, to also conduct the Secretarial Audit for the FY 2023-24.

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.: 00024) as Cost Auditors to audit the cost accounts of the Company for the FY 2023-24. 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 13th 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 2021-22 was filed with the Ministry of Corporate Affairs on 6 September 2022.

D. Internal Auditors

The Board has appointed M/s. Chaturvedi & Partners as Internal Auditors for the FY 2022-23 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 2023-24.

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.

24. EXPORT HOUSE STATUS

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

25. CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

26. DISCLOSURES

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 5 (five) 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 2023
5	4	1

The Whistle Blower Policy of the Company has been displayed on the Company's website at the link: www.rhimagnesitaindia.com/investors/corporate-governance/policies

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 Eight (8) 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 - IV.**

E. Annual Return

The Annual Return for the FY 2022-23 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 - V**.

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 2023. Report on Corporate Governance is annexed herewith as **ANNEXURE - VI** 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 - VII** 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

Details regarding transfer of amount & shares 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 for sexual harassment at workplace and has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and the Rules made thereunder. All women associated (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this Policy.

During the year, the Internal Complaints Committee of the Company constituted under the POSH Act has received One (1) complaint, which was after investigation resolved and as on 31 March 2023 no complaint was pending or unresolved. Further, the Company reached out on rotation basis to all the employees through awareness sessions for creating greater awareness with respect to the Company's Policy on Sexual Harassment at workplace. During the year under review, a video-based training on POSH awareness was rolled out to all the employees to create greater awareness on this subject.

The policy may be accessed on the Company's website at the link: www.rhimagnesitaindia.com/investors/corporate-governance/policies

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 alongwith 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 2022-23.

27. CAUTIONARY STATEMENTS

Certain statements in the "Management Discussion and Analysis" describing the Company's views about the industry, expectations/ predictions, objectives etc., may be forward looking within the meaning of applicable laws and regulations.

Actual results may differ materially from those expressed in the Statement. Company's operations may inter-alia affect with the supply and demand stipulations, input prices and their availability, changes in Government regulations, taxes, exchange fluctuations and other factors such as Industrial relations and economic developments etc. Investors should bear the above in mind.

28. 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, 10 August 2023

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 2022	5 January 2023	5 January 2023
End date of accounting period of subsidiary	31 March 2023	31 March 2023	31 March 2023
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	8,248.36	2,000.00
Reserves and surplus/ other equity	1,325.20	158,432.87	144.20
Total Assets	1,423.04	303,712.92	5,989.66
Total Liabilities	96.24	137,032.18	3,845.46
Investments	-	9,256.00	-
Turnover	533.61	20,738.13	2,835.60
Profit/ (Loss) before tax	239.80	(71,634.66)	347.87
Provision for tax	60.94	1,408.45	88.30
Profit/ (Loss) after tax	178.86	(70,227.01)	259.94
Proposed dividend	-	-	-
% of shareholding	100%	100%	51% (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)

Vijaya Gupta
Chief Financial Officer

Gurugram, 10 August 2023

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**") 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 is committed towards sustainable development, active contribution to the Social, Economic and Environmental Development of the Community and inclusive growth. The Company's success depends on the communities in which we live and work; our business can only be sustainable if we are supporting thriving communities. We work with local community leaders, government and NGOs on environmental and social issues of concern. CSR initiatives undertaken by your Company upholds the principles of a responsible corporate citizen and aims to distribute the economic benefits derived by it through active collaboration with credible institutions by contributing to the social and economic development of the communities in which it operates. The Company pursue CSR activities in accordance with Schedule VII of the Companies Act, 2013. The focus areas for spending the funds earmarked for CSR activities are to support health, education, wellness, water, sanitation and hygiene needs of communities, especially those who are marginalized. RHIM also supports conservation and relief efforts to communities at the time of natural and man-made disasters. In compliance with the provisions of section 135 of the Companies Act, 2013 ("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 CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i.	Ms. Sonu Chadha, Chairperson	Non-Executive, Independent	2	2
ii.	Mr. Erwin Jankovits, Member	Non-Executive	2	2
iii.	Mr. Parmod Sagar, Member	Executive	2	2

3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company	**Composition:** https://www.rhimagnesitaindia.com/uploads/image/1imguf_bod_25_feb_2021.pdf **CSR Policy:** rhimagnesitaindia.com/uploads/pdf/215pdctfile_policyforcorporatesocialresponsibility.pdf **Approved Project:** https://www.rhimagnesitaindia.com/investors/disclosures-announcements/csr-report
4.	Provide the executive summary along with web-link of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014	Not applicable

5.	a)	Average Net Profit of the Company as per section 135(5)	₹ 24,435.44 Lacs
	b)	Two percent of average Net Profit of the Company as per section 135(5)	₹ 488.71 Lacs
	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 (7a+7b-7c)	₹ 488.71 Lacs

6. a) **CSR amount spent or unspent for the financial year (both Ongoing Projects and other then Ongoing Projects)**

Total Amount spent for the Financial Year	Amount Unspent - ₹ 233.55 Lacs				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any Fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 255.15 Lacs	₹ 199.45 Lacs	27 April 2023	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)	₹ 34.10 Lacs	26 May 2023

6. b) **Details of CSR amount spent against ongoing projects for the financial year:**

1.	2.	3.	4.	5.		6.	7.	8.	9.	10.	11.	
Sr. no.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No.)	Location of the Project		Project duration	Amount allocated for the Project (₹ in Lacs)	Amount spent in the current financial year (₹ in Lacs)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6) (₹ in Lacs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	Construction of Road (Connectivity from village to highway)	Rural Development Projects	Yes	Odisha	Cuttack	3 Years	135.86	16.03	119.82	Yes	Nil	Nil
2.	Renovation of Classrooms	Education, Technical Education including Research and Development	Yes	Odisha	Cuttack	3 Years	27.48	Nil	27.48	Yes	Nil	Nil
3.	Renovation of School infrastructure	Integrated Community Development	Yes	Rajasthan	Alwar	3 Years	58.51	7.44	51.07	Yes	Nil	Nil
4.	Renovation of bus Shelter	Integrated Community Development	Yes	Rajasthan	Alwar	3 Years	7.87	6.80	1.07	Yes	Nil	Nil
			Total				**229.72**	**30.27**	**199.45**			

6. c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

1.	2.	3.	4.	5.		6.	7.	8.	
Sr. no.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area(Yes/ No.)	Location of the Project		Amount spent for the Project (₹ in Lacs)	Mode of Implementation Direct (Yes/No)	Mode of Implementationthrough Implementing Agency	
				State	District			Name	CSR Registration Number
1	Promotion of Health Care (incl eye hospital)	Promoting Health Care including preventive health care	Yes	Andhra Pradesh	Vizag	109.86	Yes	Hyderabad Eye Institute	CSR00001698
2	Promotion of Education for tribal students	Education, Technical Education including Research and Development	Yes	Andhra Pradesh	Vizag	6.68	No	-	-

1.	2.	3.	4.	5.		6.	7.	8.	
Sr. no.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area(Yes/ No.)	Location of the Project		Amount spent for the Project (₹ in Lacs)	Mode of Implementation Direct (Yes/No)	Mode of Implementationthrough Implementing Agency	
				State	District			Name	CSR Registration Number
3	Health Care Activities	Promotion of Health Care including preventive health care	Yes	Rajasthan	Alwar	10.00	Yes	Southeast Asia Institute for Thalassemia (SEAIT)	CSR00037788
4	GTBT ('Good Touch-Bad Touch')	Education, Technical Education including Research and Development	Yes	Rajasthan	Alwar	21.00	Yes	Inaya Foundation	CSR00032492
5	Skill development training to woman	Education, Technical Education including Research and Development	Yes	Rajasthan	Alwar	1.02	Yes	Rotary Charitable Trust	CSR00009280
6	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund	Contribution to PM CARES Fund	Yes	PAN India		52.23	No	-	-
7	Medical Support to Girl Child for Surgery	Promotion of Health Care including preventive health care	Yes	Rajasthan	Alwar	4.00	Yes	Rotary Charitable Trust	CSR00009280
8	Skill Development trainings of underprivileged Children	Skill Development	Yes	Haryana	Delhi	10.00	Yes	Lotus Petal Charitable Foundation	CSR00001939
9	Training of Blind Women in the Skill of Manual Breast Cancer Detection	Education and health Awareness	Yes	Delhi	Delhi	10.09	Yes	NAB India Centre	CSR00000981
		Total				**224.88**			

6.	d)	Amount spent in Administrative Overheads	Nil
6.	e)	Amount spent on Impact Assessment, if applicable	Nil
6.	f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	255.15
6.	g)	Excess amount for set off, if any	Nil

Sr. no.	Particulars	Amount (₹ in Lacs)
i)	Two percent of average Net Profit of the Company as per section 135(5)	488.71
ii)	Total amount spent for the financial year	488.71
iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
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)]	Nil

7. a) **Details of Unspent CSR amount for the preceding three financial years: Nil:**

Sr. no.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (₹ in Lacs)	Amount spent in the reporting Financial Year (₹ in Lacs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial Year (in Lacs)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2021-22	Nil	Nil	Nil	Nil	Nil	Nil
2.	2020-21	Nil	Nil	Nil	Nil	Nil	Nil
3.	2019-20	Nil	Nil	Nil	Nil	Nil	Nil
	Total		**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil**

1.	2.	3.	4.	5.	6.	7.	8.	9.
Sr. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount Allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of Reporting Financial Year (in ₹)	Status of the project-completed/ ongoing
1.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Total			**Nil**	**Nil**	**Nil**	**Nil**

8. **Whether any property or assets ('Capital Assets') have been created or acquired through CSR amount spent in the Financial Year (asset-wise details): No**

a)	Short Particulars of the Capital Asset [including complete address and location of the Capital Assets) & PIN Code of the Capital Assets	Nil
b)	Date of creation or acquisition of the Capital Asset(s)	Nil
c)	Amount of CSR spent for creation or acquisition of Capital Asset	Nil
d)	Details of the entity or authority or beneficiary under whose name such capital asset is registered, their address etc. (CSR Registration No., Name and Registered Address)	Nil

9.	Specify the reason(s) if the Company has failed to spend two percent of the average net profit as per Section 135(5)	During the FY 2022-23, the Company was able to spend ₹ 255.16 Lacs towards its identified CSR obligations/ projects and an amount of ₹ 233.55 Lacs remained unspent as on 31 March 2023. • Out of total unspent amount, ₹ 199.45 Lacs have been allocated towards ongoing projects i.e. construction of road and building for public utility. The said ongoing projects have been started during the relevant financial year, however it would take time to complete the same. Accordingly, on 27 April 2023, the unspent amount relating to ongoing activities has been transferred to special unspent account opened in that behalf in terms of the provisions of the Act. • Further, due to delay in identifying the project within statutory time-period, the amount of ₹ 34.10 Lacs remain unspent, and the said amount has been deposited in PM CARES Fund in compliance with the provisions of the Act read with its rules made thereunder.

On behalf of the Board of Directors

	Parmod Sagar	**Sonu Chadha**	**Dr. Vijay Sharma**
	Managing Director & CEO	Chairperson CSR Committee	Chairman
Gurugram, 10 August 2023	(DIN: 06500871)	(DIN: 00129923)	(DIN:00880113)

ANNEXURE-III

SECRETARIAL AUDIT REPORT

for the financial year ended 31 March, 2023

[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 2023 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 2023 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 2023.

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 2023 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:

The expenditure made by the Company towards CSR activities during the year ended 31 March 2023 was less than the due amount. The Company has spent ₹ 255.15 Lacs out of ₹ 488.71 Lacs towards CSR Activities. An amount of ₹ 199.45 Lacs remaining unspent on various Ongoing Projects was transferred and deposited in a separate bank account of the company within 1 month from the closure of financial year. Further the amount of ₹ 34.10 Lacs remaining unspent due to non-identification of specified projects and not related to any ongoing project was transferred and deposited with the PM Cares fund prescribed under Schedule VII of the Companies Act, 2013 on 26.05.2023.

There was delay in filing of few forms 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.

- Acquisition of Refractory business of Hi-Tech Chemicals Limited [CIN: U00300WB1986PLC124546] including its plant situated at M-20 P in 6th Phase, C-38, 47, 54, 55 & 56 in 4th Phase, Industrial Area, Gamharia, Jamshedpur, Seraikela Kharsawan, Jharkhand-832108 pursuant to Business Transfer Agreement dated 18 October 2022.

- Proposal to Increase Cash Credit Limit availed from Deutsche Bank from Euro 10 Million to Euro 12 Million was approved by the Board in their meeting held on 09 November 2022. The Board also considered and approved availing a short-term bridge loan facility upto INR 7,000,000,000/- (Indian Rupees Seven Billion Only) from The Hongkong And Shanghai Banking Corporation Ltd, India.

- Acquisition of Indian refractory business of Dalmia Bharat Refractories Limited : On 19 November 2022, the Company entered into a Share Swap Agreement ('SSA') with Dalmia Bharat Refractories Limited ("**DBRL**"), for acquiring 8,24,83,642 (Eight Crores Twenty Four Lacs Eighty Three Thousand Six Hundred Forty Two only) equity shares, each fully paid up, having a face value of ₹ 10 (Rupees Ten only) each, representing 100% of the equity share capital of RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited), at a consideration of up to ₹ 1,708 Crores (approx.) to be paid through issue of and in exchange for 2,70,00,000 (Two Crores Seventy Lacs only) fresh equity shares of ₹ 1/- each of RHI Magnesita India Limited at a premium of ₹ 631.5029/- i.e. @ ₹ 632.5029/- per share through preferential allotment alongwith net debt of ₹ 443 Crores (approx.) owned by RHI Magnesita India Refractories Limited, subject to closing adjustments. On 5 January 2023, the acquisition of 100% shareholding in RHI Magnesita India Refractories Limited in terms of SSA was completed and consideration thereof was paid by way of issuance and allotment of 2,70,00,000 fresh equity shares of the Company to DBRL.

- By virtue of Share Swap Agreement ('SSA') dated 19 November 2022, DBRL has also transferred its 51% shareholding of RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) ("hereinafter referred as RHIM Seven") to RHI Magnesita India Refractories Limited. RHIM Seven was a joint venture between DBRL and Seven Refractories GmbH, Vienna. On 24 July 2023, RHIM Refractories has acquired from Seven Refractories GmbH, Vienna balance 49% equity shares having face value of ₹ 10/- each of RHIM Seven and has thus become wholly owned subsidiary Company of RHIM Refractories.

- The members of the Company in their Extra Ordinary General Meeting (**EOGM**) held on 21 December 2022 accorded their approval as per Section 186 of the Companies Act, 2013 to increase the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to persons / bodies corporate upto ₹ 2,500 Crores.

- The members of the Company in their EOGM held on 13 March 2023 accorded their approval pursuant to Section 180 (1) (c) and 180 (1) (a) of the Companies Act, 2013, to increase the borrowing powers of the Board upto ₹ 5,000 Crores and also to create charge on assets of the Company to secure the borrowing upto ₹ 5,000 Crores respectively. The members in said EOGM also approved the issuance of securities including equity shares having face value of ₹ 1/- each through qualified institutional placement for an amount not exceeding ₹ 1,500 Crores. 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 1,57,15,034 equity shares of ₹ 1/- each at an issue price of ₹ 572.70/- each to 57 qualified institutional buyers aggregating to ₹ 900 Crores (approx.)

- The Adjudicating officer, Registrar of Companies, Mumbai vide its order dated 31 March 2023 on the application of the company made during the year imposed a penalty under Section 454 for violation of Section 135 of the Companies Act 2013, which was duly paid by the Company.
- The members of the Company through postal ballot on 1 June 2023 has approved the issuance of 27,90,061 equity shares having face value of ₹ 1/- each at an issue price of ₹ 716.83/- each to Dutch US Holding B.V. one of the promoter of the Company on preferential basis aggregating ₹ 200 Crores (approx.). The Fund-Raising Committee of the Board on 21 June 2023 allotted 27,90,061 equity shares of ₹ 1/- each at an issue price of ₹ 716.83/- each to Dutch US Holding B.V aggregating ₹ 200 Crores (approx.).

For Naresh Verma & Associates
Company Secretaries

Naresh Verma
CP: 4424, FCS: 5403
Peer Review Certificate No. 3233/2023
UDIN: F005403E000774435

Place: Delhi
Date: 10 August 2023

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 MAGNESTIA INDIA LIMITED
CIN L28113MH2010PLC312871

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

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

For Naresh Verma & Associates
Company Secretaries

Naresh Verma
CP: 4424, FCS: 5403
Peer Review Certificate No. 3233/2023
UDIN: F005403E000774435

Place: Delhi
Date: 10 August 2023

ANNEXURE-IV

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:

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

- Optimization of air generation, distribution & consumption.
- Conversion of Electrically operated Driers & Curing Ovens to PNG firing type.
- Reduction of Energy consumption:
  - by installation of Variable Voltage Variable Frequency Drive in dust collection systems;
  - by optimization of Heater usage in Temperature & Humidity Controlled Rooms;
  - in Kilns & Driers by optimization usage of Natural Gas;
  - in Tar Impregnation by optimized usage of Heating Chambers;
  - by replacement of all Conventional luminaire (like Mercury Vapor, Sodium Vapor & Halogen lights) of the Plant with energy efficient LED Lights,
  - by optimizing switching on of Plant lighting by automatic time control switches and
  - by replacement of conventional Electrical star and delta starters with Variable Frequency Drives (VFD's) in High energy consuming Motors installed in the Dust & Fumes collectors of Mixer Machines, Impact mills, Pulverizers etc.

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

- Replacement of:
  - Light Diesel Oil and Pet coke as fuel for running of Kilns & Driers with Natural Gas which resulted in reduction in CO2 emission and
  - Electrical Power with natural Gas for fueling Driers & Curing Ovens.
  - Installation of Dual Fuel System in Diesel Generating Sets to run the Engines with Natural Gas & Diesel in 60:40 ratio.

iii. **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 CO2 emission and cost reduction.

B. TECHNOLOGY ABSORPTION, ADAPTATION, AND INNOVATION

During the period under review, new products like Hexa Rod Mono Block Stoppers, Mono Nozzles (NCs) and Hybrid purging plugs have been introduced. The performance of Hexa rod stoppers is superior comparted to round stoppers & Hexa Rod Stopper is patented in favor of RHIM in India. New production line for purging plugs has been set up along with shrink fitting of CANS to enhance product value.

Further, shrink fitting technology has been implemented in Bhiwadi, Rajasthan Plant for slot plug production. These are highly engineered slot plugs and STG 33 plates with Argon Purging were produced.

All conventional lighting has been replaced by LED lights. Recycled material is being used by the Company.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Amount in ₹ Lacs)

Particulars	2022-23	2021-22
Earnings	34,910.65	30,940.41
Outgo	71,149.83	43,797.22

On behalf of the Board of Directors

Parmod Sagar
Managing Director & CEO
(DIN: 06500871)

Dr. Vijay Sharma
Chairman
(DIN:00880113)

Gurugram, 10 August 2023

ANNEXURE-V

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]

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 2022-23 are given below:

(Amount in ₹ Lacs)

	Ratio to median remuneration	%'age increase/ (decrease) in remuneration in the FY 2022-23
Non-Executive Directors		
Dr. Vijay Sharma[1]	-	-
Ms. Sonu Chadha[1]	-	-
Mr. Nazim Sheikh[1]	-	-
Mr. Erwin Jankovits[2]	-	-
Mr. Gustavo Lucio Goncalves Franco[2]	-	-
Ms. Ticiana Kobel[2]	-	-
Executive Directors		
Mr. Parmod Sagar	74.99	28.98
Mr. RVS Rudraraju[3]	-	-
Key Managerial Personnels		
Mr. Sanjeev Bhardwaj-Chief Financial Officer[3]	-	-
Ms. Vijaya Gupta- Chief Financial Officer[3]	-	-
Mr. Sanjay Kumar-Company Secretary	5.62	9.60

[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 2022-23.

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

3. The percentage increase in the median remuneration of employees in the FY 2022-23 : 8.72 %

4. The number of permanent employees on the rolls of the Company : 1,595

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. 2021-22 was 10.17% on a cost to company basis, as against increase of 28.98% in the salary of the Managerial Personnel. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India.

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
Managing Director & CEO
(DIN: 06500871)

Dr. Vijay Sharma
Chairman
(DIN:00880113)

Gurugram, 10 August 2023

ANNEXURE-VI

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 the **Company**').

I. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

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

Statement on Company's Philosophy on Code of Governance

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

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

At RHIM, we believe that as we move closer towards our aspirations of being a global corporation, our Corporate Governance standards must be globally benchmarked. Therefore, we have institutionalized the right building blocks for future growth. The building blocks will ensure that we achieve our ambition in a prudent and sustainable manner. RHIM not only adheres to the prescribed corporate governance practices as per the listing regulations as prescribed by 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 an enlightened the Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation.

The Company has defined guidelines and an established framework for the meetings of the Board and 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**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 Act and Listing Regulations.

As on 31 March 2023, the Board of Directors comprised Seven (7) directors, Six (6),86% of them are Non-Executive Directors out of which 3 are Independent Directors including one women Independent Director. Your Company has designated Non-Executive Independent Chairman.

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, Companies Act, 2013 ("**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.

None of the director of your Company is holding directorship in more than 7 listed entities and Managing Director and Whole-Time Director of the Company are not serving as Independent Director in any listed entity. None of the Directors on the Board is a member of more than 10 committees or chairman of more than 5 Committees being Audit Committee and Stakeholders' Relationship Committee, as per Regulation 26 (1) of the Listing Regulations, across all the Companies in which he/ she is a director. The necessary disclosures regarding committee positions have been made by all the directors. None of the Directors holds office in more than 20 companies including not more than 10 public companies.

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 2022-23	Attendance at AGM held on 26 September 2022	No. of directorships in other Companies # (As on 31 March 2023)			No. of committee positions in other Companies# (As on 31 March 2023)			Directorship in other listed entity and category
				Chairman	Member	Total	Chairman	Member	Total	
Dr. Vijay Sharma (Chairman) DIN- 00880113	Independent, Non-Executive	8	Yes	1	-	1	1	-	1	-
Ms. Sonu Chadha DIN- 00129923		8	Yes	-	-	-	-	-	-	-
Mr. Nazim Sheikh DIN-00064275		8	Yes	-	1	1	-	1	1	-
Mr. Gustavo Lucio Goncalves Franco DIN- 08754857	Non-Independent, Non-Executive	7	No	-	1	1	-	-	-	-
Mr. Erwin Jankovits DIN- 07089589		8	No	-	-	-	-	-	-	-
Ms. Ticiana Kobel (DIN: 09850411)*		3	Not Applicable	-	-	-	-	-	-	-
Mr. Parmod Sagar (Managing Director & CEO) DIN- 06500871	Non-Independent, Executive	8	Yes	-	2	2	-	-	-	-
Mr. RVS Rudraraju (DIN: 00425640)**	Executive Director	7	Yes	-	-	-	-	-	-	-

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

** Appointed on 5 January 2023*

***Resigned as Director w.e.f. 13 February 2023.*

During financial year ("**FY**") 2022-23, the Company held 8 board meetings. The dates on which the board meetings were held are 27 May 2022; 10 August 2022; 18 October 2022; 9 November 2022; 19 November 2022; 5 January 2023; 13 February 2023 and 29 March 2023. The necessary quorum was present for all the meetings. Along with the Directors, board meetings are usually attended by Chief Financial Officer, Head of Finance, Vice President-Finance & Accounts and Company Secretary of the Company. Video-conferencing facilities were also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings. The gap between meetings was within prescribed time limit.

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 high standards of Corporate Governance.

Details of key skills:

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 lead Expended leadership experience for a significant enterprise, resulting in a practical understanding of organisations, 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, analyse 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	Environment
Dr. Vijay Sharma	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Sonu Chadha	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Nazim Sheikh	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Gustavo Lucio Goncalves Franco	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Erwin Jankovits	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Ticiana Kobel	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Parmod Sagar	Yes	Yes	Yes	Yes	Yes	Yes
Mr. RVS Rudraraju	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 Companies Act, 2013. The Code is posted on the Company's web site at 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 Companies Act, 2013 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 2023. 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 2023, 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 Companies Act, 2013 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 Companies Act, 2013. 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 2022-23
Dr. Vijay Sharma, Chairman	Independent, Non-Executive	5
Mr. Nazim Sheikh, Member		5
Ms. Sonu Chadha, Member		5
Mr. Gustavo Lucio Goncalves Franco, Member	Non-Independent, Non-Executive	4

The Audit Committee met Five (5) times during the year. The dates on which the Audit Committee meetings were held were 27 May 2022; 10 August 2022; 9 November 2022; 13 February 2023 and 29 March 2023. Necessary quorum was present at the above meetings. The gap between meetings was within prescribed time limit.

With the permission of Chairman, the meetings of the Audit Committee are usually attended by non-members Directors, Chief Financial Officer, Head of Finance, Regional Head - IA & RC, Vice President-Finance & Accounts, Company Secretary, and representatives of the Statutory Auditors. The Company Secretary acts as the Secretary to the Committee. Dr. Vijay Sharma, Chairman of Audit Committee was present at the Annual General Meeting of the Company held on 26 September 2022.

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 Companies Act, 2013 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 2022-23
Mr. Nazim Sheikh, Chairman	Independent, Non-Executive	4
Dr. Vijay Sharma, Member		4
Mr. Erwin Jankovits, Member	Non-Independent, Non-Executive	4

The Committee met four (4) times during the year i.e. on 27 May 2022; 10 August 2022; 5 January 2023; 13 February 2023. The Chairman of the Committee, Mr. Nazim Sheikh was present at the Annual General Meeting of the Company held on 26 September 2022.

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 Directors for the FY 2022-23**

(Amount in ₹ Lacs)

Particulars	Mr. Parmod Sagar-Managing Director & CEO	Mr. RVS Rudraraju-Whole Time Director *
Basic Salary (a)	147.90	65.17
Stock Options (b)	-	-
Perquisites and allowances (c)	131.17	71.92
Retirement benefits (d)	32.54	
Fixed Component (e) = (a)+(b)+(c)+(d)	311.61	137.09
Bonuses (Performance Linked Incentive) (f)	124.57	34.20
Total (g) = (e) + (f)	**436.18**	**171.29**

* Mr. RVS Rudraraju has resigned with effect from 13 February 2023.

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 Companies Act, 2013 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 meeting and Audit Committee meeting, within the limits as prescribed under the Companies Act, 2013 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 2022-23 is as follows:

(Amount in ₹ Lacs)

Name of director	Sitting fees
Dr. Vijay Sharma	10.50
Ms. Sonu Chadha	10.50
Mr. Nazim sheikh	10.50

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 2023, 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 Companies Act, 2013 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 2023. 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 2022-23
Ms. Sonu Chadha, Chairperson	Independent, Non-Executive	1
Mr. Gustavo Lucio Goncalves Franco, Member	Non-Independent, Non-Executive	-
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
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

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

Twelve (12) cases were reported as complaint and no complaint were pending on 31 March 2023 and all the complaints were resolved to the satisfaction of shareholders. No request for dematerialization of share was pending as on 31 March 2023.

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 Companies Act, 2013. 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 Companies 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 2022-23 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 2022-23
Ms. Sonu Chadha, Chairperson	Independent, Non-Executive	2
Mr. Erwin Jankovits, Member	Non-Independent, Non-Executive	2
Mr. Parmod Sagar, Member	Managing Director & CEO	2

The meetings are usually attended by Chief Financial Officer and Company Secretary of the Company.

The Committee met two (2) times during the year on: 10 August 2022 and 13 February 2023.

E. Risk Management Committee

Brief description of terms of reference

The Company has constituted Risk Management Committee as required under the Companies Act, 2013 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 2022-23
Dr. Vijay Sharma, Chairman	Independent, Non-Executive	2
Mr. Gustavo Lucio Goncalves Franco, Member	Non-Independent, Non-Executive	2
Mr. Parmod Sagar, Member	Non-Independent, Executive	2

The Committee met two (2) times during the year on: 27 May 2022 and 9 November 2022.

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

F. Finance Committee

Brief description of terms of reference

The Board of directors of the Company in their meeting held on 9 November 2022 approved the constitution of "Finance Committee" and delegated some of its powers in accordance with the provisions of Act, Secretarial Standards and Listing Regulations, as may be applicable. The extract of terms of reference of the Committee is as follows:

- Review banking arrangements and cash management
- Approve availing of various facilities including but not limited to vendor/supply payment management, bill discounting facilities, vendor financing facilities, channel financing schemes invoice discount finance, receivable purchase facility, factoring services, not being borrowings.
- To approve the documents, such as Loan Agreements, Deed of Hypothecation, Agreements for security

creation, and other Deeds, Indemnities, Undertakings, letters, writings and any other document required to be executed on behalf of the Company.

- To authorize the officials of the Company to sign any bills of exchange or hundis that may be required for any temporary borrowing.
- To open/ close bank accounts of the Company and change authorized signatories in respect of the same.
- Carry out all the functions as may be entrusted by the Board of Directors of the Company to the Committee from time to time.

Composition and attendance during the year

The composition of the Finance 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 2022-23
Mr. Parmod Sagar, Member	Managing Director & CEO	1
Ms. Vijaya Gupta, Member	Chief Financial Officer	1
Mr. Sanjeev Bhardwaj, Member	Head of Finance	1
Mr. Manoj Gupta, Member	Vice President	1
Mr. Sanjay Kumar, Member	Company Secretary	1

The Committee met once during the year on 14 February 2023.

G. 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 some of its powers to the Committee in accordance with the provisions of Act, Secretarial Standards and Listing Regulations, as may be applicable. The 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.

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 2022-23
Dr. Vijay Sharma, Chairman	Independent Non-Executive	-
Mr. Parmod Sagar, Member	Managing Director & CEO	-
Ms. Sonu Chadha, Member	Independent Non-Executive	-

No meeting of Fund Raising Committee was held during the during the FY 2022-23.

IV. GENERAL BODY MEETINGS

A. General Meeting

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

Financial Year	Date	Time	Venue/ Location	Special Resolutions
2021-22	26 September 2022	3:30 p.m.	Meeting conducted through VC / OAVM pursuant to the MCA Circular	-
2020-21	29 September 2021	1:30 p.m.		Waiver and termination of voluntarily lock-in obligations of certain shareholders of the Company
2019-20	28 August 2020	3.30 p.m.		Variation in terms of remuneration of Mr. Parmod Sagar, Managing Director & CEO of the Company.

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

b. Extra Ordinary General Meeting: During the FY 2022-23 following Extra Ordinary General Meetings were held:

Date	Time	Venue/ Location	Details of Resolutions
21 December 2022	3:30 p.m.	Meeting conducted through VC / OAVM pursuant to the MCA Circular	- Increase the limits for making investments/ extending loans and giving guarantees or providing securities in connection with loans to persons / bodies corporate. (**Special Resolution**) - Issue further Equity Shares through Preferential Allotment. (**Special Resolution**)
13 March 2023	2:30 p.m.		- Appointment of Ms. Ticiana Kobel (DIN: 0009850411) as a Non-Executive Non-Independent Director. (**Ordinary Resolution**) - Increase in borrowing limits to ₹ 5,000 Crore pursuant to Section 180(1)(c) of the Companies Act, 2013. (**Special Resolution**) - Power to create charge on the assets of the Company to secure borrowings up to ₹ 5,000 Crore pursuant to Section 180(1)(a) of the Companies Act, 2013. (**Special Resolution**) - Raising of funds through issuance of securities of the Company by way of a QIP in terms of Listing Regulations. (**Special Resolution**)

B. Postal ballot: No resolution was passed through postal ballot during the FY 2022-23.

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. The particulars of payment of Statutory Auditors' fees for FY 2022-23 is given below:

Particulars	Amount (in ₹ Lacs)
Audit fees	166.54
Limited review	25.50
Certifications	1.25
Reimbursement of expenses	8.03
Payment made for QIP	189.00
Total	**390.32**

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 2022-23

A. There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY 2022-23 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/investors/corporate-governance/policies

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.

- The Company had received letters from BSE Limited and National Stock Exchange of India Limited imposing fine of ₹ 4,000/- each for non-compliance of regulation 24 regarding 2 days delay in dispatch of annual report and in respect of the aforesaid notice the Company had filed response citing reasons for delay and seeking withdrawal of notice. NSE vide its letter no. NSE/LIST/SOP/RHIM dated 23.05.2022 and BSE vide its e-mail dated 26 August 2022 communicated the waiver of said fine.

C. **Whistle Blower Policy and Vigil Mechanism**

Kindly refer Board Report.

D. **Discretionary requirements**

- The auditors' report on financial statements of the Company are unmodified.
- Statutory auditors of the Company make quarterly presentations to the Audit Committee on their reports 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 2023, the Company does not have any material unlisted subsidiary.

F. **Reconciliation of Share Capital Audit Report**

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in 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 2022-23. 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/policies

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/investors/corporate-governance/policies

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/investors/corporate-governance/policies

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':

S. No.	Name of Company	Nature of loans and advances	Amount
Nil			

VIII. Means of Communication

A. The quarterly and the half yearly results, published in the format prescribed by the Listing Regulations read with the circular issued there under, are approved and taken on record by the Board of Directors of the Company within 45 days of the close of the relevant quarter. The approved results are forthwith uploaded on the designated portals of the Stock Exchanges where the Company's shares are listed. 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/

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 NSE and 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/.

IX. General shareholder information

A. Annual General Meeting for FY 2022-23

Date	:	Thursday, 28 September 2023
Time	:	12.30 p.m. (IST)
Venue	:	Meeting will be conducted through VC/OAVM pursuant to the MCA Circular dated 5 May 2021 read with circulars dated 8 April 2021, 13 April 2021, 13 January 2022, 5 May 2022 and 28 December 2022 and other related circulars as such there is no requirement to have a venue for the AGM.

For details, please refer to the Notice of this AGM.

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

B. **Financial calendar** : 1 April 2022 to 31 March 2023

C. **Date of book closure** : As mentioned in the Notice of this AGM

D. **Dividend payment date** : The final dividend, if approved, shall be paid / credited on and before Friday, 6 October 2023

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 exchanges.

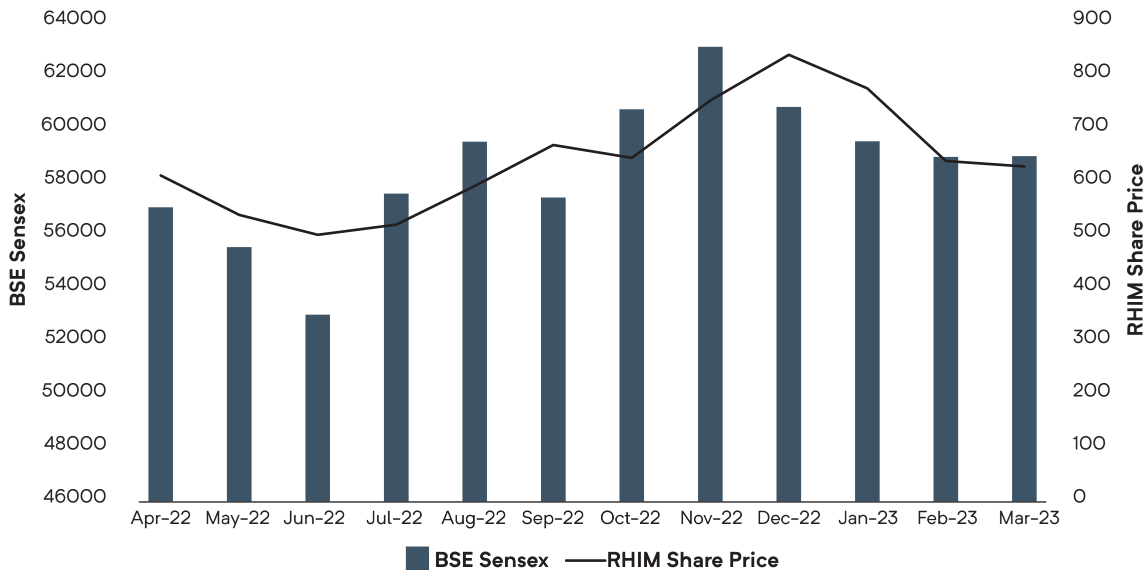
G. **Corporate Identity Number (CIN)** : L28113MH2010PLC312871

H. Market Information :

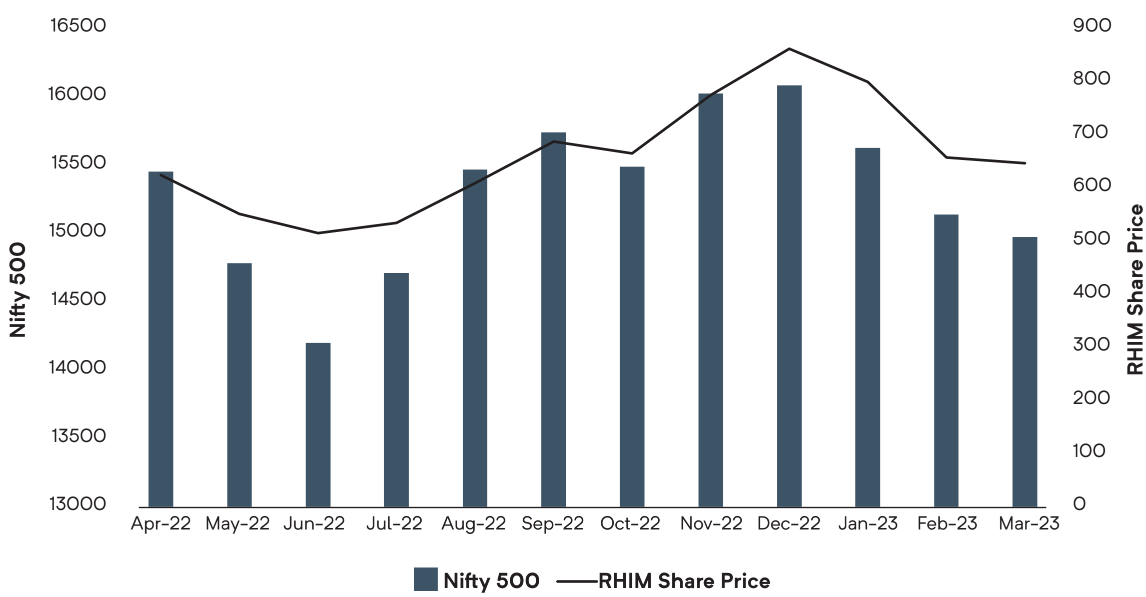
a. **Market price data:** High, Low (based on daily closing prices) and number of equity shares traded during each month in FY 2022-23 on NSE and BSE:

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-2022	675.00	601.00	688,001	4,351.65	674.00	598.00	5,820,720	36,985.90
May-2022	622.50	484.00	768,374	4,304.09	624.80	484.05	8,265,493	45,998.67
June-2022	608.10	461.15	468,531	2,503.79	608.95	462.00	6,188,144	33,900.56
July-2022	554.35	492.00	235,653	1,241.83	555.00	455.70	3,182,188	16,862.41
August-2022	598.30	498.25	406,169	2,228.82	598.15	498.25	494,572	23,411.14
September-2022	701.00	594.00	826,766	5,324.42	701.15	594.00	9,050,638	59,229.03
October-2022	738.10	639.10	656,286	4,541.49	738.70	639.70	7,320,978	51,078.62
November-2022	835.40	571.15	1,145,960	8,118.27	835.00	570.55	18,254,339	133,004.73
December-2022	862.35	743.85	1,007,806	8,199.03	862.00	743.30	9,680,893	782,958.31
January-2023	893.15	773.65	601,423	5,122.72	892.90	773.00	5,710,518	48,642.66
February-2023	815.10	587.85	847,516	5,586.10	815.70	587.85	10,011,141	66,602.38
March-2023	683.45	576.00	341,537	2,128.88	683.55	576.00	6,865,583	42,721.61

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
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	28.70	23.40

I. Share Registrar and Transfer Agent:

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

J. Share Transfer System:

In terms of Regulation 40(1) of Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from 1 April 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Certain Company officials (including Chief Financial Officer and Company Secretary) are authorized by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

K. Secretarial Audit

M/s. Naresh Verma & Associates, Practicing Company Secretaries have conducted the Secretarial Audit of the Company for the year FY 2022-23. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act, 2013 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 2023

a. Distribution of shareholding (with consolidation of PAN) as on 31 March 2023

Shareholding nominal value (in ₹)	Number of shareholders	%' age to total numbers	Shareholding amount (in ₹)	%' age to total amount
Up to 5,000	67,769	99.02	11,158,496	5.94
5,001 to 10,000	333	0.49	2,427,353	1.29
10,001 to 20,000	177	0.26	2,519,699	1.34
20,001 to 30,000	43	0.06	1,080,096	0.57
30,001 to 40,000	18	0.03	622,700	0.33
40,001 to 50,000	15	0.02	665,744	0.35
50,001 to 100,000	31	0.05	2,193,446	1.17
Above 100,000	54	0.08	167,328,797	89.01
Total	**68,440**	**100.00**	**187,996,331**	**100.00**

b. **Shareholding pattern as on 31 March 2023**

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	79,877,771	42.49
	(b)	Dutch Brasil Holding B.V.	1	20,620,887	10.97
	(c)	VRD Americas B.V.	1	12,503,807	6.65
2.	**Institutions Domestic**				
	(a)	Mutual Fund	19	14,111,188	7.51
	(b)	Alternate Investment Funds	9	115,343	0.06
	(c)	Banks	3	7,000	0.00
	(d)	Insurance Companies	3	631,846	0.34
	(e)	NBFCs Registered with RBI	1	25,000	0.01
3.	**Institutions Foreign**				
	(a)	Foreign Portfolio Investors Category-I	75	4,173,051	2.22
	(b)	Foreign Portfolio Investors Category-II	7	105,791	0.06
4.	**Non-Institutions**				
	(a)	Individual shareholders holding nominal share capital up to ₹ 2.00 lacs	64,099	18,243,178	9.70
	(b)	Individual shareholders holding nominal share capital above ₹ 2.00 lacs	5	2,672,674	1.42
	(c)	Directors and their relatives	1	13,698	0.01
	(d)	Bodies Corporate	917	29,118,036	15.49
	(e)	Non-Resident Indians	1,938	1,673,896	0.89
	(f)	HUF	1,059	562,724	0.30
	(g)	Trusts	113	135,500	0.07
	(h)	Clearing Members/House	36	47,484	0.03
	(i)	Firms	151	159,697	0.08
	(j)	Investor Education Protection Fund	1	3,197,760	1.70
		Total	**68,440**	**187,996,331**	**100.00**

c. **Top ten equity shareholders of the Company as on 31 March 2023**

Sr. no.	Particulars	No. of shares	%'age of shareholding
1.	Dutch US Holding B.V., a Promoter Group Entity	79,877,771	42.49
2.	Dalmia Bharat Refractories Limited	27,000,000	14.36
3.	Dutch Brasil Holding B.V., a Promoter Group Entity	20,620,887	10.97
4.	VRD Americas B.V., a Promoter Group Entity	12,503,807	6.65
5.	Axis Mutual Fund Trustee Limited Small Cap Fund/ Flexi Cap Fund/ Business Cycles Fund	4,672,616	2.49
6.	HSBC Infrastructure Fund/ Aggressive Hybrid Fund/ Small Cap Fund/ Multi Cap Fund	4,277,419	2.28
7.	Investor Education and Protection Fund Authority	3,197,760	1.70
8.	Canara Robeco Mutual Fund A/C Canara Robeco Small Cap Fund	1,075,729	0.57
9.	Venkata Narsimha Raju	988,484	0.53
10.	Seetharamaraju Gottemukkala	970,800	0.52

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 99.58 % of the Company's equity share capital are dematerialized as on 31 March 2023.

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 2023, 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. 31 of standalone & consolidated 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/.

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

The details of unclaimed dividends and shares transferred to IEPF during FY 2022-23 are as follows:

Financial Year	Amount of unclaimed dividend transferred (Amount in ₹)	Number of shares transferred
2014-15	4,848,598.00	41,179
Total	**4,848,598.00**	**41,179**

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 2015-16 must be claimed by the concerned members on or before 25 October 2023, failing which it will be transferred to the IEPF Authority, in accordance with the relevant provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("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
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
2015-16	26 September 2016	25 October 2023

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 www.rhimagnesitaindia.com under Investors section.

Q. Corporate benefits to investors' dividend declared for the last 10 years

Financial Year	Type of dividend	Amount of dividend per share (in ₹)
2021-22	Final dividend	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
2012-13		1.00

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
Mr. RVS Rudraraju	Whole Time Director	25 June 2021	13 February 2023
	Chief Operating Officer	14 February 2023	NA
Mr. Sanjeev Bhardwaj	Chief Financial Officer	10 June 2013	27 May 2022
	Head of Finance	28 May 2022	NA
Ms. Vijaya Gupta	Head of Regional Finance (India, West Asia & Africa)	18 April 2022	27 May 2022
	Chief Financial Officer	28 May 2022	NA
Mr. Soumyadip Roy	Vice President-Corporate Strategy	16 September 2019	31 January 2023
Mr. Anurag Agarwal	Vice President-Sales	01 April 2017	NA
Mr. Jyotirmoy Bhattacherjee	Director-Sales, India	01 August 2020	NA
Mr. Thomas Mathew	Director-Marketing & Solutions (India, West Asia & Africa)	01 August 2018	NA
Mr. Bidyut Bhakat	Vice President-Sales	21 January 2019	NA
Mr. Biswajit Parida	Vice President-Sales	01 November 2021	NA
Mr. Manoj Gupta	Vice President- Accounts & Finance	01 January 2021	NA
Mr. Purshotam Dass	Sr. Vice President-Operations	01 April 2017	NA
Mr. Suneel Chawla	Vice President- Commercial	21 October 2015	NA
Mr. Dheeraj Vij	Vice President-Global Share Services	28 September 2022	NA
Mr. M Nageswara Rao	Vice President-Operations	01 February 2023	NA
Mr. Raj Kumar Kaul	Vice President- Sales	01 February 2023	NA
Mr. Bikash Kumar Nandi	Senior Vice President-Production	01 February 2023	NA
Mr. Partha Sarathi Ghosal	Vice President -Marketing & Sales	01 February 2023	NA
Mr. Sujit Kumar Kahali	Vice President-Sales	01 February 2023	NA

S. 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

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:** - Dalmiapuram, Lalgudi P.O. Kallakudi, Dist. Tiruchirapalli, Chennai, Tamil Nadu - 621651 - P. Box-10, Jam-Khambalia, Dist. Devbhumi Dwarka, Gujarat-361305 - Sundargarh, Rajgangpur, Odisha-770017 - 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-483501, Madhya Pradesh

e. Investor correspondence address:

- 301,316-17, Third Floor, Emaar Digital Greens, Tower B, Sector 61, Gurugram, Haryana - 122102
- 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, 10 August 2023	(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 2023, 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, 10 August 2023

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 2023, 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 their 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 2023.

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
Peer Review Certificate No. 3233/2023
UDIN: F005403E000774479

Place : Delhi
Date : 10 August 2023

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
Unit No. 705, 7th Floor, Lodha Supremus,
Kanjurmarg Village Road,
Kanjurmarg (East),Mumbai
Maharashtra — 400042

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 31st March, 2023 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 November 2014
2.	Nazim Sheikh	00064275	03 November 2020
3.	Sonu Chadha	00129923	13 August 2019
4.	Gustavo Lucio Goncalves Franco	08754857	06 June 2020
5.	Erwin Jankovits	07089589	11 February 2015
6.	Ticiana Kobel	09850411	05 January 2023
7.	Parmod Sagar #	06500871	04 March 2013

Re-appointed as MD & CEO effective from 04 March 2023

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
Peer Review Certificate No. 3233/2023
UDIN: F005403E000774371

Place : Delhi
Date : 10 August 2023

ANNEXURE-VII

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	:	301, Tower B, EMAAR Digital, Greens Golf Course Road Extension Sector- 61, Gurugram Haryana-122011
6.	E-mail id	:	Corporate.india@rhimagnesita.com
7.	Telephone	:	+91 124 406 2930
8.	Website	:	www.rhimagnesitaindia.com
9.	Financial year for which reporting is being done	:	1 April 2022 to 31 March 2023
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 2023)	:	₹ 187,996,331.00
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	:	Mr. Sanjeev Bharadwaj Contact no.: +91 124 406 2930 E-mail ID: Sanjeev.bharadwaj@rhimagnesita.com
13.	Reporting boundary	:	The disclosures under this report are on standalone basis

Throughout this Report, the phrase '**RHIM**' or '**the Company**' refers to the RHI Magnesita India Limited.

II. Products/services

14. 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 2022-23)
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

15. 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

16. 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	26	30
International	Nil	Nil	Nil

17. 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?

Nearly 14% 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

18. Details as at the end of Financial Year: 31 March 2023

a. Employees and workers (including differently abled):

Sr.no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
1.	Permanent (D)	1,595	1,538	96.43	57	3.57
2.	Other than Permanent (E)	1,737	1,647	94.82	90	5.18
3.	Total employees (D+E)	3,332	3,185	95.37	147	4.63

b. Differently abled Employees and workers: Nil

19. 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 Personnel	3	1	33.33

20. Turnover rate for permanent employees and workers

Category	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees and workers	0.64	0.00	0.64	0.06	0.00	0.06	0.05	0.00	0.05

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) 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 India Refractories Limited	Subsidiary	100	No
2.	Intermetal Engineers (India) Private Limited	Subsidiary	100	No
3.	RHI Magnesita Seven Refractories Limited	Stepdown Subsidiary	51% through subsidiary*	No

*subsidiary of RHI Magnesita India Refractories Limited

VI. CSR Details

22. Details of CSR:

(₹ in Lacs)

Sr. no.	Particulars	Details
(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No)	Yes
(ii)	Turnover	248,837
(iii)	Net worth	291,369

VII. Transparency and Disclosures Compliances

23. 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 2022-23			FY 2021-22		
		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.	12	Nil	Nil	6	Nil	Nil
Employees and workers	Yes https://intranet.rhimagnesita.com/ethics-compliance/compliance-helpline	5	1	Nil	2	Nil	Nil
Customers	Yes https://www.rhimagnesitaindia.com/contact-us	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	Yes https://www.rhimagnesitaindia.com/contact-us	Nil	Nil	Nil	Nil	Nil	Nil

24. 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. Non-compliance of safety measures by employees b. Non-awareness of usage of safety equipment c. Use of hazardous nature material	- Detailed SOPs on Employee Health and Safety measures. - Training for awareness of Safety equipment. - Focus on reducing the use of hazardous material and effluent. - Medical checkup of employees. - Encouraging work from home in pandemic. - Use of safety mask and safety glass at workplace.	This may influence the reputation of Company and demoralize the workforce leading to negative impact on financials of company.
2.	Intellectual Property, Trademark, Patents	Risk	a. Leakage of confidential information b. Impact on R&D activities c. Conflicts with outside parties	- 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 entrepreneurial risk policy	Any disruption to business has a negative financial implications
4.	Climate change/ CO2 emission	Opportunity	a. Use of recycled material gives opportunity to clean the environment and reduce the carbon. b. Green energy introduced in manufacturing is an opportunity for clean environment and carbon credit	- Clean energy reduces electric consumption resulting in cost savings. - Refurbishment of electric / fuel technology to gas technology by capital investment.	Positive changes to business enhancing the business brand reputation
5.	IT data / Cyber crime	Risk	Risk of adequate IT data recovery plan and firewalls to protect the cyber crime	IT disaster plan and data recovery policy to be updated regularly to mitigate the risk	Leakage of business Information and cyber crimes may result in huge financial loss

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)
6.	Data Protection	Risk	Confidential data loss through USB/ Floppy or other drives. Allowing outside network to use company's IT devices. Transmission of data through unsafe mode	- Cyber Insurance policy to protect any financial loss. - Using firewall to protect company's asset. - Policy for usage of IT data. - 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.
7.	Employee trainings	Opportunity	Regular training and awareness enhance the skills of employees which is highly desirable in competitive environment and fast moving technology advancement.	- 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.	Training efforts will lead to retain skilled manpower having positive impact on profitability.
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
9.	Clean Environment	Risk	Failure to provide clean environment exposes to various liabilities, loss of business reputation, high attrition rate, non- support from local communities, non-compliances of Government regulations	- Risk Audit on regular basis to put all controls to reduce the pollution to keep clean environment. - Disposal of Hazardous material and e-waste as per the Government regulations.	Any incident will have negative brand image and that will impact the financials of company
10.	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
11.	Brand Risk	Risk	Company reputation due to any non-compliance	- Building the brand image through quality, community development activities, innovation, creating employment and compliances. - Participating in events/ fairs, exhibitions / press conferences. - Good relations with partners / service providers	Any loss to brand image will have negative impact on business

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								
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 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, Logistics Service Providers as applicable. Therefore, the enlisted Policies are extended to 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 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 external certification body for obtaining 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 measure for abatement of the same in an efficient and effective way. - **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:** Taken a pledge to operate in compliance to the regulatory requirement as mandated by regional and federal Regulatory Authorities. - **Governance Structure:** To implement a good governance practice across the business to ensure ethical and transparent business operations across geographies. 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 me immense pleasure to share our first Business Responsibility and Sustainability Report (**BRSR**) (previously known as the Business Responsibility Report) for FY 2022-23. The Report has been prepared in format prescribed by the Securities and Exchanges Board of India (SEBI).

Our Company predominantly is engaged in manufacture of Refractories and strive to provide total Refractory Solution to producers of Iron, Steel, Cement, Lime, Non Ferrous Metals, 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 believe 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 Long-Term perspective of business, society, and environment. In this regard, the Company have taken various initiatives for water conservation, energy management, phased reduction and recycling of wastes, GHG emission reductions.

As far as society is concerned, the Company's CSR initiatives are aimed at overall improvement of underprivileged and deprived section of Communities neighboring its manufacturing facilities with focus on necessities like health, education, hygiene, skills etc. Governance is core of the Company and Ethical Practices is something followed everyday by the Company.

We are dedicated in protecting our nature and environment and as part of our forward - looking approach, we are keen to address issues such as Environmental Sustainability, GHG and Climate Change Management. We will be focused on community engagement through our CSR initiatives and planning to align the same with United Nation's Sustainable Development Goal (UN - SDG).

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 assess and review 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 Internal Committees, 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 resource for Regulatory Compliances and robust procedure for identification of any non-compliances and rectification of the same. The top management and Board are communicated compliance status on regular basis.									Ongoing Basis								

11.	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 assessment of the Policies of the Company by Independent External Assessor. i.e Bureau Veritas, 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 mannerthat 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	All members of the Board and KMPs underwent mandatory training and specialized training programmes befitting their roles and responsibilities in the Company. These training are ongoing in nature and conducted throughout the year.		
Key Managerial Personnel (KMP)			
Employees and workers other than BoD and KMPs	Training were ongoing in nature and conducted 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 - PoSH Training - Human Resource related Training Programs (awareness on the benefits provided by the Company, Wages etc.) - On-job Trainings These brought about overall improvement in conduct and behavior of 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:**

		Monetary			
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)**
Penalty/fine	1	Registrar of Companies, Ministry of Corporate Affairs	10,800,000	The Company failed to transfer the Unspent CSR amount of ₹ 103,40,799 to any of the fund prescribed under Schedule VII of the Act within the due date while afterwards the requisite amount has been deposited.	No
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 conducting its business in ethical manner including following anti-corruption and anti-bribery practices. This is supported and reflected by Company's Code on Ethics as well as Whistle Blower Policy, which are hosted on 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 for ensuring compliance with applicable anti-bribery laws, rules and regulations. This policy is applicable 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 2022-23	FY 2021-22
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.

Leadership Indicators

1. **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 Board including Independent Directors and Senior Management Personnel to avoid and/or manage conflict of interest. Pursuant thereto, the Company receive Annual Declarations from concerned persons as regards their interest which may lead to conflict of interest with that of the Company.

2. **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 and safety trainings and awareness sessions on 9 principles of BRSR	Total number of business partners are around 200 which is approximately covering 60% of the total business.

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 2022-23, the Company did not Capture Expenditure relating to R & D activities separately. Each of the Manufacturing Facilities of the Company have in-house R & D facility primarily meant to ensure Quality and Performance of Products manufactured including Inputs used therein. The Company has a state-of-art R & D centre at Bhiwadi, Rajasthan, which is supporting to develop New Products, Improvement of Product Quality and performance, substitution of conventional Raw Materials, optimization of Resources, Re-cycling of Process 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)**

The Company does not have formal procedure for sustainable sourcing where all the new and existing supply chain partners are mandatorily evaluated on environment, health & safety and sustainability parameters before onboarding.

b. **If yes, what percentage of inputs were sourced sustainably?**

NA

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 :**

Customers of the Company are primarily producers of Iron and Steel. They are based in India and abroad. Refractory products supplied by the Company are consumables in nature to them. Such products are largely devoid of Plastics and other Hazardous Materials. The Company, wherever commercially feasible, is reclaiming used Products and Recycling Components thereof without compromising the quality of final products manufactured.

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 till date. However, the Company planning to carry out assessment in 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 2022-23	FY 2021-22
Waste Water	100%	100%
Waste Heat	30%	30%
Waste Material	20%	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 2022-23*			FY 2021-22*		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	31.30	Nil	Nil	6.2
E-waste	Nil	Nil	4.00	Nil	Nil	1.61
Hazardous waste	Nil	Nil	43.96	Nil	Nil	11.05
Other waste	Nil	Nil	84.59	Nil	Nil	21.39

* Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Tangi 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.** N.A.

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

a. Details of measures for the well-being of employees: 31 March 2023

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	1,538	1,267	82.38	1,538	100	NA	NA	The Company does not provide this benefit.		All Manufacturing Facilities of the Company have arrangements to provide basic Health Care.	
Female	57	53	92.98	57	100	57	100				
Total	**1,595**	**1,320**	**82.76**	**1,595**	**100**	**57**	**100**				
Other than Permanent employees											
Male	60	60	100	NA	NA	NA	NA				
Female	0	0	NA	NA	NA	Nil	Nil				
Total	**60**	**60**	**100**	**NA**	**NA**	**Nil**	**Nil**				

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 workers											
Male	341	150	43.99	341	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	0	0	1	100	Nil	Nil				
Total	**342**	**150**	**43.99**	**342**	**100**	**Nil**	**Nil**				
Other than Permanent workers											
Male	1,647	Nil	Nil	Nil	Nil	Nil	Nil				
Female	90	Nil	Nil	Nil	Nil	Nil	Nil				
Total	**1,737**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**				

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	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)	99	100	Y	99	100	Y
Gratuity	99	100	Y	99	100	Y
Employees' State Insurance (ESI)	5	62	Y	8	100	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, colour, disability, marital status, nationality, race, religion, sex, sexual orientation. The Company strives to maintain a work environment that is free from any harassment based on 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.

The Company doesn't have parental leave policy.

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.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers	Through its Whistle Blower Mechanism, the Company provides a Grievance Redressal Mechanism and encourages it Employees and Workers to bring to attention any instances of unethical behavior, incidents, frauds, or violation of Company's Code of Conduct. There are dedicated channels where employee can report anonymously via the RHIM Compliance Helpline: https://intranet.rhimagnesita.com/ethics-compliance/compliance-helpline/#skip (Link and numbers/codes are available in the CoC, Intranet, and My RHIM App) and write to Compliance-Helpline@RHIMagnesita.com Employees can send E-mail directly to Audit Committee Chairman or Members of Audit Committee. Additionally, the Company practices an open-door approach through which the Employees and Workers can raise their Grievances with their immediate Senior (s) or the Human Resource Department.
Permanent Employees Other than Permanent Employees	The Non-permanent Employees and Workers can communicate their Grievances through their respective Supervisors. The grievances are further communicated to the Company for necessary action and resolution. Additionally, they can also report any instances of unethical behavior, incident, or violations through the Company's Whistle Blower Mechanism. All Employees are made aware of this mechanism during their Induction and periodic Trainings imparted by Human Resource (HR) Department.

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 2022-23			FY 2021-22		
	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	**1,253**	**Nil**	**NA**	**827**	**Nil**	**NA**
- Male	1,196	Nil	NA	803	Nil	NA
- Female	57	Nil	NA	24	Nil	NA
Total Permanent Workers	**342**	**89**	**25**	**107**	**95**	**89**
- Male	341	89	26	107	95	89
- Female	1	Nil	NA	Nil	Nil	NA

8. **Details of training given to employees and workers (Permanent and other than Permanent):**

Category	FY 2022-23					FY 2021-22				
	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	803	803	100	803	100
Female	57	57	100	57	100	24	24	100	24	100
Total	**1,253**	**1,253**	**100**	**1,253**	**100**	**827**	**827**	**100**	**827**	**100**
Workers										
Male	1,988	1,988	100	1,988	100	1,373	1,373	100	1,373	100
Female	91	91	100	91	100	39	39	100	39	100
Total	**2,079**	**2,079**	**100**	**2,079**	**100**	**1,412**	**1,412**	**100**	**1,412**	**100**

9. **Details of performance and career development reviews of employees and workers (Permanent and other than Permanent):**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,196	1,196	100	803	803	100
Female	57	57	100	24	24	100
Total	**1,253**	**1,253**	**100**	**827**	**827**	**100**
Workers						
Male	1,988	1,988	100	1,373	1,373	100
Female	91	91	100	39	39	100
Total	**2,079**	**2,079**	**100**	**1,412**	**1,412**	**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 Integrated Environment and Health Safety (EHS) Management System. Integrated EHS Management System 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 2023	Bureau Veritas
Visakhapatnam, Andhra Pradesh	Yes	Yes	Yes	30 December 2023	Bureau Veritas
Tangi, Cuttack, Odisha	Yes	Yes	Yes	30 December 2023	Bureau Veritas
Jamshedpur, Jharkhand	Yes	Yes	Yes	08 April 2024	LMS

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 following six steps by a Highly-Skilled Process Owner or a Qualified Safety Coordinator well versed with details of all activities and Safety standards:

1. Pre- Assessment preparations
2. Pre-Assessment meeting with HSE Leaders
3. Conducting interviews
4. Walk-Round Tour/Quantification of Hazards
5. Evaluation of Hazard/Person/Severity Factors
6. 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 2022-23*	FY 2021-22*
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees & Workers	0.64	1.29
Total recordable work-related injuries		4	7
No. of fatalities		Nil	1
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, Tangi and Visakhapatnam. Jamshedpur plant data, which was acquired on 31 January 2023, is not included.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

For RHI Magnesita India Limited, health and safety are at first priority. RHI Magnesita considers employees as its most valued asset. The majority of its personnel are employed in the manufacturing facilities. The Company has created extensive compliant measures at all touchpoints to safeguard everyone's safety in the workplace and to ensure a safe working environment. The Company has taken the following measures to assure 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 which 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 trainings.

4. A Safety Committee has been formulated to assist and collaborate with management and achieving objectives as outlined in the Health, Safety & Environment (HSE) Policy. The Committee deals with matters concerning health, safety, and the environment and delivers practical solutions to problems encountered, promotes safety awareness amongst all workers, and undertakes educational, training, and promotional activities.

5. The Company selects 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 is 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 2022-23			FY 2021-22		
	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:

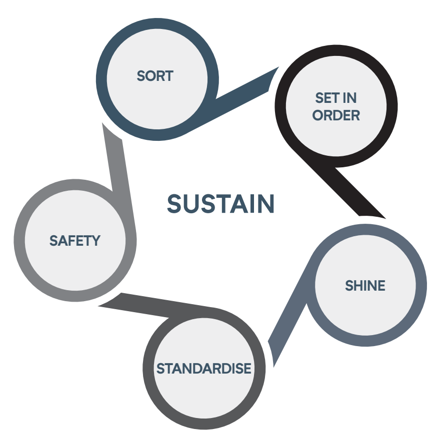
	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100 (including Internal Assessment)
Working Conditions	100 (including Internal Assessment)

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 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 monthly review meeting the KPIs for health and safety is reviewed and necessary steps taken by Management to make all locations accident-free zone.

The Company is maintaining 6S Methodology in its Manufacturing Facilities for Hazard free and Seamless Operations and is 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 Workforce with 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.**

   Yes, Company has put in place Systems and Procedures to ensures that Statutory Dues applicable are deducted and deposited as per applicable Laws by its Value Chain Partners. Moreover, Value Chain Partners are responsible for adherence or compliance of 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 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	Nil	Nil
Workers	Nil	1	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

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 all the requirements as per the RHIM standards and Code of Conduct. Regular review being done on variety of sustainability topics. 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 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 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 client, as well as sub-contractor's own EHS Programme. 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 programmes. 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 on the basis of 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 – One-on-one interactions	Periodically Half yearly	– Inform about important advances in the Company. – Help the employees expand their knowledge in the industry. – Getting employee feedback and resolving their issues.
2.	Investors	No	– Annual Report & Sustainability Report – Investor presentations – Corporate website – Quarterly Results & Press releases	Annual Quarterly Periodically Quarterly	Investors prefer to invest in the organizations that are socially and environmentally responsible.
3.	Customers	No	– Interviews, personal visits, publications, mass media & digital communications, plant visits – Support programmes, social media – Conferences and events	Periodically Annual Annual	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-Prefer to connect with the organization that is socially & environmentally responsible
4.	Suppliers and service providers	No	– Supplier & vendor meets – Workshops & trainings, Audits – Policies – IT-enabled information sharing tools and recognition platforms – Dialogue in the context of industry initiatives, joint events, training courses, presentations – Supplier risk assessments	Periodically Periodically Periodically Annual Periodically Annual	– Supply of material and service
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 – Regulatory audits/ inspections – Environmental compliance – Policy intervention – Good governance	Monthly Annually Annually Periodically Annually	To get the help in policy matters and latest Govt. schemes
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 Economic, 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 Company's Performance on 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 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 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1,196	1,196	100	803	803	100
Other than permanent	57	57	100	24	24	100
Total Employees	**1,253**	**1,253**	**100**	**827**	**827**	**100**
Workers						
Permanent	1,988	1,988	100	1,373	1,373	100
Other than permanent	91	91	100	39	39	100
Total Workers	**2,079**	**2079**	**100**	**1,412**	**1,412**	**100**

RHI MAGNESITA

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	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	**1,253**	Employees were paid more than minimum wages		**1,253**	**100**	**827**	Employees were paid more than minimum wages		**827**	**100**
Male	1,196			1,196	100	803			803	100
Female	57			57	100	24			24	100
Other than Permanent	**60**			**60**	**100**	**43**			**43**	**100**
Male	60			60	100	43			43	100
Female	Nil			Nil	NA	Nil			Nil	NA
Workers										
Permanent	**342**	Workers were paid more than minimum wages		**342**	**100**	**105**	Workers were paid more than minimum wages		**105**	**100**
Male	341			341	100	105			105	100
Female	1			1	100	Nil			Nil	NA
Other than Permanent	**1,737**	**180**	**10.36**	**1,557**	**89.64**	**1,412**			**1,412**	**100**
Male	1,647	180	11	1,467	89	1,373			1,373	100
Female	90	-	-	90	100	39			39	100

3. Details of remuneration/salary/wages, in the following format:

(₹ in Lacs)

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	5	436.18*	2	-*
Key Managerial Personnel@	1	32.66	1	129.91
Employees other than BoD and KMP	1,194	5.04	56	5.39
Workers	341	0.48	1	0.34

* Excludes Sitting Fees paid to Independent Directors.

@ Excluding Managing Director & CEO who is forming part of BoD.

Note: Non-Independent Non-Executive Director forgone their entitlement of Sitting Fee.

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 HR team is responsible for addressing the same. In this regard Employees and Workers are encouraged to communicate such issues to HR team at Corporate Office and/or Manufacturing Facilities or they can also write to the available compliance helpline. During FY 2022-23 no issue or any violation pertaining was raised.

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 Human Resource 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 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 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	Nil		Nil	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. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has 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 for adverse consequences. Company's Code of Conduct also requires Employees at large to behave responsibly. Besides this, the Company has also put in place Policy on Prevention of Sexual Harassment of Women at Workplace.

8. **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 international 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:

1. Child Labour: Only workers who meet the minimum employment age requirement in the country where there 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.

2. 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.

3. Equal Opportunities / Anti-Discrimination: Suppliers are obliged to refrain from any discrimination and to ensure equal employment. Supplier shall not discriminate the employees, on the basis of nationality, colour, origin, ideology, religion, race, caste, creed, trade union or political activity, sexual orientation, age, sex, illness, disability, pregnancy or any medical condition.

9. **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	

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 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 HR department of the Company regularly conduct audit and inspection 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 recognises 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, Natural Gas (NG) used in production activities at the Manufacturing Facilities.

   Summary of Total Energy Consumed in Company's Manufacturing Facilities, is given in Table below:

Parameter	Units	FY 2022 - 23*	FY 2021 - 22*
Total electricity consumption **(A)**	GJ	101,108.56	106,320.70
Total fuel consumption **(B) — (LPG, FO, NG, Coal)**	GJ	406,812.29	396,525.89
Energy consumption through other sources **(C) — (Diesel)**	GJ	10,489.28	15,763.69
Total energy consumption **(A+B+C)**	GJ	518,410.13	518,610.28
Energy intensity per rupee of turnover [Total energy consumption in GJ / Turnover (in rupees in crores)]	GJ/Crores	207.24	259.30

* Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Tangi 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 2022-23*	FY 2021-22*
Water withdrawal by source (in kilolitres)			
(i) Surface water	Kl	Nil	Nil
(ii) Groundwater	Kl	61,625.4	66,112.29
(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	61,625.4	66,112.29
Total volume of water consumption (in kilolitres)	Kl	61,625.4	66,112.29
Water intensity per rupee of turnover (Water consumed / turnover)	Kl/Crores	24.63	33.05

* Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Tangi 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. 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 our refractory plants are in not water scarce areas. However, we adopt water-saving technologies and closed-loop water circuit technology in these plants, which account for less than 10% of our total water use. Due to the efforts put in, we have been able to reduce ground water consumption by 50% and wastewater generation has significantly been reduced. Two of our plants have been able to achieve Zero discharge. Projects for setting up rainwater harvesting plants in the plants are currently on.

5. Please provide details of air emissions (other than GHG emissions) by the entity

Parameter	Units	FY 2022-23*	FY 2021-22*
Nox	Tons	41.06	42.97
Sox	Tons	28.76	25.66
Particulate matter (PM)	Tons	53.58	53.01
Persistent organic pollutants (POP)	NA	Nil	Nil
Volatile organic compounds (VOC)	Tons	0.039	0.02
Hazardous air pollutants (HAP)	NA	Nil	Nil

* Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Tangi 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.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23*	FY 2021-22*
Total Scope 1 emissions	**Metric tonnes of CO_2 equivalent**	**33,768.23**	**32,668.66**
Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available			
CO_2	Metric tonnes of CO_2 equivalent	33,768.23	32,668.66
CH_4		Nil	Nil
N_2O		Nil	Nil
HFCs		Nil	Nil
PFCs		Nil	Nil
SF_6		Nil	Nil
NF_3		Nil	Nil
Total Scope 2 emissions	**Metric tonnes of CO_2 equivalent**	**22,184.85**	**24,262.67**
Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available			
CO_2	Metric tonnes of CO_2 equivalent	22,184.85	24,262.67
CH_4		Nil	Nil
N_2O		Nil	Nil
HFCs		Nil	Nil
PFCs		Nil	Nil
SF_6		Nil	Nil
NF_3		Nil	Nil
Total Scope 1 and Scope 2 emissions per rupee of turnover	**T Co2 e / Crores**	**22.36**	**28.46**

* Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Tangi 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.

7. **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 LDO to PNG has resulted in substantial reduction in emission.
- Conversion of 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 Incineration system for Curing Ovens.
- Installation and regular monitoring of sewage treatment plants.
- Improving the Power Factor of 0.99 and above through AMPF system.
- Modification drying cycles for precast driers to reduce energy consumption.
- Replacement of conventional contactors with Thyristorised system in Electrical Driers.

8. **Provide details related to waste management by the entity, in the following format:**

a. **Total Waste generated.**

Parameter	FY 2022-23*	FY 2021-22*
Total Waste generated (in metric tonnes)		
Plastic waste (A)	31.30	6.20
E-waste (B)	4.00	1.61
Biomedical waste (C)	Nil	Nil
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	2.59	1.23
Radioactive waste (F)	Nil	Nil
Other Hazardous Waste — Used Oil / Grease or Spent Oil, Oily Cotton Waste, ETP Sludge (G)	11.41	8.1
Other Non-Hazardous Waste — Metal waste, Paper and cardboard Waste, Wood Waste, Plastic Jumbo bags, Plastic & Iron barrel scrap (H)	114.55	23.11
Total Waste Generated (A+B+C+D+E+F+G+H)	**163.85**	**40.25**

b. **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

Parameter	FY 2022-23*	FY 2021-22*
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category:		
(i) Recycled	160.1	40.07
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	3.75	0.18
Total	**163.85**	**40.25**

c. **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Parameter	FY 2022-23*	FY 2021-22*
Category:		
(i) Incineration	0.27	0.18
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations	162.58	40.07
Total	**163.85**	**40.25**

* Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Tangi 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.

9. **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 2025, 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 in practice a successful product recycling process wherein 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 India to meet the global group targets. Company sites are maintaining the data of waste generated and disposal thereof and including the same in their monthly environmental dashboard. Hazardous waste is managed as per the regulatory requirement and record is maintained for the same. Waste is disposed to 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.

Followings 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 the Hazardous and other categories of wastes such as e-wastes, used batteries through authorised recyclers and disposal agencies only.
- To the extent possible, recycle product process wastes.

10. 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.

11. 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						

12. 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

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
NA				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	Unit	FY 2022-23*	FY 2021-22*
From renewable sources			
Total electricity consumption (A)	GJ	Nil	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	Nil	Nil
From non-renewable sources			
Total electricity consumption (D)	GJ	101,108.56	106,320.70
Total fuel consumption (E) - (LPG, FO, NG, Coal)	GJ	406,812.29	396,525.89
Energy consumption through other sources (F) — (Diesel)	GJ	10,489.28	15,763.69
Total energy consumed from non-renewable sources (D+E+F))	GJ	518,410.13	518,610.28

* Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Tangi 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. **Provide the following details related to water discharged:**

Parameter		FY 2022-23*	FY 2021-22*
Water discharge by destination and level of treatment (in kilolitres)			
(i)	**To Surface water**		
–	No treatment	Nil	Nil
–	With treatment	Nil	Nil
–	Primary treatment	Nil	Nil
–	Secondary treatment	Nil	Nil
–	Tertiary treatment	Nil	Nil
(ii)	**To Groundwater**		
–	No treatment	Nil	Nil
–	With treatment	Nil	Nil
–	Primary treatment	Nil	Nil
–	Secondary treatment	Nil	Nil
–	Tertiary treatment	Nil	Nil
(iii)	**To Seawater**		
–	No treatment	Nil	Nil
–	With treatment	Nil	Nil
–	Primary treatment	Nil	Nil
–	Secondary treatment	Nil	Nil
–	Tertiary treatment	Nil	Nil
(iv)	**Sent to third-parties**		
–	No treatment	Nil	Nil
–	With treatment	Nil	Nil
–	Primary treatment	Nil	Nil
–	Secondary treatment	Nil	Nil
–	Tertiary treatment	Nil	Nil
(v)	**Others**		
–	No treatment	436.78	606.37
–	With treatment	22,418	22,940
–	Primary treatment	NA	NA
–	Secondary treatment	NA	NA
–	Tertiary treatment	NA	NA
Total water discharged (in kiloliters)		**436.78**	**606.37**

* Aforesaid details are for three manufacturing facilities of the Company situated at Bhiwadi, Tangi 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.

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

   None of the manufacturing facilities of the Company is situated in water stress area.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

   The Company is in the process of developing an SOP for monitoring of Scope 3 GHG emission.

5. **With respect to the ecologically sensitive areas reported at Question 10 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 Facilities of the Company is situated in Ecologically Sensitive Area.

6. **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.	Roof Top Solar panels	0.5 MW Solar Panels have been installed at Visakhapatnam manufacturing facility	Use of Renewable Energy
2.	Sewage Treatment Plant	50 KLD MBBR type STP have been installed at Visakhapatnam manufacturing facility	Use of treated water for gardening
3.	Dual fuel and Retrofitted emission control device for DG sets	4 no's of 500 KVA DG sets modified with dual fuel (PNG) and RECD at Bhiwadi manufacturing facility	Reduction of emissions
4.	Fuel switch to Natural gas	Driers fuel switch from electricity to natural gas at Bhiwadi manufacturing facility	Reduction of emissions

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   The Company has developed Business Continuity Plan (BCP) and on-site Emergency Management Plan. The BCP of the Company has identified potential business disruption issues and recovery plan. The key issues that have been identified in the BCP are supply of raw materials, use of natural resource, operational continuity etc. The onsite Emergency Management Plan has identified potential emergency scenarios and disruptions that could affect business operation in short-term and long-term basis. This plan has also included guidelines on emergency response and post emergency measures.

8. **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 financial year 2022-23. The Company has no formal reporting data collection method, this is monitored through public domain. We do not find any material negligence by our value chain partners on environment matters.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   No formal assessment methodology 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.**

   None

Leadership Indicators

1. **Details of public policy positions advocated by the entity**

   The Company directly or through trade bodies and other associations puts forth a number of suggestions with respect to the industry in general and its activities in particular.

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.**

   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:**

   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 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	63.50	42.50
Sourced directly from within the district and neighboring districts	Less than 2.00	Less than 2.00

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	116.00

3. a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

   No

   b. **From which marginalized /vulnerable groups do you procure?**

   NA

   c. **What percentage of total procurement (by value) does it constitute?**

   NA

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:**

   Not applicable

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.**

   Not applicable

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 manufacturing facilities of the Company. However, 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.	Education, Technical Education including Research and Development	-	-
2.	Promoting Health Care including preventive health care	-	-
3.	Sanitation and hygiene support including health Awareness	-	-
4.	Rural Development Projects	-	-
5.	Integrated Community Development	-	-
6.	Skill development support	-	-
7.	Statutory Specified Funds	-	-

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 at 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 getting 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 percentage of total turnover.

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23		Remarks	FY 2021-22		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	
Advertising	Nil	Nil		Nil	Nil	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential services	Nil	Nil		Nil	Nil	
Restrictive Trade Practices	Nil	Nil		Nil	Nil	
Unfair Trade Practices	Nil	Nil		Nil	Nil	
Other	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 detailed framework on cyber security and risk related to data privacy and the same is available on 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 System).

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

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Details on 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 Sheet. Product application videos have also been created for quick references and links of videos are shared with the customers on need basis. One to one briefing meeting 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 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 requirement and applicable laws. This includes various technical specifications as required by customer. At various platform Company engages with customer to understand their concerns.

5. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact:** Nil

   b. **Percentage of data breaches involving personally identifiable information of customers:** Nil

On behalf of the Board of Directors

Parmod Sagar
Managing Director & CEO
(DIN: 06500871)

Dr. Vijay Sharma
Chairman
(DIN:00880113)

Gurugram, 10 August 2023

Financial Statements

Independent Auditor's Report

To the Members of RHI Magnesita India Limited (formerly known as Orient Refractories 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, 2023, 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 a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key audit matters

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

   (a) Revenue Recognition

   (Refer Note 19 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:

- Understanding and evaluating the design and testing the operating effectiveness of controls over revenue recognition.

- Assessing appropriateness of management's judgements in accounting for identified contracts such as:

  o Identification of performance obligation and allocation of consideration to identified performance obligation;

  o Evaluating the contract terms for assessment of the timing of transfer of control to the customer to assess whether revenue is recognised appropriately over a period of time or at a point in time (as the case may be) based on timing when control is transferred to customer;

  o Testing whether the revenue recognition is in line with the terms of customer contracts and the transfer of control; and

  o Evaluating adequacy of the presentation and disclosures.

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

(b) Valuation of intangible assets and goodwill identified on acquisition of refractory business of Hi-Tech Chemicals Limited

(Refer Note 40 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 ₹ 87,937.65 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'. The acquisition inter-alia resulted in recognition of intangible assets aggregating to ₹ 16,328.32 lacs and a goodwill of ₹ 36,724.63 lacs 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 (primarily synergies), capital expenditures, weighted average cost of capital. 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 management's controls over accounting for business combinations.
- Read the BTA and other documents related to acquisition in order to obtain an understanding of the transaction in accordance with Ind AS 103 and to verify the consideration paid.
- 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 analyses 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 28 to the Standalone Financial Statements)

The Company has equity investments in subsidiaries carried at cost less accumulated impairment losses of ₹ 171,788.30 lacs. During the year, the Company has recorded an impairment of ₹ 66,068.22 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 CGU involves significant management judgement and estimates such as future expected level of operations and related forecast of cash flows, market conditions, discount rates, terminal growth rate etc.

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 the Company's key controls over the impairment assessment.
- Evaluated the Company's accounting policy in respect of impairment assessment of investments.
- 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.
- 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.

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 do 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 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 judgment and maintain professional scepticism throughout the audit. We also:

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

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone 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 the books of accounts and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India.

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

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph 14(b) above, the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India.

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 33 to the Standalone Financial Statements.

ii. The Company has long-term contracts as at March 31, 2023, for which there are no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2023.

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, 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 {Refer Note 43(vii)(a) to the Standalone Financial Statements};

(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 43(vii)(b) to the Standalone Financial Statements}.

(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. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

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: 23077779BGXZRR4976

Place: Gurugram
Date: May 30, 2023

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 (formerly known as Orient Refractories Limited) on the Standalone Financial Statements for the year ended March 31, 2023

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, 2023 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, 2023 , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Abhishek Rara
Partner
Membership Number: 077779
UDIN: 23077779BGXZRR4976

Place: Gurugram
Date: May 30, 2023

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 (formerly known as Orient Refractories Limited) on the Standalone Financial Statements for the year ended March 31, 2023.

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 44 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	2,843.92	RHI Clasil Private Limited (i.e. erstwhile fellow subsidiary)	No	Since March 2007	
Building of Cuttack manufacturing unit	1,939.64	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 including 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 not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from banks on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise. {Also refer Note 43(ii) to the Standalone Financial Statements}.

iii. (a) The Company has made investments in 2 companies and the Company has not granted any secured/ unsecured loans/ advances in nature of loans, or stood guarantee, or provided security to any parties during the year. 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 investments, the terms and conditions under which such investments 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 to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for the dues in respect of Stamp Duty, the Company is generally regular in depositing undisputed statutory dues, including professional tax, provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and services tax, duty of customs, income tax, labour welfare fund, employees' state insurance, and other material statutory dues, as applicable, with the appropriate authorities.

The extent of the arrears of statutory dues outstanding as at March 31, 2023, 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	Remark, if any
Registration Act, 1908	Stamp Duty	800	2021-22	May 05, 2021	Not applicable	-

*The Stamp duty is payable on transfer of immoveable property to the name of the Company from its erstwhile 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) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, goods and service tax, duty of customs and duty of excise as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount	Amount paid under protest	Period to which the amount relates	Forum where the dispute is pending
			(₹ in lacs)		
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	257.28	-	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	2.52	0.22	April 2016 to March 2017	Deputy commissioner Appeals
Income Tax Act, 1961	Income Tax	18.63	-	April 2012 to March 2013	Income tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	48.88	-	April 2016 to March 2017	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,178.24	-	April 2017 to March 2018	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	76.54	-	April 2017 to March 2018	Assessing Officer
Income Tax Act, 1961	Income Tax	902.99	-	April 2019 to March 2020	Assessing Officer
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	142.05	-	April 2021 to March 2022	Assessing Officer
Central Goods and Services Tax Act, 2017	Goods and Services Tax	230.97	-	July 2017 to March 2020	Assistant Commissioner of Central Tax
Central Goods and Services Tax Act, 2017	Goods and Services Tax	9.79	-	July 2017 to March 2018	Joint Commissioner of State Tax

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, 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) According to the information and explanations given to us and 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, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year {Also Refer Note 43 (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 the Company has used funds raised on short-term basis aggregating ₹ 61,500 lacs for long-term purposes.

(e) According to the information and explanations given to us and 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. {Also refer Note 46 and Note 47 to the Standalone Financial Statements}.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

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, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, 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, and according to the information and explanations given to us, 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, and according to the information and explanations given to us, 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. As explained by the management, there is one complaint in respect of which investigations are ongoing as on the date of our report and hence, the impact on our audit report in respect of those complaints cannot be determined at this stage.

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 such 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 and according to the information and explanation given to us, 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. 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 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 (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 45 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 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) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the Act. {Also refer Note 27(b) to the Standalone Financial Statements}.

(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 27(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: 23077779BGXZRR4976

Place: Gurugram
Date: May 30, 2023

Standalone Balance Sheet as at 31 March, 2023

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022
Assets			
Non-current assets			
Property, plant and equipment	3(a)	41,420.84	26,393.92
Right-of-use assets	3(b)	8,233.95	868.53
Capital work-in-progress	3(a)	2,746.85	3,383.55
Goodwill	4	36,724.63	-
Other Intangible assets	4	16,621.48	562.52
Financial assets			
(i) Investments	5(a)	171,789.27	1,012.97
(ii) Other financial assets	5(b)	543.63	165.23
Deferred tax assets (net)	6	-	665.56
Other non-current assets	7	2,896.19	1,229.33
Total non-current assets		**280,976.84**	**34,281.61**
Current assets			
Inventories	8	63,389.81	60,770.84
Financial assets			
(i) Trade receivables	5(c)	51,124.50	45,021.75
(ii) Cash and cash equivalents	5(d)	11,949.34	5,564.44
(iii) Bank balances other than (ii) above	5(e)	290.38	1,528.19
(iv Other financial assets	5(f)	44.54	44.95
Contract assets	5(g)	26,821.82	13,764.26
Other current assets	7	9,020.05	6,242.38
Total current assets		**162,640.44**	**132,936.81**
Total assets		**443,617.28**	**167,218.42**
Equity and liabilities			
Equity			
Equity share capital	9(a)	1,879.96	1,609.96
Other equity	9(b)	290,955.40	101,126.35
Equity attributable to the owners of RHI Magnesita India Limited		**292,835.36**	**102,736.31**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	10	-	3,341.94
(ii) Lease liabilities	3(b)	983.28	450.67
Deferred tax liabilities (net)	6	2,590.17	-
Other non-current liabilities	11	158.08	147.16
Total non-current liabilities		**3,731.53**	**3,939.77**
Current liabilities			
Financial liabilities			
(i) Borrowings	10	60,655.04	2,562.33
(ii) Lease liabilities	3(b)	159.29	115.68
(iii) Trade payables	12		
(a) Total outstanding dues of micro enterprises and small enterprises		6,571.16	6,121.38
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		57,925.52	46,495.04
(iv) Other financial liabilities	13	17,679.44	1,814.84
Contract liabilities	14	728.38	626.64
Provisions	15	233.55	291.08
Employee benefit obligations	16	1,793.91	1,260.86
Current tax liabilities	17	-	177.96
Other current liabilities	18	1,304.10	1,076.53
Total current liabilities		**147,050.39**	**60,542.34**
Total liabilities		**150,781.92**	**64,482.11**
Total equity and liabilities		**443,617.28**	**167,218.42**

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 30, 2023

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)

Vijaya Gupta
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Standalone Statement of Profit and Loss for year ended 31 March, 2023

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
Income			
Revenue from operations	19	248,836.87	199,493.59
Other income	20	1,303.98	515.68
Total income		**250,140.85**	**200,009.27**
Expenses			
Cost of raw materials and components consumed	21	90,061.71	71,462.80
Purchases of stock-in-trade (traded goods)	22	70,205.85	59,983.74
Changes in inventories of finished goods, work-in-progress and stock-in-trade (traded goods)	23	(2,462.77)	(12,357.15)
Employee benefits expense	24	17,069.48	12,300.79
Finance costs	25	2,060.72	217.89
Depreciation and amortisation expense	26	4,177.88	3,363.48
Other expenses	27	37,444.28	29,427.85
Total expenses		**218,557.15**	**164,399.40**
Profit before exceptional items and tax		**31,583.70**	**35,609.87**
Exceptional item			**-**
Impairment of investment in a subsidiary	28	66,068.22	-
(Loss)/Profit before tax		**(34,484.52)**	**35,609.87**
Income tax expense:	29		
- Current tax		7,760.47	9,344.84
- Deferred tax		347.34	(236.94)
Short/(Excess) provision for tax relating to prior years		86.66	(290.35)
Total tax expense		**8,194.47**	**8,817.55**
(Loss)/Profit for the year		**(42,678.99)**	**26,792.32**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit plans	16	(54.86)	(134.44)
- Income tax relating to the above		13.81	33.84
Other comprehensive (loss) for the year, net of tax		**(41.05)**	**(100.60)**
Total comprehensive (loss) / income for the year		**(42,720.04)**	**26,691.72**
Basic (loss)/earnings per equity share (Face value of Re 1 each share) (₹)	35	(25.50)	16.64
Diluted (loss)/earnings per equity share (Face value of Re 1 each share) (₹)	35	(25.50)	16.64

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 30, 2023

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)

Vijaya Gupta
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, 2023

(All amount in ₹ Lacs, unless otherwise stated)

Equity Share Capital

Particulars	Notes	Amount
As at 1 April, 2021	9(a)	1,201.39
Add: Shares issued during the year as per the scheme of amalgamation of the Company with its erstwhile fellow subsidiaries	9(a)	408.57
Balance as at 31 March, 2022		**1,609.96**
Add: Shares issued during the year ended 31 March, 2023	41	270.00
Balance as at 31 March, 2023		**1,879.96**

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, 2021	9(b)	6,493.97	8,681.48	1,465.71	62,298.05	78,939.21
Profit for the year		-	-	-	26,792.32	26,792.32
Other comprehensive income		-	-	-	(100.60)	(100.60)
Total comprehensive income for the year		**-**	**-**	**-**	**26,691.72**	**26,691.72**
Transaction with owners in their capacity as owners :						
Dividend paid		-	-	-	(4,024.91)	(4,024.91)
		-	**-**	**-**	**(4,024.91)**	**(4,024.91)**
Transaction costs (stamp duty) on issue of shares, net of tax of Rs.120.93 lacs		-	-	-	(479.67)	(479.67)
		-	-	-	(479.67)	(479.67)
Balance as at 31 March, 2022		**6,493.97**	**8,681.48**	**1,465.71**	**84,485.19**	**101,126.35**

RHI MAGNESITA

Standalone Statement of Changes in Equity
for the year ended 31 March, 2023 (Continued)

(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, 2022	**9(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	41	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 on 31 March, 2023		**243,067.97**	**8,681.48**	**1,465.71**	**37,740.24**	**290,955.40**

The above Stanadalone 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 30, 2023

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)

Vijaya Gupta
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, 2023

(All amount in ₹ Lacs, unless otherwise stated)

	Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
A.	**Cash flow from operating activities**			
	(Loss) / Profit before tax		**(34,484.52)**	**35,609.87**
	Adjustments for:			
	Depreciation and amortisation expense	26	4,177.88	3,363.48
	Interest income	20	(433.05)	(248.13)
	Allowance/(writeback) for doubtful export incentives receivable (Net)	27	-	(53.27)
	Allowance for doubtful debts - trade receivables (Net)	27	(56.34)	478.58
	Allowance for doubtful debts - contract assets (Net)	27	(19.06)	-
	Impairment of investment in a subsidiary	28	66,068.22	-
	Liabilities/ provisions no longer required written back	20	(108.56)	-
	Bad debts written off	27	1,020.36	141.89
	Finance costs	25	2,060.72	217.89
	Loss on property, plant and equipment sold / scrapped (Net)	27	120.90	38.11
	Net unrealised foreign exchange (loss)		366.89	24.08
	Impairment (reversal) / loss on capital work-in-progress	27	(81.75)	81.75
	Operating profit before working capital changes		**38,631.69**	**39,654.25**
	Changes in operating assets and liabilities			
	(Increase) / Decrease in inventories		4,179.57	(25,511.38)
	(Increase) / Decrease in trade receivables		4,829.94	(16,255.78)
	(Increase) / Decrease in other current financial assets		4.38	10.72
	(Increase) in other current assets		(2,714.84)	(1,227.03)
	(Increase) in contract assets		(13,038.49)	(4,185.25)
	(Increase) / Decrease in other non-current financial assets		87.01	(10.67)
	Increase / (Decrease) in other non-current assets		420.39	(88.92)
	Increase in trade payables		10,939.55	17,736.45
	Increase / (Decrease) in other financial liabilities		631.42	(136.31)
	Increase in employee benefit obligations		459.88	110.56
	Increase in other non current liabilities		10.92	48.12
	Increase in contract liabilities		101.74	359.84
	Increase in other current liabilities		227.57	546.85
	(Decrease) / Increase in provisions		(57.53)	155.68
	Cash generated from operations		**44,713.20**	**11,207.13**
	Income tax paid (Net)		(9,611.71)	(8,559.98)
	Net cash inflow from operating activities (A)		**35,101.49**	**2,647.15**
B.	**Cash flows from investing activities**			
	Investment in National Saving Certificate		(0.52)	-
	Payment for acquisition of business (refer note 40)		(73,407.01)	-
	Decrease / (Increase) in other bank balances		806.23	(1,200.00)
	Capital expenditure on property, plant and equipment and intangible assets		(4,755.68)	(6,236.02)
	Proceeds from sale of property, plant and equipment and intangible assets		79.72	44.66
	Interest received		436.85	296.49
	Net cash outflow from investing activities (B)		**(76,840.41)**	**(7,094.87)**

Standalone Statement of Cash Flows for the year ended 31 March, 2023 (Continued)

(All amount in ₹ Lacs, unless otherwise stated)

	Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
C.	**Cash flows from financing activities**			
	Dividend paid on equity shares		(4,024.91)	(4,024.91)
	Proceeds from current borrowings		60,975.00	-
	Repayment of current borrowings		(7,000.00)	-
	Principal payment of lease liabilities		(146.25)	(83.94)
	Interest payment of lease liabilities		(72.65)	(33.38)
	Interest paid		(1,607.37)	(285.46)
	Share issuance costs		-	(600.60)
	Net cash inflow / (outflow) from financing activities (C)		**48,123.82**	**(5,028.29)**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)		**6,384.90**	**(9,476.01)**
	Cash and cash equivalents at the beginning of the year		5,564.44	15,040.45
	Cash and cash equivalents at the end of the year		**11,949.34**	**5,564.44**
	Non Cash investing activities			
	- Acquisition of right-of-use-assets		722.26	416.92
	- Shares issued as per the scheme of amalgamation of the Company with its erstwhile two fellow subsidiaries		-	408.57
	- Shares issued under share swap agreement with Dalmia Bharat Refractories Limited		236,844.00	-
	Cash and cash equivalent included in the cash flow statement comprise of the following:			
	Balances with banks			
	- in current accounts		7,945.88	5,060.53
	Deposits with original maturity of less than three months		4,000.00	500.00
	Cash on hand		3.46	3.91
			11,949.34	**5,564.44**

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 30, 2023

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)

Vijaya Gupta
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

1. Corporate Information

RHI Magnesita India Limited (formerly known as Orient Refractories Limited) ('the Company'), is domiciled and incorporated in India and publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. The registered office of the Company is 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 (Orrisa) and Jamshedpur (Jharkhand).

The Standalone Financial Statements were approved by the Board of Directors and authorised for issue on 30 May, 2023.

2. Significant accounting policies

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

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 23 March, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022:

- Ind AS 16, Property, Plant & Equipment - Proceeds before intended use of property, plant and equipment.
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts — Costs of Fulfilling a Contract.
- Ind As 103, Business Combination - Reference to the Conceptual Framework.
- Ind AS 109, Financial Instruments — Fees included in the 10 percent test for derecognition of financial liabilities.

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

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amended certain accounting standards, and are effective 1 April, 2023. The Rules predominantly amended Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

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.

(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

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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.

2.3 Current Versus non-current Classification

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

2.4 Property Plant and Equipment

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

2.5 Intangible Assets

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

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

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

Amortisation is recognised in the 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

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

2.6 Leases

As a lessee

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

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

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

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

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

2.7 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

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

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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

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

D. Impairment of financial assets

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

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

E. Income recognition - Interest

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

2.8 Financial Liabilities

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

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

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities carried at fair value through profit or loss) are 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.

2.9 Offsetting Financial Instruments

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

2.10 Fair Value Measurement

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

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

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

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

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

2.11 Derivative financial instruments

The Company acquires forward contracts to mitigate the risk arising 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 standalone statement of profit and loss, unless the derivative is designated as hedging instrument and hedging relationship is established with the item being hedged.

2.12 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.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

2.13 Income Taxes

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Standalone Financial Statements. 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.

2.14 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.

2.15 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.

2.16 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.

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Standalone Financial Statements.

2.17 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the 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.

2.18 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.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

2.19 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 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.

2.20 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.

2.21 Employee benefits

Defined benefit plan – Gratuity

The liability recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the 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.

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

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(All amount in ₹ Lacs, unless otherwise stated)

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.

2.22 Equity-settled share option plan (LTIP)

RHI Magnesita N.V. (the 'Ultimate Holding Company') has implemented a share option plan for the members of senior management of the RHI Magnesita Group.

The LTIP is treated as an equity-settled share option plan as the Company does not have an obligation to make any settlement.

The fair value of the LTIP granted is recognised as employee benefits expense with a corresponding increase in reserves. The total amount to be expensed is determined by reference to the fair value of the options granted:

a) including any market performance conditions

b) excluding the impact of any service and non-market performance vesting conditions, and

c) including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

2.23 Foreign currency translation

(i) Functional and presentation currency

Items included in the Standalone Financial Statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Company's operations are primarily in India. The Standalone Financial Statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the 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.

2.24 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.25 Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.26 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.27 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.

2.28 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.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

2.29 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.

2.30 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.

2.31 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.

Notes to Standalone Financial Statements

(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, 2021	3,849.70	5,311.61	20,626.33	117.10	481.99	724.83	31,111.56	4,625.70
Additions	-	671.22	5,556.50	78.61	175.68	186.51	6,668.52	5,814.69
Disposals	-	-	(122.43)	(3.31)	(11.75)	(79.54)	(217.03)	(6,975.09)
Balance as at 31 March, 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 40)	-	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**
Accumulated depreciation and impairment								
Balance as at 1 April, 2021	-	679.25	6,916.14	43.31	260.54	259.53	8,158.77	-
Charge for the year	-	272.68	2,672.09	30.19	84.62	86.68	3,146.26	-
Depreciation on assets disposed off during the year	-	-	(74.21)	(2.94)	(11.16)	(47.59)	(135.90)	-
Impairment loss	-	-	-	-	-	-	-	81.75
Accumulated depreciation and impairment as at 31 March, 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**	**-**
Carrying amount								
Balance as at 31 March, 2022	**3,849.70**	**5,030.90**	**16,546.38**	**121.84**	**311.92**	**533.18**	**26,393.92**	**3,383.55**
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**

* Refer note 44

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, 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**

As at 31 March, 2022

	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	1,952.09	1,409.37	22.09	-	3,383.55
(ii) Projects temporarily suspended	-	-	-	81.75	81.75
Less: Impairment loss	-	-	-	(81.75)	(81.75)
Total	**1,952.09**	**1,409.37**	**22.09**	**-**	**3,383.55**

(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, 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**

As at 31 March, 2022

	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	22.09	-	-	-	22.09
Project B - Blast Oxygen Furnace Management	61.99	-	-	-	61.99
(ii) Projects temporarily suspended					
Project A - Purging Management	-	-	-	15.13	15.13
Project B - Slide Gate Management	-	-	-	66.62	66.62
Less: Impairment loss	-	-	-	(81.75)	(81.75)
Total	**84.08**	**-**	**-**	**-**	**84.08**

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.

		Notes	As at 31 March, 2023	As at 31 March, 2022
(i)	**Amount recognised in balance sheet**			
	The balance sheet shows the following amounts relating to leases:			
	Right-of-use assets			
	Land		7,225.47	329.67
	Buildings		1,008.48	538.86
	Total		**8,233.95**	**868.53**
	Lease Liabilities			
	Current		159.29	115.68
	Non-Current		983.28	450.67
	Total		**1,142.57**	**566.35**

Addition to the right-of-use assets during the year were ₹ 731.87 lacs (31 March, 2022: 416.92 lacs).

Addition on account of acquisition through business combination in right-of-use of assets of ₹ 6,925.68 lacs (Refer note 40).

Addition on account of acquisition through business combination in lease liabilities of ₹ 63.40 lacs (Refer note 40).

(ii) Amounts recognised in the statement of profit and loss

	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest expense (included in finance costs)	25	72.65	33.38
Depreciation charge of right-of-use assets	26	235.42	109.90
Expense relating to short-term leases (included in other expenses)	27	361.18	252.22

The total cash outflow for leases for the year was ₹ 218.90 lacs (31 March, 2022 was ₹ 117.32 lacs)

(iii) In applying IndAS 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: Intangible assets

Particulars	Software	Customer relationships	Total	Goodwill
Balance as at 1 April, 2021	**476.25**	**-**	**476.25**	**-**
Additions	306.57	-	306.57	-
Disposal	(88.91)	-	(88.91)	-
Balance as at 31 March, 2022	**693.91**	**-**	**693.91**	**-**
Additions on account of acquisition through business combination (Refer note 40)	-	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**
Accumulated amortisation				
Opening 1 April, 2021	**111.34**	**-**	**111.34**	**-**
Charge for the year	107.32	-	107.32	-
Amortisation on assets disposed off during the year	(87.27)	-	(87.27)	-
Balance as at 31 March, 2022	**131.39**	**-**	**131.39**	**-**
Charge for the year	133.91	136.07	269.98	-
Accumulated amortisation as at 31 March, 2023	**265.30**	**136.07**	**401.37**	**-**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Software	Customer relationships	Total	Goodwill
Net Carrying amount				
Balance as at 31 March, 2022	**562.52**	**-**	**562.52**	**-**
Balance as at 31 March, 2023	**429.23**	**16,192.25**	**16,621.48**	**36,724.63**

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 of the current year is almost equal to the carrying value of the goodwill. Accordingly, management expects that detailed discounted cashflow model working is not required.

Note 5(a): Non-current investments

	Particulars	As at 31 March, 2023	As at 31 March, 2022
(i)	**Investments in equity instruments (unquoted)**		
	- Subsidiary (At cost)		
	1,597 (31 March, 2022: 1,597) Equity shares of ₹ 100 each fully paid up of Intermetal Engineers (India) Private Limited	1,012.52	1,012.52
	82,483,642 (31 March, 2022: Nil) Equity shares of ₹ 10 each fully paid up of Dalmia OCL Limited (refer note 41)	236,844.00	-
(ii)	**Investments in government securities (unquoted) - At amortised cost**		
	National Savings Certificates*	0.97	0.45
	The National Saving Certificates have been given to the sales tax department, as security		
	Aggregate provision for impairment in the value of investments (refer note 28)	(66,068.22)	-
	Total	**171,789.27**	**1,012.97**
	Aggregate amount of unquoted investments	**237,857.49**	**1,012.97**
	Aggregate amount of impairment in the value of investments	(66,068.22)	-

Note 5(b): Other non-current financial assets- unsecured, considered good

Security deposits	130.17	138.83
Bank deposits with more than 12 months maturity*	393.77	-
Others	19.69	26.40
*Margin money against bank guarantee		
Total	**543.63**	**165.23**

Note 5(c): Trade receivables*

Trade Receivables	49,338.43	40,495.51
Receivables from related parties (refer note 36)	2,473.52	5,270.03
Less: Allowance for doubtful debts	(687.45)	(743.79)
Total	**51,124.50**	**45,021.75**
Break-up of security details		
Secured- considered good	-	-
Unsecured:		
Considered good	51,124.50	45,021.75
Considered doubtful	687.45	743.79
Total Gross receivables	**51,811.95**	**45,765.54**
Less: Allowance for doubtful debts	(687.45)	(743.79)
Total	51,124.50	45,021.75

*Includes foreign currency receivables amounting to ₹ 465.19 lacs as at 31 March, 2023 (31 March, 2022: ₹ 547.83 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.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Aging of trade receivables

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
credit impaired	-	-	-	-	-	-	-
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**

Aging of trade receivables

As at 31 March, 2022

	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	30,954.93	13,882.63	92.84	76.63	7.28	7.44	45,021.75
Considered doubtful	-	-	475.25	122.15	1.77	55.57	654.74
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Considered doubtful	-	-	-	-	17.12	71.93	89.05
	30,954.93	**13,882.63**	**568.09**	**198.78**	**26.17**	**134.94**	**45,765.54**
Less: Allowance for doubtful debts	-	-	(475.25)	(122.15)	(18.89)	(127.50)	(743.79)
Total	**30,954.93**	**13,882.63**	**92.84**	**76.63**	**7.28**	**7.44**	**45,021.75**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Note 5(d): Cash and cash equivalents		
Balances with banks		
- in current accounts	7,945.88	5,060.53
Deposits with original maturity of less than three months	4,000.00	500.00
Cash on hand	3.46	3.91
Total	**11,949.34**	**5,564.44**
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	290.38	328.19
Fixed deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months *	-	1,200.00
Total	290.38	1,528.19

* In previous year held as a lien by bank against sanction limit

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Note 5(f): Other current financial assets		
Interest accrued on deposits	23.01	26.81
Loans and advances to employees	21.53	18.14
Total	**44.54**	**44.95**
Note 5(g): Contract assets		
Contract assets	26,829.18	13,790.69
Less: Loss allowance	(7.36)	(26.43)
Total	**26,821.82**	**13,764.26**

Note 6: 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, 2021	**(312.58)**	**255.68**	**73.41**	**-**	**86.69**	**170.65**	**273.85**
(Charged)/ Credited							
– to statement of profit and loss	(28.57)	27.81	120.45	–	144.02	(26.77)	236.94
– to retained earnings	–	–	–	120.93	–	–	120.93
– to other comprehensive income	–	33.84	–	–	–	–	33.84
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 40)	(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
As at 31 March, 2023	**(3,801.48)**	**459.76**	**173.03**	**98.26**	**233.62**	**246.64**	**(2,590.17)**

Note 7: Other Assets

Unsecured, considered good unless otherwise stated		
Non-current		
Capital Advances	506.29	561.90
Security deposits	568.79	390.07
Advances to income tax (Net of provision of ₹ 44,339.73 lacs)	1,586.62	–
Balances with Government Authorities {includes amounts paid under protest ₹ 38.16 lacs (31 March, 2022 ₹ 39.59 lacs)}	216.37	241.37
Prepaid expenses	18.12	35.99
Total	**2,896.19**	**1,229.33**
Current		
Prepaid expenses	464.47	330.87
Deferred share issue expenses*	2,269.02	–
Goods and Services tax input credit recoverable	4,864.02	4,390.76
Advances to creditors	889.69	1,183.29
Export incentives receivable (government grant)		
– Considered good	526.66	335.42
– Considered doubtful	9.77	9.77
	536.43	345.19
Less: Allowance for doubtful export incentives receivable	**(9.77)**	**(9.77)**
	526.66	**335.42**
Others	6.19	2.04
Total	**9,020.05**	**6,242.38**

*The Company has incurred expenses towards Qualified Institutional Placement (QIP) of equity shares and the qualifying expenses attributable to the offering of equity shares have been recognised as other current assets. The amount would be charged off to securities premium account after issuance of the equity shares (refer note 46).

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 8: Inventories

Particulars	As at 31 March, 2023	As at 31 March, 2022
Raw materials {including goods in transit of ₹ 980.83 lacs (31 March, 2022 ₹ 887.86 lacs)}	17,904.48	20,390.59
Work-in-progress	4,088.28	4,032.38
Finished goods	14,087.50	12,706.27
Traded goods {including goods in transit of ₹ 7,786.79 lacs (31 March, 2022 ₹ 7,674.46 lacs)}	23,791.63	21,242.55
Stores and spares	3,517.92	2,399.05
Total	**63,389.81**	**60,770.84**

Note 9(a): Equity share capital

	Particulars	Number of Shares	Amount
	Authorised		
	308,000,000 equity shares (31 March, 2022 - 308,000,000) of ₹ 1 each	308,000,000	3,080.00
	Issued, subscribed and fully paid up share capital		
	187,996,331 equity shares (31 March, 2022 - 160,996,331) of ₹ 1 each	187,996,331	1,879.96
(i)	**Movement in equity share capital**		
	Authorised		
	Particulars	**Number of shares**	**Amount**
	Balance as at 1 April, 2021	120,500,000	1,205.00
	Increase during the year*	187,500,000	1,875.00
	Balance as at 31 March, 2022	**308,000,000**	**3,080.00**
	Change during the year	-	-
	Balance as at 31 March, 2023	**308,000,000**	**3,080.00**
	Issued, subscribed and fully paid up share capital		
	Balance as at 1 April, 2021	120,139,200	1,201.39
	Add: Shares issued during the year as per the scheme of amalgamation of the Company with its erstwhile fellow subsidiaries*	40,857,131	408.57
	Balance as at 31 March, 2022	**160,996,331**	**1,609.96**
	Balance as at 1 April, 2022	160,996,331	1,609.96
	Add: Shares issued during the year ended 31 March, 2023 (refer note 41)	27,000,000	270.00
	Balance as at 31 March, 2023	**187,996,331**	**1,879.96**

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.

*The National Company Law Tribunal, Mumbai ('NCLT') vide its order dated 5 May, 2021 approved and sanctioned the scheme of amalgamation (the 'Scheme') of the Company with its fellow subsidiaries i.e. RHI India Private Limited ('RHI India') and RHI Clasil Private Limited ('RHI Clasil') (hereinafter referred as 'erstwhile fellow subsidiaries') with an appointed date of 31 July, 2018.

During the year ended 31 March, 2022, the Company has issued and allotted 40,857,131 equity shares to the shareholders of its erstwhile fellow subsidiaries and pursuant to the Scheme becoming effective, in accordance with clause 3.2 of the Scheme, the authorised share capital of the Company have increased from ₹ 1,205 lacs to ₹ 3,080 lacs.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(ii) Shares of the Company held by the intermediate holding company through its subsidiaries

	Number of equity shares	
	As at 31 March, 2023	**As at 31 March, 2022**
Veitscher Vertriebsgesellschaft m.b.H., Austria (intermediate holding company)	-	-
Subsidiaries of intermediate holding company		
Dutch US Holding B.V., Netherlands	79,877,771	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		
Dutch US Holding B.V., Netherlands	79,877,771	79,877,771
Dalmia Bharat Refractories Limited (refer note 40)	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	42.49%	49.61%
Dalmia Bharat Refractories Limited (refer note 41)	14.36%	-
Dutch Brasil Holding B.V., Netherlands	10.97%	12.81%
VRD Americas B.V., Netherlands	6.65%	7.77%
(iv) Aggregate number of shares issued for consideration other than cash (refer note 41)		
Shares issued under share swap agreement with Dalmia Bharat Refractories Limited	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

(v) Details of shareholding of promoters

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%)

As at 31 March, 2022

Dutch US Holding B.V., Netherlands	79,877,771	-	79,877,771	49.61%	(16.88%)
Dutch Brasil Holding B.V., Netherlands	-	20,620,887	20,620,887	12.81%	12.81%
VRD Americas B.V., Netherlands	-	12,503,807	12,503,807	7.77%	7.77%

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 Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 9(b): Other equity

Particulars		As at 31 March, 2023	As at 31 March, 2022
Securities premium		243,067.97	6,493.97
General reserve		8,681.48	8,681.48
Capital reserve		1,465.71	1,465.71
Retained earnings		37,740.24	84,485.19
	Total	**290,955.40**	**101,126.35**
(i)	**Securities Premium**		
	Opening balance	6,493.97	6,493.97
	Add: Securities Premium on issue of shares (refer note 41)	236,574.00	-
	Closing balance	**243,067.97**	**6,493.97**
(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**
(ii)	**Retained earnings**		
	Opening balance	84,485.19	62,298.05
	Net (loss)/profit for the year	(42,678.99)	26,792.32
	Remeasurements of post employment benefit obligation, net of tax	(41.05)	(100.60)
	Transaction costs (stamp duty) on issue of shares, net of tax of ₹ 120.93 lacs	-	(479.67)
	Dividend paid	(4,024.91)	(4,024.91)
	Closing balance	**37,740.24**	**84,485.19**

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 is ₹ 1,465.71 lacs.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 10: Borrowings

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non Current		
Unsecured - Term Loans		
External Commercial Borrowings	-	3,341.94
Total	**-**	**3,341.94**
Current - Unsecured		
Current maturities of External Commercial Borrowings (including accrued interest of ₹ 64.92 lacs (31 March, 2022 - ₹ 24.15 lacs))	6,280.74	2,562.33
Loan from bank (including accrued interest of ₹ 12.92 lacs (31 March, 2022 - Nil))	54,374.30	-
Total	**60,655.04**	**2,562.33**

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 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 instalment of EUR 3,000,000 on 31 December 2022. The repayment date now has been extended to 31 December, 2023 on mutual agreement of both the parties.

Term loan 2: External commercial borrowing of EUR 3,950,000 was taken from the VRD Americas B.V. Netherland (fellow subsidiary) during the financial year 2016-17 which carries interest at applicable 6 month Euribor plus 150 basis points. It is originally repayable in single instalment of EUR 3,950,000 on 31 December, 2023.

Loan from bank: During the year, the Company has taken loan from The Hongkong and Shanghai Banking Corporation Limited Bank for 12 months of ₹ 61,500 lacs which carries interest at Benchmark rate plus margin; where Benchmark rate is T-bill (1 month) and Margin is 2%, which will further increase by 25 basis points every three months. The loan is repayable after 12 months from first utilisation date and partial repayment is also allowed. The Company has partially repaid the loan amounting to ₹ 7,000 lacs on 26 February, 2023.

Net debt reconciliation

Cash and cash equivalents	11,949.34	5,564.44
Non-current borrowings	-	(3,341.94)
Current borrowings	(60,655.04)	(2,562.33)
Lease liabilities	(1,142.57)	(566.35)
Net debt	**(49,848.27)**	**(906.18)**

Note 11: Other non-current liabilities

Deposit from employees	158.08	147.16
Total	**158.08**	**147.16**

Note 12: Trade payables*

Total outstanding dues of micro enterprises and small enterprises (refer note 38)	6,571.16	6,121.38
Total outstanding dues of creditors other than micro enterprises and small enterprises	57,925.52	46,495.04
Total	**64,496.68**	**52,616.42**

*Includes foreign currency trade payables amounting to ₹ 14,404.18 lacs as at 31 March, 2023 (31 March, 2022: ₹ 8,314.54 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.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Aging of trade payables

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**

As at 31 March, 2022

Undisputed trade payables						
Micro enterprises and small enterprises	4,588.99	1,519.54	11.78	1.07	-	6,121.38
Others	17,586.93	28,133.38	633.97	111.17	29.59	46,495.04
Total	**22,175.92**	**29,652.92**	**645.75**	**112.24**	**29.59**	**52,616.42**

* Includes Unbilled

Note 13: Other current financial liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unpaid dividend	290.38	328.19
Employee benefits payable	2,151.57	1,361.22
Payables on purchase of property, plant and equipment	706.85	125.43
Payable towards business acquisition (Refer note 40)	14,530.64	-
Total	**17,679.44**	**1,814.84**

Note 14: Contract Liabilities

Advances from customers	728.38	626.64
Total	**728.38**	**626.64**

Note 15: Provisions

Provision for unspent corporate social responsibility expenditure as at year end (refer note 27(b))	233.55	291.08
Total	**233.55**	**291.08**

Movement in provision is set out below:-		
Balance as at beginning of the year	291.08	135.40
Add: Expense recognised in statement of profit and loss during the year	488.71	391.52
Less: Amount spent during the year	546.24	235.84
Balance as at end of the year	233.55	291.08

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 16: Employee benefit obligations

Particulars		As at 31 March, 2023	As at 31 March, 2022
		Current	
(i)	Leave obligations	1,223.22	927.92
(ii)	Gratuity	570.69	332.94
	Total	**1,793.91**	**1,260.86**

(i) Leave obligations

The leave obligation cover the Company's liability for earned leave and sick leave.

The entire amount of provision of ₹ 1,223.22 Lacs (31 March, 2022 – ₹ 927.92 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	**1,146.10**	**860.27**

(ii) Post employment benefits

(a) Defined Contribution Plan:

The Company has certain defined contribution plans including provident fund. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards contribution to provident and other fund is:

	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to provident and other funds:		
Contribution to Employee state insurance	27.94	6.31
Contribution to Provident fund	602.48	440.14
Contribution to National pension scheme	52.69	47.37
	683.11	**493.82**

(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 and Hi Tech Chemicals (P) Ltd through Kotak Gratuity Group Plan, group gratuity plan with Life Insurance Corporation of India and HCPL Employees Group Gratuity Scheme with SBI Life Insurance Company, respectively.

		As at March 31, 2023	As at March 31, 2022
		Gratuity - Funded	
(A)	**Changes in Defined Benefit Obligation**		
	Defined benefit obligation as at the beginning of the year	2,040.67	1,725.73
	Acquisition adjustment (refer note 40)	298.63	-
	Current service cost	236.78	173.34
	Interest cost	151.04	86.50
	Past Service Cost including curtailment gains/losses	211.30	-
	Benefit paid	(126.11)	(57.06)
	Actuarial loss/(gain) on obligation	(30.71)	112.16
	Defined Benefit Obligation at end of year	**2,781.60**	**2,040.67**
	Change in fair value of plan assets		
	Fair value of plan assets at beginning of the year	1,707.73	1,437.86
	Acquisition adjustment (refer note 40)	280.32	-
	Expected return on plan assets	126.77	79.15
	Employer contribution	304.38	254.97
	Benefit payments from plan assets	(122.72)	(41.97)
	Actuarial (loss) on plan assets	(85.57)	(22.28)
	Fair value of plan assets at end of year	**2,210.91**	**1,707.73**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
	Gratuity - Funded	
Net defined benefit (asset)/liability		
Present value of obligation at the end of the year	2,781.60	2,040.67
Fair value of plan assets at the end of the year	2,210.91	1,707.73
Unfunded liability/provision in Balance Sheet	**570.69**	**332.94**
Total expense recognised in the statement of profit and loss		
Current service cost (including Past Service Cost and curtailment Gains/Losses)	448.08	173.34
Interest cost on defined benefit obligation	151.04	86.50
Interest income on plan assets	(126.77)	(79.15)
Total Expense recognised under employee benefits expense (refer note 24)	**472.35**	**180.69**
Total expense recognised in OCI		
Actuarial (Gain) on defined benefit obligation arising from change in financial assumption	(29.61)	(93.81)
Actuarial (Gain) / loss on defined benefit obligation arising from experience adjustment	(1.10)	205.97
Actuarial loss of plan assets	85.57	22.28
Unrecognised actuarial loss at the end of year	**54.86**	**134.44**

(B) Actuarial Assumptions:

i) Discounting Rate	**7.38%**	**7.22%**
ii) Future Salary Increase	**8%**	**8%**
iii) Retirement Age (Years)	**60**	**60**
iv) Ages	**Withdrawal Rate %**	
Up to 30 Years	**3%**	**3%**
From 31 to 44 years	**2%**	**2%**
Above 44 years	**1%**	**1%**

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	331.30	203.51
ii) Net Interest cost	42.12	24.04
Total	**373.42**	**227.55**

(D) The weighted average duration of the defined benefit obligation is 16.03 years (31 March 2022 — 14.19 years). The expected maturity analysis of undiscounted gratuity benefit is as follows:

Maturity profile of Defined Benefit Obligation

Years :

i) 0 to 1 Year	211.83	145.27
ii) 1 to 2 Year	215.85	87.08
iii) 2 to 3 Year	213.82	148.91
iv) 3 to 4 Year	200.52	249.40
v) 4 to 5 Year	219.62	166.67
vi) 5 to 6 Year	196.06	193.31
vii) 6 Year onwards	5,661.47	2,770.89
Total	**6,919.17**	**3,761.53**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(E) Sensitivity analysis on defined benefit obligation

Particulars	As at 31 March, 2023	As at 31 March, 2022
Discount rate		
a. Discount rate - 0.5% - the liability to increase by	132.58	90.93
b. Discount rate + 0.5% - the liability to decrease by	(122.59)	(84.72)
Salary increase rate		
a. Rate - 0.5% - the liability to decrease by	(118.84)	(81.47)
b. Rate + 0.5% - the liability to increase by	126.11	85.56

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 repotting 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.

Note 17: Current tax liabilities

Provision for income tax - Nil (Net of Advance to Income Tax of ₹ 36,314.64 lacs as at 31 March 2022)	-	177.96
Total	**-**	**177.96**

Note 18: Other current liabilities

Statutory dues (Contribution to Provident Fund and Employee State Insurance, Goods and Services Tax etc)	1,281.53	1,064.59
Deposits from employees	22.57	11.94
Total	**1,304.10**	**1,076.53**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 19: Revenue from operations (refer note 39)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue from contracts with customers		
- Sales of products		
(i) Finished goods	98,452.34	74,341.46
(ii) Traded goods	29,020.47	29,157.19
- Total Refractories Management Services	113,420.14	90,605.30
- Sale of services	4,418.55	2,338.27
	245,311.50	**196,442.22**
Other operating revenues	3,525.37	3,051.37
	248,836.87	**199,493.59**

Note 20: Other income

Interest income on financial assets on amortised cost:		
- on bank deposits	291.50	144.48
- on others	141.55	103.65
Liabilities / provisions no longer required written back	108.56	-
Insurance claim	380.55	24.78
Miscellaneous income	381.82	242.77
Total	**1,303.98**	**515.68**

Note 21: Cost of raw materials and components consumed

Opening stock	20,390.59	7,984.09
Addition on account of acquisition through business combination (refer note 40)	4,872.00	-
Add: Purchases	82,703.60	83,869.30
	107,966.19	91,853.39
Less: Closing stock	17,904.48	20,390.59
Total	**90,061.71**	**71,462.80**

Note 22: Purchases of stock-in-trade (traded goods)

Purchases of stock-in-trade (traded goods)	70,205.85	59,983.74
Total	**70,205.85**	**59,983.74**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 23: Change in inventories of finished goods, work in-progress and traded goods

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Inventories at the end of the year		
Work in progress	4,088.28	4,032.38
Finished goods	14,087.50	12,706.27
Traded goods	23,791.63	21,242.55
	41,967.41	**37,981.20**
Inventories at the beginning of the year		
Work in progress	4,032.38	2,504.90
Addition on account of acquisition through business combination (refer note 40)	305.67	
Finished goods	12,706.27	7,046.27
Addition on account of acquisition through business combination (refer note 40)	1,217.77	
Traded goods	21,242.55	16,093.93
	39,504.64	**25,645.10**
Less: Own production consumed for construction of Kiln capitalised	**-**	**(21.05)**
Total	**(2,462.77)**	**(12,357.15)**

Note 24: Employee benefits expense

Salaries, wages and bonus	15,003.22	10,946.93
Contribution to provident fund & others (refer note 16)	683.11	493.82
Gratuity (refer note 16)	472.35	180.69
Leave obligation	352.81	219.47
Staff welfare expenses	557.99	459.88
Total	**17,069.48**	**12,300.79**

Note 25: Finance costs

Interest expense:		
– on external commercial borrowings	172.16	102.78
– on bank overdraft	-	14.66
– on bank loan	1,233.59	-
– on bills discounting	228.26	166.50
– Net exchange differences on foreign currency borrowings	335.70	-100.95
Interest expenses on lease liabilities	72.65	33.38
Others	18.36	1.52
Total	**2,060.72**	**217.89**

Note 26: Depreciation and amortisation expense

Depreciation on property, plant and equipment	3,672.48	3,146.26
Depreciation charge of right-of-use assets	235.42	109.90
Amortisation of intangible assets	269.98	107.32
Total	**4,177.88**	**3,363.48**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 27: Other expenses

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Consumption of stores and spare parts	3,589.58	2,979.42
Consumption of packing materials	3,443.09	2,785.70
Power and fuel	6,759.61	5,055.19
Processing charges	6,790.54	5,634.82
Rent (Refer Note 3(b) & 34(b))	361.18	252.22
Repairs and maintenance		
- Plant and machinery	600.97	511.05
- Buildings	35.04	33.60
- Others	177.61	155.52
Insurance	542.06	332.84
Rates and taxes	482.12	873.89
Communication costs	155.86	136.08
Travelling and conveyance	1,215.32	499.39
Printing and stationery	42.16	25.69
Freight and forwarding	3,865.69	4,917.70
Advertising and other expenses	249.09	29.21
Expenditure on corporate social responsibility (refer Note 27(b))	488.71	391.52
Legal and professional fees (refer Note 27(a))	1,811.32	1,691.13
Royalty	2,946.65	817.83
Directors sitting fees	31.50	20.25
Bad debts written off	1,020.36	141.89
Allowance for doubtful debts - trade receivables (Net)	(56.34)	478.58
Allowance for doubtful debts - contract assets (Net)	(19.07)	0.00
Allowance/(writeback) for doubtful export incentives receivable (Net)	0.00	(53.27)
Net foreign exchange differences	1,596.73	497.48
Loss on property, plant and equipment sold / scrapped (Net)	120.90	38.11
Bank charges	52.51	108.23
Impairment (reversal) / loss on capital work-in-progress	(81.75)	81.75
Information & technology expenses	967.08	886.17
Miscellaneous expenses	255.76	105.86
Total	**37,444.28**	**29,427.85**

Note 27 (a): Legal & professional include Payment to Auditors as under : -

Payment to auditor (excluding GST) comprise *		
a) To statutory auditor		
- for audit	166.54	110.47
- for limited review	25.50	25.18
- for certificate	1.25	-
- reimbursement of expenses	8.03	6.44
b) To cost auditor for cost audit	0.75	0.75
Total	**202.07**	**142.84**

*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 & 46)

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 27 (b): Expenditure on Corporate Social Responsibility (CSR)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a) Gross amount required to be spent by the Company during the year	488.71	391.52
b) Cumulative provision for unspent expenditure at the beginning of the year (refer note 15)	291.08	135.40
c) Amount spent during the year on:		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	546.24	235.84
d) Provision for unspent expenditure for the year	233.55	187.68
e) Cumulative provision for unspent expenditure as at year end (refer note 15)	233.55	291.08

Reason for shortfall in the current year

Out of unspent amount of ₹ 233.55 lacs, the reasons are as follows:

a) ₹ 199.45 lacs is towards ongoing project i.e construction of road and building for public utility. Construction was started in the month of February 2023, it is a time consuming activity and hence could not be completed by 31 March, 2023. The same will be completed by December 2023. The projected amount has been transferred to the unspent CSR account on 27 April, 23 and will be spent in accordance with the provisions of Section 135 of Companies Act, 2013 and the rules made thereunder.

b) ₹ 34.10 lacs is due to delay in identifying a project within stipulated time period and has been deposited 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.

Per sub-section (5) of Section 135 of the Act, the Company is 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 has been deposited before the date of approval of these Standalone Financial Statement 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	Amount to be spent in accordance with section 135(5)	Amount remaining unspent as at the year-end to be transferred to fund under Schedule VII	Amount transferred to fund for ongoing projects within 1 month from end of financial year	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)	Amount transferred to Fund under Schedule VII, after 6 months from end of financial year (till the approval of these Standalone Financial Statements)	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
(a)	(b)	(c)	(d)	(e)	(f)	(g)
2021-22	391.52	187.68			-	187.68*
2022-23	488.71	34.10	199.45	34.10	-	-

* The funds have been transferred under Schedule VII on 23 June, 2022 and 12 July, 2022 amounting to ₹ 100 lacs and 87.68 lacs respectively.

Note 28: Exceptional Item

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Impairment of investment in a subsidiary	66,068.22	-
Total	**66,068.22**	**-**

The Company basis its assessment of future business projections of its subsidiary i.e. Dalmia OCL Limited has recognised provision for impairment in the carrying value of its investments of ₹ 66,068.22 lacs. The impairment loss is calculated based on the cash flow projections determined using the discounted cash flow method. The management has computed the recoverable value by considering a discount rate of 13.5% and terminal growth rate used in extrapolating cash flows beyond the planning period is 5%.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 29: Income tax expense

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Income Tax Expense		
Current tax		
Current tax on profits for the year	7,760.47	9,344.84
Adjustments for current tax of prior periods	86.66	(290.35)
Total current tax expense	**7,847.13**	**9,054.49**
Deferred tax		
Deferred tax expense/(benefit)	347.34	(236.94)
Total deferred tax expense	**347.34**	**(236.94)**
Total Income Tax Expense	**8,194.47**	**8,817.55**
Reconciliation of tax expense and accounting profit multiplied by tax rate		
(Loss)/Profit before income tax expense	(34,484.52)	35,609.87
Tax at the rate of 25.168% (Previous year : 25.168%)	(8,679.06)	8,962.29
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustments for current tax of prior periods	86.66	(290.35)
Impairment of investment in subsidiary	16,628.05	
Corporate social responsibility expenditure	123.00	98.54
Penalty with respect to Corporate social responsibility expenditure	25.17	-
Others	10.65	47.07
Income Tax Expense	**8,194.47**	**8,817.55**

Amount recognised direct in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited / (credited) to equity: Deferred Tax ((refer note 9(b))	-	120.93

Note 30: Fair value measurement

Financial Instruments by category

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Non-current				
Security deposits		130.17		138.83
Other financial assets	-	413.46	-	26.40
Current				
Trade receivables	-	51,124.50	-	45,021.75
Cash and cash equivalents	-	11,949.34	-	5,564.44
Bank balances other than above	-	290.38	-	1,528.19
Other financial assets	-	44.54	-	44.95
Total Financial Assets	**-**	**63,952.39**	**-**	**52,324.56**
Financial liabilities				
Non Current				
Borrowings	-	-	-	3,341.94
Lease liabilities	-	983.28	-	450.67
Current				
Borrowings	-	60,655.04	-	2,562.33
Lease liabilities		159.29	-	115.68
Trade payables	-	64,496.68	-	52,616.42
Other financial liabilities	-	17,679.44	-	1,814.84
Total Financial Liabilities	**-**	**143,973.73**	**-**	**60,901.88**

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

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 31: 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.

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 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 practice 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, 2023	As at 31 March, 2022
Not due	32,204.86	30,954.93
0-30 days	8,394.74	9,650.89
31-60 days	5,729.43	2,090.43
61-90 days	2,499.85	1,187.24
91-180 days	2,189.10	954.07
181-240 days	72.53	97.28
More than 240 days	721.44	830.70
Total	**51,811.95**	**45,765.54**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Allowance for doubtful debts-trade receivables

Particulars	Amount (in ₹ Lacs)
Allowance as on 1 April, 2021	**265.21**
Changes in loss allowance (refer note 27)	478.58
Allowance as on 31 March, 2022	**743.79**
Changes in loss allowance (refer note 27)	(56.34)
Allowance as on 31 March, 2023	**687.45**

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.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at 31 March, 2023	As at 31 March, 2022
Floating rate		
Expiring within one year (bank overdraft and other facilities)	10,732.34	5,430.30
Total	**10,732.34**	**5,430.30**

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 ₹ and have an average maturity of less than 1 year (31 March 2022 — 1.3 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, 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
Unpaid dividend	290.38	-	-	-	290.38
Employee benefits payable	2,151.57	-	-	-	2,151.57
Payables on purchase of property, plant and equipment	706.85	-	-	-	706.85
Payable towards business acquisition (Refer note 40)	14,530.64	-	-	-	14,530.64
31 March, 2022					
Borrowings	2,562.33	3,341.94	-	-	5,904.27
Trade payables	52,616.42	-	-	-	52,616.42
Lease liabilities	158.92	131.86	109.15	334.15	734.08
Unpaid dividend	328.19	-	-	-	328.19
Employee benefits payable	1,361.22	-	-	-	1,361.22
Payables on purchase of property, plant and equipment	125.43	-	-	-	125.43

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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 ₹ (In Lacs)

Purpose	As at 31 March, 2023				As at 31 March, 2022			
	USD	EUR	GBP	CHF	USD	EUR	GBP	CHF
Borrowings	-	6,280.74	-	-	-	5,904.27	-	-
Trade payables	34,028.27	2,837.59	-	48.67	13,322.32	919.98	2.87	885.76
Payables on purchase of property, plant and equipment	193.58	129.26	-	249.99	-	38.10	-	-
Net exposure to foreign currency risk (Liabilities)	**34,221.85**	**9,247.59**	**-**	**298.66**	**13,322.32**	**6,862.35**	**2.87**	**885.76**
Trade receivables	1,783.51	702.56	-	-	5,297.47	820.93	-	-
Net exposure to foreign currency risk (Assets)	**1,783.51**	**702.56**	**-**	**-**	**5,297.47**	**820.93**	**-**	**-**

Sensitivity to risk:	Impact on Profit (Net of tax) Increase/ (Decrease)	
Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
USD sensitivity		
INR/USD - Increase by 5%	(1,213.71)	(300.26)
INR/USD - Decrease by 5%	1,213.71	300.26
Euro sensitivity		
INR/EURO - Increase by 5%	(319.72)	(226.05)
INR/EURO - Decrease by 5%	319.72	226.05
GBP sensitivity		
INR/GBP - Increase by 5%	-	(0.11)
INR/GBP - Decrease by 5%	-	0.11
CHF sensitivity		
INR/CHF - Increase by 5%	(11.17)	(33.14)
INR/CHF - Decrease by 5%	11.17	33.14

(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:

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Weighted average interest rate (%)	% of total loans	Balance	Weighted average interest rate (%)	% of total loans	Balance
Borrowings	11.73%	100.00%	60,655.04	1.75%	100.00%	5,904.27

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates:

	Impact on Profit (Net of tax) Increase/ (Decrease)	
Particulars	**Year ended 31 March, 2023**	**Year ended 31 March, 2022**
Borrowings		
Interest rate Increase by 1%	(453.89)	(44.18)
Interest rate Decreases by 1%	453.89	44.18

Note 32. 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, 2023	As at 31 March, 2022
Net Debt (Refer note 10)	49,848.27	906.18
Share capital	1,879.96	1,609.96
Other equity	290,955.40	101,126.35
Total Equity	**292,835.36**	**102,736.31**
Gearing ratio	**17.02%**	**0.88%**

B. Dividend

(i) Equity shares		
Final Dividend for the year 31 March, 2022 of ₹ 2.50 (31 March, 2021 - ₹ 2.50) per fully paid share	4,024.91	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, 2022 of ₹ 2.50), in its meeting held on 30 May, 2023 (31 March, 2022: 27 May, 2022). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	4,699.91	4,024.91

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 33: Contingent Liabilities

Claims against the Company not acknowledged as debts

Particulars	As at 31 March, 2023	As at 31 March, 2022
Demand from income tax	2,225.29	1,150.26
Demand from excise and service tax authorities	570.32	329.56
Demand from customs authorities	291.88	291.88
Demand from central sales tax	2.52	16.53
Total	**3,090.01**	**1,788.23**

Notes :

(i) No provision is considered necessary since the Company expects favourable decisions.

(ii) Paid under protest of ₹ 38.16 Lacs (31 March, 2022 ₹ 39.59 Lacs)

These represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

Note 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):

Property, plant and equipment	1,514.42	2,211.90

(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 commitments/contracts for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at 31 March, 2023.

Note 34 (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 27).

Note 35: Earnings per share

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
(a) Basic (loss)/earnings per share (₹)	(25.50)	16.64
(b) Diluted (loss)/earnings per share (₹)	(25.50)	16.64
(Loss)/Profit used for calculating earnings per share		
(Loss)/Profit attributable to the equity holders of the Company used in calculating Basic Earnings per share	(42,678.99)	26,792.32
(Loss)/Profit attributable to the equity holders of the Company used in calculating Diluted Earnings per share	(42,678.99)	26,792.32
Weighted average number of shares used as denominator		
Weighted average number of equity shares used as the denominator in calculating basic (loss)/earnings per share	167,357,974.84	160,996,331.00
Weighted average number of equity shares used as the denominator in calculating diluted (loss)/earnings per share	167,357,974.84	160,996,331.00

Note: There are no dilutive instruments.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 36: 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, 2023	As at 31 March, 2022
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	42.49%	49.61%
Dutch Brasil Holding B.V., Netherlands	Subsidiary of intermediate holding company	Netherlands	10.97%	12.81%

(ii) Key managerial personnel (KMP)

Mr. Parmod Sagar, Managing Director & CEO

Ms. Vijaya Gupta, Chief Financial Officer (w.e.f. 27 May, 2022)

Mr. Sanjeev Bhardwaj, Chief Financial Officer (Till 27 May, 2022)

Mr. RVS Rudraraju, Chief Operating Officer (Till 13 February, 2023)

(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 Interstop AG

RHI Magnesita Trading B.V.

Agellis Group AB, Lund, Sweden

RHI Magnesita Turkey Refrakter

RHI Refractories Africa (Pty) Limited

(iv) Subsidiaries

Intermetal Engineers (India) Private Limited (100%)

Dalmia OCL Limited (100%) (w.e.f. 05 January, 2023) (Refer note 41)

RHI Magnesita Seven Refractories Limited (51%) (formerly known as Dalmia Seven Refractories Limited) (w.e.f. 05 January, 2023)

(v) Relative of KMP

Mr. Christophar Parvesh

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(b) Related Party Transactions

Particulars	Relationship	Year ended 31 March, 2023	Year ended 31 March, 2022
Dividend paid			
Dutch US Holding B.V., Netherlands	Fellow Subsidiary	1,996.94	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
Sales:			
RHI Magnesita GmbH	Fellow Subsidiary	29,726.79	26,207.17
RHI Urmitz AG & Co KG	Fellow Subsidiary	1,594.74	1,688.18
Dalmia OCL Limited	Subsidiary	44.48	-
Purchases			
RHI Magnesita Interstop AG	Fellow Subsidiary	-	406.25
Intermetal Engineers (India) Private Limited	Subsidiary	59.05	12.24
Magnesita Refractories Middle East FZE	Fellow Subsidiary	28.56	15.20
RHI Magnesita GmbH	Fellow Subsidiary	36,522.51	38,074.51
Dalmia OCL Limited	Subsidiary	157.79	-
Purchase of spares			
RHI Magnesita GmbH	Fellow Subsidiary	145.33	177.64
RHI Magnesita Interstop AG	Fellow Subsidiary	85.13	452.25
Intermetal Engineers (India) Private Limited	Subsidiary	-	0.39
Magnesita Refractories Private Limited	Fellow Subsidiary	1.00	-
RHI Magnesita Turkey Refrakter	Fellow Subsidiary	4.52	-
Purchase of assets			
RHI Magnesita GmbH	Fellow Subsidiary	156.13	287.93
RHI Magnesita Interstop AG	Fellow Subsidiary	486.65	377.18
Intermetal Engineers (India) Private Limited	Subsidiary	7.41	-
RHI Refractories Africa (Pty) Limited	Fellow Subsidiary	20.37	-
Service income			
RHI Magnesita GmbH	Fellow Subsidiary	1,954.48	484.65
RHI Magnesita Trading B.V.	Fellow Subsidiary	-	1,463.74
Managerial remuneration*			
Mr. Parmod Sagar	KMP	436.18	338.17
Mr. Sanjeev Bhardwaj	KMP	16.49	117.20
Mr. RVS Rudraraju	KMP	171.29	131.71
Ms.Vijaya Gupta	KMP	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 37.			
Salary			
Mr. Christophar Parvesh	Relative of KMP	11.68	10.33
Royalty			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	2,946.65	817.83
Information Technology Expenses*			

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Relationship	Year ended 31 March, 2023	Year ended 31 March, 2022
RHI Magnesita GmbH	Fellow Subsidiary	877.91	742.53
*Includes reimbursement of expense			
Expenses reimbursement {Received/(Paid)}			
RHI Magnesita GmbH	Fellow Subsidiary	371.08	175.57
RHI Magnesita GmbH	Fellow Subsidiary	(656.94)	-
Magnesita Refractories Private Limited	Fellow Subsidiary	-	0.84
Agellis Group AB, Lund, Sweden	Fellow Subsidiary	(13.53)	-
Interest Expenses			
VRD Americas B.V. Netherlands	Fellow Subsidiary	172.16	102.78

(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, 2023	As at 31 March, 2022
Trade Payables:			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	2,061.43	688.98
Intermetal Engineers (India) Private Limited	Subsidiary	20.46	-
RHI Magnesita Interstop AG	Fellow Subsidiary	424.94	885.77
RHI Magnesita GmbH	Fellow Subsidiary	30,705.36	24,853.41
Magnesita Refractories Middle East FZE	Fellow Subsidiary	46.05	15.48
Magnesita Refractories Private Limited	Fellow Subsidiary	1.18	-
Dalmia OCL Limited	Subsidiary	73.02	-
Agellis Group AB, Lund, Sweden	Fellow Subsidiary	13.98	-
Total Trade Payables to related parties		**33,346.42**	**26,443.64**
Trade Receivables:			
RHI Urmitz AG & Co KG	Fellow Subsidiary	96.00	303.80
RHI Magnesita GmbH	Fellow Subsidiary	2,325.03	4,934.60
Dalmia OCL Limited	Subsidiary	52.49	-
RHI Magnesita Trading B.V	Fellow Subsidiary	-	31.46
Magnesita Refractories Private Limited	Fellow Subsidiary	-	0.17
Total Trade receivables from related parties		**2,473.52**	**5,270.03**
External Commercial Borrowings			
VRD Americas B.V, Netherlands	Fellow Subsidiary	6,280.74	5,904.27
		6,280.74	**5,904.27**
Investment:			
Intermetal Engineers (India) Private Limited	Subsidiary	1,012.52	1,012.52
Dalmia OCL Limited (Net of Impairment)	Subsidiary	170,775.78	-
		171,788.30	**1,012.52**
Other transactions			
Guarantee given to Bank by RHI Magnesita GmbH	Fellow Subsidiary	10,732.34	4,230.30
Guarantee given to Bank by RHI Magnesita N.V., Austria	Ultimate holding company	61,500.00	-
		72,232.34	**4,230.30**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 37: 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:

				Number of share options	
Plans details	**Grant date**	**Vesting Date (Vesting period)**	**Exercise price**	**As at 31 March, 2023**	**As at 31 March, 2022**
Equity-settled share option plan 2019	19-Aug-19	19-Aug-22	Nil	-	1,752
		(3 years)			
Equity-settled share option plan 2020	8-Apr-20	8-Apr-23	Nil	8,510	5,611
		(3 years)			
Equity-settled share option plan 2021	15-Mar-21	15-Mar-24	Nil	2,456	1,255
		(3 years)			
Equity-settled share option plan 2022	8-Mar-22	8-Mar-25	Nil	2,216	131
		(3 years)			
Equity-settled share option plan 2023	11-Mar-23	11-Mar-26	Nil	144	-
		(3 years)			
Total				**13,326**	**8,749**

i) Summary of share options outstanding under the plan:

	Number of share options	
Opening balance	8,749	3,937
Granted during the year	6,329	4,812
Exercised during the year	-	-
Forfeited during the year	(1,752)	-
Closing Balance	**13,326**	**8,749**

ii) Fair value of share options granted by the Company under each scheme:

Grant Date	**Fair Value (Euro)**
19-Aug-19	46.25
8-Apr-20	22.70
15-Mar-21	48.28
8-Mar-22	25.86
11-Mar-23	26.40

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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:

Particular	Year ended 31 March, 2023	Year ended 31 March, 2022
Equity-settled share option plan expenses	227.18	109.37
Total expense	**227.18**	**109.37**

Note 38: Due to micro and small enterprises

	Particulars	As at 31 March, 2023	As at 31 March, 2022
(i)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end *	6,571.16	6,121.38
(ii)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	90.68	71.69
(iii)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	4,773.85	7,702.78
(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	18.99	42.44
(vii)	Interest accrued and remaining unpaid at the end of the accounting year	90.68	71.69
(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 Company.

Note 39: Revenue from Contracts with Customers

Revenue from contracts with customers (refer Note 19)	Year ended 31 March, 2023	Year ended 31 March, 2022
The Company has recognised the following amounts relating to revenue in the statement of profit and loss:		
Sale of products		
(i) Finished goods	98,452.34	74,341.46
(ii) Traded goods	29,020.47	29,157.19
Total Refractories Management Services	113,420.14	90,605.30
Sale of services	4,418.55	2,338.27
Revenue from contracts with customers	**245,311.50**	**196,442.22**
Other operating revenues	3,525.37	3,051.37
Total Revenue from Operations	**248,836.87**	**199,493.59**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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	Year ended 31 March, 2023	Year ended 31 March, 2022
Within India	210,444.25	165,524.36
Outside India	34,867.25	30,917.86
Total Revenue	**245,311.50**	**196,442.22**

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

Contract price	242,874.61	196,356.39
Adjustments for:		
Claims & Rebates	(816.46)	(255.56)
Performance Bonus	3,253.35	341.39
Revenue from contracts with customers	**245,311.50**	**196,442.22**

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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.

Trade receivables are presented net off impairment loss in note 5(c).

Particular	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Revenue from contract with customers	626.64	266.80
Total	**626.64**	**266.80**
Movement in Contract Assets		
Opening balance at the beginning of the year	13,764.26	9,579.01
Add: Revenue recognized during the year	245,311.50	196,442.22
Less: Invoiced during the year	(232,253.94)	(192,256.97)
Closing balance at the end of the year	**26,821.82**	**13,764.26**
Movement in Contract Liabilities		
Opening balance at the beginning of the year	626.64	266.80
Add: Collections during the year	17,768.95	11,994.13
Less: Gross Sales	(17,667.21)	(11,634.29)
Closing balance at the end of the year	**728.38**	**626.64**

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.

Note 40: 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 ₹ 87,937.65 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 ₹ 36,724.63 lacs between the purchase consideration of ₹ 87,937.65 lacs and provisional fair value of net assets has been recognised as preliminary 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.

From the date of acquisition to the year ended 31 March, 2023, the acquired business have contributed, revenue from operations of ₹ 3,462.14 lacs and incurred loss for the year of ₹ 106.50 lacs to the revenue from operations and loss for the year of the combined entity respectively. Management estimates that if the said business combination had taken place at the beginning of the year, the revenue from operations would have been ₹ 32,895.99 lacs and profit for the year would have been ₹ 7,731.81 lacs in the Standalone Statement of Profit and Loss.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

The provisional fair value of the assets and liabilities recognised at the date of acquisition for the above acquisition are as follows:

Particulars	Amount
Assets	
Property, plant and equipment	11,330.79
Right-of-use assets	6,925.68
Capital work-in-progress	1,466.09
Other intangible assets (Customer relationships)	16,328.32
Other non-financial assets	71.64
Other non-current assets	169.86
Current Assets	
Inventories	6,798.54
Trade receivables	11,858.37
Other financial assets	7.77
Other current assets	62.83
Total Identifiable Assets	**55,019.89**
Liabilities	
Non-current liabilities	
Lease liabilities	63.40
Deferred tax liabilities	2,922.20
Current liabilities	
Trade payables	644.03
Other financial liabilities	158.93
Employee benefit obligations	18.31
Total Identifiable Liabilities	**3,806.87**
Net identifiable net assets acquired at fair value (A)	**51,213.02**
Purchase consideration (B)	**87,937.65**
Preliminary goodwill acquired on acquisition (B-A)	**36,724.63**
Purchase consideration - outflow	
Cash paid during the year ended 31 March, 2023	73,407.01
Net cash outflow in respect of business combination (included in the investing activities in Standalone Statement of Cash Flows) (C)	73,407.01
Purchase consideration payable as at 31 March, 2023 (B-C)	**14,530.64**

Note 41: Acquisition of subsidiaries

On 19 November, 2022, Dalmia Bharat Refractories Limited ('DBRL') entered into a business transfer agreement (BTA) with Dalmia OCL Limited ('DOCL') to transfer the entire Indian refractory business of DBRL to DOCL. On 19 November, 2022, the Company entered into a Share Swap Agreement with DOCL and DBRL to acquire all outstanding shares of DOCL. On 04 January, 2023, the business transfer between DBRL and DOCL 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 DOCL. 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 lacs.

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).

Note 42: 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, 2023, 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.

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 43: 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 does not have credit limits sanctioned from the banks on the basis of security of current assets. During the year, the Company has taken loan from the bank which is guaranteed by RHI Magnesita N.V., Austria, ultimate holding company.

(iii) Wilful defaulter

The Company has not 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. In previous year , the Scheme was approved by NCLT. The Company has complied with the approved Scheme.

(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:

(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

(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 not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or 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.

Note 44: 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:

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	March 2007	
Property, plant and equipment	Land	1,833.96	Orient Refractories Limited	No	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
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	September 2019	
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, 2022

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	2,804.08	RHI Clasil Limited	No	March 2007	
Property, plant and equipment	Land	1,833.96	Orient Refractories Limited	No	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.
Property, plant and equipment	Land	1,268.39	Orient Refractories Limited	No	25-Feb-20	
Property, plant and equipment	Building	1,545.19	Orient Refractories Limited	No	September 2019	

Notes to Standalone Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 45: 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	1.11	2.20	(49.63%)	Decrease on account of increase in current borrowings to fund the business acquisition.
Debt-equity ratio	Total debt	Shareholder's equity	Times	0.21	0.06	235.06%	Increase on account of increase in current borrowings to fund the business acquisition.
Debt service coverage ratio	Earnings available for debt service = Net (loss)/ profit after taxes + Non-cash operating expenses + Finance cost	Debt service = Interest and principal repayments including lease payments	Times	3.60	140.86	(97.44%)	Decrease on account of repayment of current borrowings which were availed to fund the business acquisition.
Return on equity ratio	(Loss)/Profit for the year	Average shareholder's equity	Percentage	(21.58)	29.24	(173.81%)	Decrease on account of loss during the year because of exceptional item.
Inventory turnover ratio	Cost of goods sold*	Average inventory	Times	2.54	2.48	2.49%	Not Applicable
Trade receivables turnover ratio	Sales	Average trade receivable	Times	5.10	5.29	(3.48%)	Not Applicable
Trade payables turnover ratio	Cost of goods sold*	Average trade payable	Times	2.69	2.73	(1.14%)	Not Applicable
Net capital turnover ratio	Sales	Average Working capital = Current assets — Current liabilities	Times	5.58	3.22	73.11%	Increase on account of increase in current borrowings to fund the business acquisition.
Net profit ratio	(Loss)/Profit for the year	Sales	Percentage	(17.40)	13.64	(227.56%)	Decrease on account of loss during the year because of exceptional item.
Return on capital employed	Earnings before interest and tax	Average Capital employed = Net worth + total debt - deferred tax asset+ deferred tax liability	Percentage	14.45	36.56	(60.48%)	Decrease on account of loss during the year because of exceptional item.
Return on investment	Earnings before interest and tax	Average total assets	Percentage	11.02	24.45	(54.94%)	Decrease on account of loss during the year because of exceptional item.

* 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

(All amount in ₹ Lacs, unless otherwise stated)

Note 46: 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 (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 plans to utilise the net proceeds from the Offering for the purpose of repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by the Company, investment into one of the Subsidiaries, Dalmia OCL Limited ("DOCL"), for repayment or pre-payment, in full or in part, of certain borrowings availed by DOCL and general corporate purposes.

Note 47: Preferential issue of Equity shares

On 01 April, 2023, Board of Directors approved a proposal to raise funds up to ₹ 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. The Company issued a postal ballot notice dated 29 April, 2023 to the Shareholders of the Company seeking approval to issue equity shares at a price of ₹ 716.83 per equity share. The Company proposes to utilise the proceeds for repayment/ prepayment in full or in part of certain outstanding borrowings availed by the Company, investment in one of its Subsidiary i.e. Dalmia OCL limited for General Corporate purposes.

Note 48: Investment in Subsidiary

On 08 May, 2023, the Company has made further investment in Dalmia OCL Limited (the 'DOCL'), a wholly owned subsidiary of the Company, by way of subscription of 16,975,051 equity shares of DOCL having face value of ₹ 10 each at a premium of ₹ 197 each for an amount aggregating to ₹ 35,138.36 lacs on right issue basis. The purpose of subscription of equity shares of DOCL by the Company is for repayment or pre-payment in full or in part of certain borrowings availed by DOCL.

Note 49:

Rounding of amounts

All amounts disclosed in the Standalone financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

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

Abhishek Rara
Partner
Membership Number: 077779

Place : Gurugram
Date: May 30, 2023

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)

Vijaya Gupta
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 (formerly known as Orient Refractories 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, 2023 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (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, 2023 and consolidated total comprehensive loss (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 Paragraphs 14 and 15 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 judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

   Below Key Audit Matters have been reproduced from the report, of the even date, on the audit of Standalone Financial Statements of the Holding Company.

(a) Revenue Recognition

(Refer Note 19 to the Consolidated Financial Statements)

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

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

We 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:

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

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

(b) Valuation of intangible assets and goodwill identified on acquisition of refractory business of Hi-Tech Chemicals Limited

(Refer Note 40 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 ₹ 87,937.65 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'. The acquisition inter-alia resulted in recognition of intangible assets aggregating to ₹ 16,328.32 lacs and a goodwill of ₹ 36,724.63 lacs 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 (primarily synergies), capital expenditures, weighted average cost of capital. 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 management's controls over accounting for business combinations.
- Read the BTA and other documents related to acquisition in order to obtain an understanding of the transaction in accordance with Ind AS 103 and to verify the consideration paid.
- Assessed the competence, capabilities and objectivity of management's experts, persued 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 41 to the Consolidated Financial Statements}

The Company has equity investments in subsidiaries carried at cost less accumulated impairment losses of ₹ 171,788.30 lacs. During the year, the Company has recorded an impairment of ₹ 66,068.22 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 CGU involves significant management judgement and estimates such as future expected level of operations and related forecast of cash flows, market conditions, discount rates, terminal growth rate etc.

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 the Company's key controls over the impairment assessment.
- Evaluated the Company's accounting policy in respect of impairment assessment of investments.
- 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.
- 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.

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 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 do 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 and 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 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 Matter

14. We did not audit the financial statements of two subsidiaries whose financial statements reflect Total assets of ₹ 7,410.52 lacs and Net assets of ₹ 3,471.00 lacs as at March 31, 2023, Total revenue of ₹ 3,370.15 lacs, Total comprehensive income (comprising of profit and other comprehensive income) of ₹ 438.58 lacs and Net cash flows amounting to ₹ 182.82 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.

Other Matter - Accounting for business combination

15. We did not audit the financial statements of one subsidiary whose financial statements reflect Total assets of ₹ 303,713.73 lacs and Net assets of ₹ 166,681.28 lacs as at March 31, 2023, Total revenue of ₹ 20,738.14 lacs, Total comprehensive income (comprising of loss and other comprehensive income) of ₹ (70,204.12) lacs and Net cash flows amounting to ₹ 19,181.33 lacs for the period from January 05, 2023 to March 31, 2023 as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose report dated May 30, 2023 has been furnished to us by the Management and those other auditors have disclaimed their opinion on said financial statements.

    The disclaimer of opinion issued by the other auditor is as reproduced below.

    "We refer to note no. 33 of the Financial Statements, related to acquisition of Indian refractory business of Dalmia Bharat Refractories Ltd (DBRL). The Board of Directors and Shareholders of the Company in its respective meetings held has approved the acquisition of its Indian refractory business from DBRL. Business Transfer agreement (BTA) dated 19th November, 2022 and amendment thereto was executed into between DBRL and the Company for total consideration of ₹ 2,191.85 Crore (including working capital), which is settled by way of allotment of 82,483,642 equity shares of the Company to DBRL, at issue price of ₹ 207.04 /- per share, aggregating to ₹ 1,707.76 Crore and an cash consideration including the closing adjustments in net working capital and debt adjustments amounting to ₹ 484.09 Crore. As per form no. PAS-3 "return of allotment" filed by the Company [Pursuant to section 39(4) and 42 (9) of the Companies Act, 2013 and rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014], securities allotted for consideration other than cash, it is mentioned that 82,483,642 equity shares at issue price of ₹ 207.04 per share is issued as consideration. According to the share swap agreement executed between DBRL, the Company and RHI Magnesita India Ltd ("RHI"), entire shareholding of the Company held by DBRL were swapped against 27,000,000 Equity Shares of RHI at an determined issue price per share of ₹ 632.50 by way of a preferential issue on a private placement basis ("Preferential Issue") as per section 42 of the Companies Act, 2013 and SEBI ICDR Regulations and other applicable laws. For the purpose of calculation of purchase consideration the Company considered, share price of 2,70,00,000 equity shares of RHI of ₹ 877.20 per share i.e. fair value on the closing date of business transfer instead of fair value of 82,483,642 equity shares of the Company issued to DBRL, at issue price of ₹ 207.04 /- per share as mentioned above, which has resulted into recognition of excess goodwill amounting to ₹ 660.70 Crore and corresponding increase in other equity by way of credit to deemed equity contribution from the RHI. We are unable to express an opinion on recognition of excess goodwill and crediting of other equity by equal amount and whether the same is as per Generally Accepted Accounting Principles in India. After acquisition, this goodwill has been fully impaired, resulting into higher losses by equivalent amount in the statement of profit and loss and retained earnings and other equity."

    The above disclaimer of opinion has not impacted our opinion on these consolidated financial statements as, in our view, the accounting for business combination at the acquisition-date (i.e., the date of transfer of control) fair value of the consideration transferred is in accordance with paragraph 37 of Ind AS 103 'Business Combinations' and paragraph 77 of Ind AS 113 'Fair Value Measurement'. Further, the impairment of Goodwill has been recorded in the financial statements of the subsidiary based on an impairment assessment performed in accordance with Ind AS 36 'Impairment of Assets' by the management of the subsidiary as at March 31, 2023. Accordingly, there is no misstatement in the consolidated financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

16. 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.

17. 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 of the Holding Company and the reports of the other auditors, except that, in respect of the Holding Company the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India.

    (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, 2023 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, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph 17(b) above that in respect of the Holding Company, the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India.

    (g) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

        i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group— Refer Note 33 to the Consolidated Financial Statements.

        ii. The Group has long-term contracts as at March 31, 2023 for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2023 for which there were any material foreseeable losses.

        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.

        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, 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 or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries {Refer Note 43(vii)(a) to the Consolidated Financial Statements}.

            (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, 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. {Refer Note 43(vii)(b) to the Consolidated Financial Statements}.

(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. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, is applicable to the Group only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

18. 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: 23077779BGXZRQ2518

Place: Gurugram
Date: May 30, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 17(g) of the Independent Auditor's Report of even date to the members of RHI Magnesita India Limited (formerly known as Orient Refractories Limited) on the Consolidated Financial Statements for the year ended March 31, 2023

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, 2023, 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 incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, 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, 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. The auditors of one subsidiary have issued a disclaimer of opinion on the internal financial controls with reference to financial reporting of that subsidiary vide their report dated May 30, 2023. The 'Disclaimer of opinion' paragraph issued by the other auditor is as reproduced below:

"During the year ended 31st March 2023, the Company has recognised excess goodwill amounting to ₹ 660.70 Crore and corresponding increase in other equity by way of credit to deemed equity contribution from the RHI. After business acquisition, this goodwill has been fully impaired and debited to the statement of profit and loss.

Because of the above reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting with reference to financial statements and whether such internal financial controls were operating effectively as at 31st March, 2023.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company, and the disclaimer has affected our opinion on the financial statements of the Company, and we have issued a Disclaimer of Opinion on the financial statements of the Company."

The above disclaimer of opinion has not impacted our opinion on the internal financial controls with reference to the consolidated financial statements of the Company, as in our view, the accounting for business combination at the acquisition-date (i.e., the date of transfer of control) fair value of the consideration transferred is in accordance with paragraph 37 of Ind AS 103 'Business Combinations' and paragraph 77 of Ind AS 113 'Fair Value Measurement'. Further, the impairment of Goodwill has been recorded in the financial statements of the subsidiary based on an impairment assessment performed in accordance with Ind AS 36 'Impairment of Assets' by the management of the subsidiary as at March 31, 2023. Accordingly, there is no misstatement of the consolidated financial statements. Also refer paragraph 15 of the main audit report.

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

Abhishek Rara
Partner
Membership Number: 077779
UDIN: 23077779BGXZRQ2518

Place: Gurugram
Date: May 30, 2023

Annexure B to Independent Auditors' Report

Referred to in paragraph 16 of the Independent Auditors' Report of even date to the members of RHI Magnesita India Limited (formerly known as Orient Refractories Limited) on the Consolidated Financial Statements as of and for the year ended March 31, 2023.

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.	Dalmia OCL Limited	U26100TN2018PLC125133	Subsidiary	May 30, 2023	(i)(c), (ix)(d), (xvii)
2.	RHI Magnesita Seven Refractories Limited (Formerly known as Dalmia Seven Refractories Limited)	U74999DL2016PLC309327	Subsidiary	May 29, 2023	(i)(b), (ii)(b)
3.	Intermetal Engineers (India) Private Limited	U28920MH1988PTC047421	Subsidiary	May 26, 2023	(vii)(a)

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

Abhishek Rara
Partner
Membership Number: 077779
UDIN: 23077779BGXZRQ2518

Place: Gurugram
Date: May 30, 2023

Consolidated Balance Sheet as at 31 March, 2023

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022
Assets			
Non-current assets			
Property, plant and equipment	3(a)	68,797.13	26,817.71
Right-of-use assets	3(b)	19,591.54	868.53
Capital work-in-progress	3(a)	3,933.93	3,383.55
Goodwill	4	128,350.94	-
Other Intangible assets	4	109,079.86	563.41
Financial assets			
(i) Investments	5(a)	0.97	0.45
(ii) Other financial assets	5(b)	556.12	165.23
Deferred tax assets (net)	6	-	592.96
Other non-current assets	7	3,253.71	1,254.63
Total non-current assets		**333,564.20**	**33,646.47**
Current assets			
Inventories	8	95,619.88	60,804.02
Financial assets			
(i) Trade receivables	5(c)	78,745.08	48,902.07
(ii) Cash and cash equivalents	5(d)	32,241.96	6,221.02
(iii) Bank balances other than (ii) above	5(e)	366.69	1,588.19
(iv) Other financial assets	5(f)	734.48	47.50
Contract assets	5(g)	26,915.93	9,972.02
Other current assets	7	21,063.06	6,243.55
Total current assets		**255,687.08**	**133,778.37**
Total assets		**589,251.28**	**167,424.84**
Equity and liabilities			
Equity			
Equity share capital	9(a)	1,879.96	1,609.96
Other equity	9(b)	287,223.50	101,262.06
Equity attributable to the owners of RHI Magnesita India Limited		**289,103.46**	**102,872.02**
Non Controlling interest	44	8,935.50	-
Total equity		**298,038.96**	**102,872.02**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	10	24,192.82	3,341.94
(ii) Lease liabilities	3(b)	8,628.63	450.67
Provisions	15	281.07	-
Deferred tax liabilities (net)	6	5,126.90	-
Other non-current liabilities	11	158.08	147.16
Total non-current liabilities		**38,387.50**	**3,939.77**
Current liabilities			
Financial liabilities			
(i) Borrowings	10	125,072.71	2,562.33
(ii) Lease liabilities	3(b)	1,036.20	115.68
(iii) Trade payables	12		
(a) Total outstanding dues of micro enterprises and small enterprises		9,457.46	6,167.74
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		77,722.75	46,499.25
(iv) Other financial liabilities	13	30,086.98	1,818.55
Contract liabilities	14	3,146.75	627.90
Provisions	15	1,430.09	291.08
Employee benefit obligations	16	2,863.53	1,267.27
Current tax liabilities	17	-	177.96
Other current liabilities	18	2,008.35	1,085.29
Total current liabilities		**252,824.82**	**60,613.05**
Total liabilities		**291,212.32**	**64,552.82**
Total equity and liabilities		**589,251.28**	**167,424.84**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

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

Abhishek Rara
Partner
Membership Number: 077779

Place : Gurugram
Date: May 30, 2023

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)

Vijaya Gupta
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Consolidated Statement of Profit and Loss for year ended 31 March, 2023

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
Income			
Revenue from operations	19	272,626.65	199,937.33
Other income	20	1,487.62	543.14
Total income		**274,114.27**	**200,480.47**
Expenses			
Cost of raw materials and components consumed	21	103,269.24	71,675.54
Purchases of stock-in-trade (traded goods)	22	71,200.15	59,983.74
Changes in inventories of finished goods, work-in-progress and stock-in-trade (traded goods)	23	(3,776.14)	(12,338.35)
Employee benefits expense	24	20,379.59	12,351.86
Finance costs	25	3,946.74	217.89
Depreciation and amortisation expense	26	7,090.06	3,382.52
Other expenses	27	45,566.37	29,459.05
Total expenses		**247,676.01**	**164,732.25**
Profit before exceptional items and tax		**26,438.26**	**35,748.22**
Exceptional item			
Impairment loss of Goodwill	28	66,068.22	-
(Loss)/Profit before tax		**(39,629.96)**	**35,748.22**
Income tax expense:	29		
- Current tax		7,857.69	9,383.13
- Deferred tax		(1,007.50)	(240.81)
Short/(Excess) provision for tax relating to prior years		85.07	(294.54)
Total tax expense		**6,935.26**	**8,847.78**
(Loss)/Profit for the year		**(46,565.22)**	**26,900.44**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit plans	16	(25.75)	(135.45)
- Income tax relating to the above		6.49	34.09
Other comprehensive (loss) for the year, net of tax		**(19.26)**	**(101.36)**
Total comprehensive (loss)/income for the year		**(46,584.48)**	**26,799.08**
(Loss)/Profit for the year attributable to:			
Owner of the parent		(46,610.54)	26,900.44
Non-Controlling Interest		45.32	-
Other Comprehensive (Loss) for the year attributable to:			
Owner of the parent		(19.44)	(101.36)
Non-Controlling Interest		0.18	-
Total comprehensive (Loss)/Income for the year attributable to:			
Owner of the parent		(46,629.98)	26,799.08
Non-Controlling Interest		45.50	-
Basic (loss)/earnings per equity share (Face value of Re 1 each share)	35	(27.85)	16.71
Diluted (loss)/earnings per equity share (Face value of Re 1 each share)	35	(27.85)	16.71

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

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

Abhishek Rara
Partner
Membership Number: 077779

Place : Gurugram
Date: May 30, 2023

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)

Vijaya Gupta
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

Consolidated Statement of Changes in Equity
for the year ended 31 March, 2023

(All amount in ₹ Lacs, unless otherwise stated)

Equity Share Capital

Particulars	Notes	Amount
As at 1 April, 2021	9(a)	1,201.39
Add: Shares issued during the year as per the scheme of amalgamation of the Company with its erstwhile fellow subsidiaries	9(a)	408.57
Balance as at 31 March, 2022		1,609.96
Add: Shares issued during the year ended 31 March, 2023	41	270.00
Balance as at 31 March, 2023		**1,879.96**

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, 2021	9(b)	6,493.97	8,681.48	1,465.71	62,326.40	78,967.56	-	78,967.56
Profit for the year		-	-	-	26,900.44	26,900.44	-	26,900.44
Other comprehensive income		-	-	-	(101.36)	(101.36)	-	(101.36)
Total comprehensive income for the year		**-**	**-**	**-**	**26,799.08**	**26,799.08**	**-**	**26,799.08**
Transaction with owners in their capacity as owners :								
Dividend paid		-	-	-	(4,024.91)	(4,024.91)	-	(4,024.91)
		-	**-**	**-**	**(4,024.91)**	**(4,024.91)**	**-**	**(4,024.91)**
Transaction costs (stamp duty) on issue of shares, net of tax of ₹.120.93 lacs		-	-	-	(479.67)	(479.67)	-	(479.67)
		-	-	-	(479.67)	(479.67)	-	(479.67)
Balance as at 31 March, 2022		**6,493.97**	**8,681.48**	**1,465.71**	**84,620.90**	**101,262.06**	**-**	**101,262.06**

Consolidated Statement of Changes in Equity
for the year ended 31 March, 2023 (Continued)

(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, 2022	9(b)	**6,493.97**	**8,681.48**	**1,465.71**	**84,620.90**	**101,262.06**	**-**	**101,262.06**
(Loss)/Profit 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 income/(loss) 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	31	-	-	-	(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 on 31 March, 2023		**243,110.30**	**8,681.48**	**1,465.71**	**33,966.01**	**287,223.50**	**8,935.50**	**296,159.00**

The above Consolidated 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 30, 2023

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)

Vijaya Gupta
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, 2023

(All amount in ₹ Lacs, unless otherwise stated)

	Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
A.	**Cash flow from operating activities**			
	(Loss)/Profit before tax		(39,629.96)	35,748.22
	Adjustments for:			
	Depreciation and amortisation expense	26	7,090.06	3,382.52
	Interest income	20	(521.59)	(270.66)
	Allowance/(writeback) for doubtful export incentives receivable (Net)	27	-	(53.27)
	Allowance for doubtful debts - trade receivables (Net)	27	96.03	478.58
	Allowance for doubtful debts - contract assets (Net)	27	(19.07)	-
	Impairment loss of Goodwill	28	66,068.22	-
	Liabilities/ provisions no longer required written back	20	(108.76)	(2.23)
	Bad debts written off (net of recovery)	20	1,020.35	142.00
	Finance costs	25	3,946.74	217.89
	Loss on property, plant and equipment sold / scrapped (Net)	27	45.21	38.11
	Net unrealised foreign exchange (loss)		9.01	24.08
	Impairment (reversal) / loss on capital work-in-progress	27	(81.75)	81.75
	Operating profit before working capital changes		**37,914.49**	**39,786.99**
	Changes in operating assets and liabilities			
	(Increase) / Decrease in inventories		8,772.42	(25,495.29)
	(Increase) / Decrease in trade receivables		9,091.68	(16,654.54)
	(Increase) / Decrease in other current financial assets		(9,281.41)	11.04
	(Increase) in other current assets		(3,442.32)	(1,228.30)
	(Increase) in contract assets		(16,913.78)	(3,841.29)
	(Increase) in other non-current financial assets		(272.76)	(10.67)
	(Increase) in other non-current assets		(60.23)	(88.65)
	Increase / (Decrease) in trade payables		(5,160.16)	17,758.16
	Increase / (Decrease) in other financial liabilities		12,779.72	(136.97)
	Increase in employee benefit obligations		1,523.70	109.16
	Increase in other non current liabilities		10.92	48.12
	Increase in contract liabilities		2,500.22	355.46
	Increase / (Decrease) in other current liabilities		(2,779.69)	554.30
	Increase / (Decrease) in provisions		(1,015.56)	155.68
	Cash generated from operations		**33,667.24**	**11,323.20**
	Income tax paid (Net)		(9,840.83)	(8,597.10)
	Net cash inflow from operating activities (A)		**23,826.41**	**2,726.10**
B.	**Cash flows from investing activities**			
	Investment in National Saving Certificate		(0.52)	-
	Payment for acquisition of business		(112,430.31)	-
	Decrease / (Increase) in other bank balances		1,183.69	(1,110.00)
	Capital expenditure on property, plant and equipment and intangible assets		(4,516.73)	(6,244.82)
	Proceeds from sale of property, plant and equipment and intangible assets		289.71	44.66
	Interest received		475.64	319.19
	Net cash outflow from investing activities (B)		**(114,998.52)**	**(6,990.97)**

Consolidated Statement of Cash Flows for the year ended 31 March, 2023 (Continued)

(All amount in ₹ Lacs, unless otherwise stated)

	Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
C.	**Cash flows from financing activities**			
	Dividend paid on equity shares		(4,024.91)	(4,024.91)
	Proceeds from borrowings		132,438.37	-
	Repayment of current borrowings		(7,131.39)	-
	Principal payment of lease liabilities		(621.92)	(83.94)
	Interest payment of lease liabilities		(229.10)	(33.38)
	Interest paid		(3,238.00)	(285.46)
	Share issuance costs		-	(600.60)
	Net cash inflow/(outflow) from financing activities (C)		**117,193.05**	**(5,028.29)**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)		**26,020.94**	**(9,293.16)**
	Cash and cash equivalents at the beginning of the year		6,221.02	15,514.18
	Cash and cash equivalents at the end of the year		**32,241.96**	**6,221.02**
	Non Cash investing activities			
	- Acquisition of right-of-use-assets		1,250.88	416.92
	- Shares issued under share swap agreement with Dalmia Bharat Refractories Limited		236,844.00	-
	Cash and cash equivalent included in the cash flow statement			
	Balances with banks			
	- in current accounts		8,257.97	5,077.01
	Deposits with original maturity of less than three months		23,980.00	1,140.00
	Cash on hand		3.79	4.01
	Gold coins/ Silver Coins/ Stamps		0.20	-
			32,241.96	**6,221.02**

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 30, 2023

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
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Vijaya Gupta
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 (formerly known as Orient Refractories Limited) ('the Company'), is domiciled and incorporated in India and publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. The registered office of the Company is 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 (Orrisa) 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	Dalmia OCL Limited	100%	05 January, 2023
3	RHI Magnesita Seven Refractories Limited (Formerly known as Dalmia Seven Refractories Limited)	51%	05 January, 2023

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 30 May, 2023.

2. Significant accounting policies

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

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 23 March, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022:

- Ind AS 16, Property, Plant & Equipment - Proceeds before intended use of property, plant and equipment.
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts — Costs of Fulfilling a Contract.
- Ind As 103, Business Combination - Reference to the Conceptual Framework.
- Ind AS 109, Financial Instruments — Fees included in the 10 percent test for derecognition of financial liabilities.

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

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amended certain accounting standards, and are effective 1 April, 2023. The Rules predominantly amended Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the now mandatory treatment.

(v) Principals of consolidation and equity accounting

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 has combined the financial statements for the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Unrealised losses have 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.

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

Notes to Consolidated Financial Statements

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:

(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) Intangible 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 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.

(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.

2.3 Current Versus non-current Classification

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

2.4 Property Plant and Equipment

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

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

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

2.5 Intangible Assets

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

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits

Notes to Consolidated Financial Statements

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 to 20 years

2.6 Leases

As a lessee

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

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

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

For lease liabilities at the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

For short-term and low value leases, the Group 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.

2.7 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

Notes to Consolidated Financial Statements

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.

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.

2.8 Financial Liabilities

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

The Group's financial liabilities includes borrowings, lease liability, 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.

2.9 Offsetting Financial Instruments

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

Notes to Consolidated Financial Statements

2.10 Fair Value Measurement

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

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

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

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

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

2.11 Derivative financial instruments

The Group acquires forward contracts to mitigate the risk arising 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.

2.12 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.

2.13 Income Taxes

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. 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.

2.14 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.

2.15 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.

2.16 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

Notes to Consolidated Financial Statements

estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Consolidated Financial Statements.

2.17 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the 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.

2.18 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.

2.19 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, 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.

2.20 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

Notes to Consolidated Financial Statements

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.

2.21 Employee benefits

Defined benefit plan - Gratuity

The liability recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the 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.

2.22 Equity-settled share option plan (LTIP)

RHI Magnesita N.V. (the 'Ultimate Holding Company') has implemented a share option plan for the members of senior management of the RHI Magnesita Group.

The LTIP is treated as an equity-settled share option plan as the 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.

2.23 Foreign currency translation

(i) Functional and presentation currency

Items included in the Consolidated Financial Statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The Group's operations are primarily in India. The Consolidated Financial Statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the 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.

2.24 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Notes to Consolidated Financial Statements

Other borrowing costs are expensed in the period in which they are incurred.

2.25 Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.26 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.27 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.

2.28 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.29 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.

2.30 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.

Notes to Consolidated Financial Statements (Continued)

(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, 2021	4,080.47	5,560.58	20,627.27	117.84	487.98	724.85	31,598.99	4,625.70
Additions	-	679.23	5,556.50	78.61	176.46	186.51	6,677.31	5,814.67
Disposals	-	-	(122.43)	(3.31)	(11.75)	(79.54)	(217.03)	(6,975.07)
Balance as at 31 March, 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 40 & 41)	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**
Accumulated depreciation and impairment								
Balance as at 1 April, 2021	-	729.59	6,916.77	43.47	263.01	259.53	8,212.37	-
Charge for the year	-	289.76	2,672.30	30.26	84.95	87.82	3,165.09	-
Depreciation on assets disposed off during the year	-	-	(74.21)	(2.94)	(11.16)	(47.59)	(135.90)	-
Impairment loss	-	-	-	-	-	-	-	81.75
Accumulated depreciation and impairment as at 31 March, 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)	(239.89)	-
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**	**-**
Carrying amount								
Balance as at 31 March, 2022	**4,080.47**	**5,220.46**	**16,546.48**	**122.35**	**315.89**	**532.06**	**26,817.71**	**3,383.55**
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**

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, 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
Total	**2,557.25**	**1,284.28**	**-**	**92.40**	**3,933.93**

As at 31 March, 2022

	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	1,952.09	1,409.37	22.09	-	3,383.55
(ii) Projects temporarily suspended	-	-	-	81.75	81.75
Less: Impairment loss	-	-	-	(81.75)	(81.75)
Total	**1,952.09**	**1,409.37**	**22.09**	**-**	**3,383.55**

(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, 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**

As at 31 March, 2022

	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	22.09	-	-	-	22.09
Project B - Blast Oxygen Furnace Management	61.99	-	-	-	61.99
(ii) Projects temporarily suspended					
Project A - Purging Management	-	-	-	15.13	15.13
Project B - Slide Gate Management	-	-	-	66.62	66.62
Less: Impairment loss				(81.75)	(81.75)
Total	**84.08**	**-**	**-**	**-**	**84.08**

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.

		Notes	As at 31 March, 2023	As at 31 March, 2022
(i)	**Amount recognised in balance sheet**			
	Right-of-use assets			
	Land		18,583.06	329.67
	Buildings		1,008.48	538.86
	Total		**19,591.54**	**868.53**
	Lease Liabilities			
	Current		1,036.20	115.68
	Non-Current		8,628.63	450.67
	Total		**9,664.83**	**566.35**

Addition to the right-of-use assets during the year were ₹ 731.87 lacs (31 March, 2022: 416.92 lacs)

Addition on account of acquisition through business combination in right-of-use of assets of ₹ 18,638.68 lacs (Refer note 40 & 41).

Addition on account of acquisition through business combination in lease liabilities of ₹ 8,783.70 lacs (Refer note 40 & 41).

(ii) Amounts recognised in the statement of profit and loss

	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest expense (included in finance costs)	25	229.10	33.38
Depreciation charge of right-of-use assets	26	317.36	109.90
Expense relating to short-term leases (included in other expenses)	27	370.62	252.22

The total cash outflow for leases for the year was ₹ 851.02 lacs (31 March, 2022 was ₹ 117.32 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: Intangible assets

Particulars	Software	Customer relationships	Mining rights*	Total	Goodwill
Balance as at 1 April, 2021	**477.35**	**-**	**-**	**477.35**	**-**
Additions	306.57	-	-	306.57	-
Disposal	(88.91)	-	-	(88.91)	-
Balance as at 31 March, 2022	**695.01**	**-**	**-**	**695.01**	**-**
Additions on account of acquisition through business combination (Refer Note 40 & 41)	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**
Accumulated amortisation					
Opening 1 April, 2021	**111.34**	**-**	**-**	**111.34**	**-**
Charge for the year	107.53	-	-	107.53	-
Amortisation on assets disposed off during the year	(87.27)	-	-	(87.27)	-
Balance as at 31 March, 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
Accumulated amortisation as at 31 March, 2023	**321.16**	**1,665.22**	**10.73**	**1,997.11**	**66,068.22**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	Software	Customer relationships	Mining rights*	Total	Goodwill
Net Carrying amount					
Balance as at 31 March, 2022	**563.41**	**-**	**-**	**563.41**	**-**
Balance as at 31 March, 2023	**1,257.72**	**107,563.11**	**259.03**	**109,079.86**	**128,350.94**

*Refer Note 15

Note 5(a): Non-current investments

Particulars	As at 31 March, 2023	As at 31 March, 2022
Investments in government securities (unquoted) - At amortised cost		
National Savings Certificates*	0.97	0.45
*The National Saving Certificates have been given to the sales tax department, as security		
Total	**0.97**	**0.45**
Aggregate amount of unquoted investments	**0.97**	**0.45**

Note 5(b): Other non-current financial assets- unsecured, considered good

Security deposits	142.66	138.83
Bank deposits with more than 12 months maturity*	393.77	-
Others	19.69	26.40
*Margin money against bank guarantee		
Total	**556.12**	**165.23**

Note 5(c): Trade receivables*

Trade Receivables	81,221.90	44,402.26
Receivables from related parties (refer note 36)	2,421.03	5,270.03
Less: Allowance for doubtful debts	(4,897.85)	(770.22)
Total	**78,745.08**	**48,902.07**
Break-up of security details		
Secured- considered good	-	-
Unsecured:		
Considered good	78,745.08	48,902.07
Considered doubtful	4,897.85	770.22
Total Gross receivables	**83,642.93**	**49,672.29**
Less: Allowance for doubtful debts	(4,897.85)	(770.22)
Total	78,745.08	48,902.07

*Includes foreign currency receivables amounting to ₹ 465.19 lacs as at 31 March, 2023 (31 March, 2022: ₹ 547.83 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.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Aging of trade receivables

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	46,356.98	29,577.18	1,841.27	960.16	9.49	-	78,745.08
Considered doubtful	-	2,802.49	310.19	1,034.43	266.75	81.30	4,495.16
Disputed trade receivables							
Considered doubtful	-	-	-	-	9.19	393.50	402.69
	46,356.98	**32,379.67**	**2,151.46**	**1,994.59**	**285.43**	**474.80**	**83,642.93**
Less: Allowance for doubtful debts	-	(2,802.49)	(310.19)	(1,034.43)	(275.94)	(474.80)	(4,897.85)
Total	**46,356.98**	**29,577.18**	**1,841.27**	**960.16**	**9.49**	**-**	**78,745.08**

Aging of trade receivables

As at 31 March, 2022

	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	34,228.17	14,479.62	102.93	76.63	7.28	7.44	48,902.07
Considered doubtful	-	0.58	500.61	122.15	1.77	55.58	680.69
Disputed trade receivables							
Considered doubtful	-	-	-	-	17.12	72.41	89.53
	34,228.17	**14,480.20**	**603.54**	**198.78**	**26.17**	**135.43**	**49,672.29**
Less: Allowance for doubtful debts	-	(0.58)	(500.61)	(122.15)	(18.89)	(127.99)	(770.22)
Total	**34,228.17**	**14,479.62**	**102.93**	**76.63**	**7.28**	**7.44**	**48,902.07**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Note 5(d): Cash and cash equivalents		
Balances with banks		
- in current accounts	8,257.97	5,077.01
Deposits with original maturity of less than three months	23,980.00	1,140.00
Cash on hand	3.79	4.01
Gold coins/ Silver Coins/ Stamps	0.20	-
Total	**32,241.96**	**6,221.02**
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	290.38	328.19
Fixed deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months *	64.64	1,260.00
Margin money with bank **	11.67	-
Total	**366.69**	**1,588.19**

* In previous year held as a lien by bank against sanction limit

** Includes deposits pledged with banks for the purpose of bank guarantee

RHI MAGNESITA

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Note 5(f): Other current financial assets		
Interest accrued on deposits	75.31	29.36
Loans and advances to employees	78.80	18.14
Security deposits	12.90	-
Others*	567.47	-
Total	**734.48**	**47.50**
*Includes unrealised fair value gain amounting to ₹ 567.47 lacs of derivatives.		
Note 5(g): Contract assets		
Contract assets	26,923.29	9,972.02
Less: Loss allowance	(7.36)	-
Total	**26,915.93**	**9,972.02**

Note 6: Deferred tax assets / (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, 2021	**-**	**(392.50)**	**255.68**	**37.62**	**-**	**86.69**	**209.64**	**197.13**
(Charged)/ Credited								
- to statement of profit and loss	-	(24.69)	27.80	120.45	-	144.02	(26.77)	240.81
- to retained earnings	-	-	-	-	120.93	-	-	120.93
- to other comprehensive income	-	-	34.09	-	-	-	-	34.09
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 & 41)	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
As at 31 March, 2023	**2,519.85**	**(10,056.19)**	**990.12**	**179.83**	**98.26**	**233.62**	**907.61**	**(5,126.90)**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 7: Other Assets

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good unless otherwise stated		
Non-current		
Capital Advances	506.29	561.91
Security deposits	710.83	390.16
Advances to income tax {(Net of provision of ₹ 44,537.39 lacs (31 March, 2022 ₹ 102.03 lacs)}	1,771.86	25.12
Balances with Government Authorities {includes amounts paid under protest ₹ 38.16 lacs (31 March, 2022 ₹ 39.59 lacs)}	216.37	241.37
Prepaid expenses	48.36	36.07
Total	**3,253.71**	**1,254.63**
Current		
Prepaid expenses	8,966.69	332.03
Deferred share issue expenses*	2,269.02	-
Goods and Services tax input credit recoverable	7,046.39	4,390.76
Balance with statutory authorities	180.36	-
Advances to creditors	**1,749.37**	**1,183.30**
Export incentives receivable (government grant)		
- Considered good	845.99	335.42
- Considered doubtful	9.77	9.77
	855.76	345.19
Less: Allowance for doubtful export incentives receivable	**(9.77)**	**(9.77)**
	845.99	**335.42**
Others	5.24	2.04
Total	**21,063.06**	**6,243.55**

*The Group has incurred expenses towards Qualified Institutional Placement (QIP) of equity shares and the qualifying expenses attributable to the offering of equity shares have been recognised as other current assets. The amount would be charged off to securities premium account after issuance of the equity shares (refer note 46).

Note 8: Inventories

Raw materials {including goods in transit of ₹ 980.83 lacs (31 March, 2022 ₹ 887.86 lacs)}	35,303.11	20,398.32
Work-in-progress	7,079.02	4,041.84
Finished goods	22,911.73	12,722.26
Traded goods {including goods in transit of ₹ 7,786.79 lacs (31 March, 2022 ₹ 7,674.46 lacs)}	24,211.61	21,242.55
Stores and spares	6,114.41	2,399.05
Total	**95,619.88**	**60,804.02**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 9(a): Equity share capital

Particulars		Number of Shares	Amount
	Authorised		
	308,000,000 equity shares (31 March, 2022 – 308,000,000) of ₹ 1 each	308,000,000	3,080.00
	Issued, subscribed and fully paid up share capital		
	187,996,331 equity shares (31 March, 2022 – 160,996,331) of ₹ 1 each	187,996,331	1,879.96
(i)	**Movement in equity share capital**		
	Authorised		
	Particulars	**Number of shares**	**Amount**
	Balance as at 1 April, 2021	120,500,000	1,205.00
	Increase during the year*	187,500,000	1,875.00
	Balance as at 31 March, 2022	**308,000,000**	**3,080.00**
	Change during the year	-	-
	Balance as at 31 March, 2023	**308,000,000**	**3,080.00**
	Issued, subscribed and fully paid up share capital		
	Balance as at 1 April, 2021	120,139,200	1,201.39
	Add: Shares issued during the year as per the scheme of amalgamation of the Company with its erstwhile fellow subsidiaries*	40,857,131	408.57
	Balance as at 31 March, 2022	**160,996,331**	**1,609.96**
	Balance as at 1 April, 2022	160,996,331	1,609.96
	Add: Shares issued during the year ended 31 March 2023 (refer note 41)	27,000,000	270.00
	Balance as at 31 March, 2023	**187,996,331**	**1,879.96**

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.

*The National Company Law Tribunal, Mumbai ('NCLT') vide its order dated 5 May, 2021 approved and sanctioned the scheme of amalgamation (the 'Scheme') of the Company with its fellow subsidiaries i.e. RHI India Private Limited ('RHI India') and RHI Clasil Private Limited ('RHI Clasil') (hereinafter referred as 'erstwhile fellow subsidiaries') with an appointed date of 31 July, 2018.

During the year ended 31 March, 2022, the Company has issued and allotted 408,57,131 equity shares to the shareholders of its erstwhile fellow subsidiaries and pursuant to the Scheme becoming effective, in accordance with clause 3.2 of the Scheme, the authorised share capital of the Company have increased from ₹ 1,205 lacs to ₹ 3,080 lacs.

(ii) Shares of the Company held by the intermediate holding company through its subsidiaries

		Number of equity shares	
		As at 31 March, 2023	**As at 31 March, 2022**
	Subsidiaries of intermediate holding company		
	Dutch US Holding B.V., Netherlands	79,877,771	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**		
	Dutch US Holding B.V., Netherlands	79,877,771	79,877,771
	Dalmia Bharat Refractories Limited (refer note 41)	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	42.49%	49.61%
	Dalmia Bharat Refractories Limited (refer note 41)	14.36%	-
	Dutch Brasil Holding B.V., Netherlands	10.97%	12.81%
	VRD Americas B.V., Netherlands	6.65%	7.77%

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

		Number of equity shares	
		As at 31 March, 2023	As at 31 March, 2022
(iv)	**Aggregate number of shares issued for consideration other than cash**		
	Shares issued under share swap agreement with Dalmia Bharat Refractories Limited (refer note 41)	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

(v) Details of shareholding of promoters

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%)

As at 31 March, 2022

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	49.61%	(16.88%)
Dutch Brasil Holding B.V., Netherlands	-	20,620,887	20,620,887	12.81%	12.81%
VRD Americas B.V., Netherlands	-	12,503,807	12,503,807	7.77%	7.77%

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.

Note 9(b): Other equity

Securities premium		243,110.30	6,493.97
General reserve		8,681.48	8,681.48
Capital reserve		1,465.71	1,465.71
Retained earnings		33,966.01	84,620.90
	Total	**287,223.50**	**101,262.06**
(i)	**Securities Premium**		
	Opening balance	6,493.97	6,493.97
	Add: Securities Premium on issue of shares (refer note 41)	236,616.33	-
	Closing balance	**243,110.30**	**6,493.97**
(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	84,620.90	62,326.40
	Net (loss)/profit for the year	(46,610.54)	26,900.44
	Remeasurements of post employment benefit obligation, net of tax	(19.44)	(101.36)
	Transaction costs (stamp duty) on issue of shares, net of tax of ₹ 120.93 lacs	-	(479.67)
	Dividend paid	(4,024.91)	(4,024.91)
	Closing balance	**33,966.01**	**84,620.90**

Notes to Consolidated 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.

Capital Reserve

Capital reserve is the difference between the consideration and the Share Capital of the erstwhile fellow subsidiaries on 01 April, 2019 is ₹ 1,465.71 lacs.

Retained earnings

Retained earnings represents accumulated profits of the Group. It can be utilised in accordance with the provisions of the Companies Act, 2013.

Note 10: Borrowings

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non Current		
Unsecured - Term Loans		
External Commercial Borrowings (including accrued interest of ₹ 69.45 lacs (31 March, 2022 - Nil))	23,322.86	3,341.94
Term Loan from Bank*	869.96	-
Total	**24,192.82**	**3,341.94**
Current - Unsecured		
Current maturities of External Commercial Borrowings (including accrued interest of ₹ 64.92 lacs (31 March, 2022 - ₹ 24.15 lacs))	6,280.74	2,562.33
Current Maturity of Term Loan from Bank (including accrued interest of ₹ 9.76 lacs (31 March, 2022 - Nil)*	449.76	-
Working Capital loan from bank***	10,000.00	-
Borrowings- Buyers Credit****	837.36	-
Borrowings- Cash Credit****	4,630.55	-
Short Term loan from Bank*****	48,500.00	-
Loan from Bank (including accrued interest of ₹ 12.92 lacs (31 March, 2022 - Nil))**	54,374.30	-
Total	**125,072.71**	**2,562.33**

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 now has been extended to 31 December 2023 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 is originally repayable in single installment of EUR 3,950,000 as on 31 December 2023.

External Commercial Borrowings - Non Current: External commercial borrowing of EUR 26,000,000 is taken from the RHI Magnesita GMBH during the current financial year 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 ₹ 1,319.72 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.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

** **Loan from bank:** During the 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 is T-bill (1 month) and Margin is 2%, which will further increase by 25 basis points every three months. The loan is repayable after 12 months from first utilisation date and partial repayment is also allowed. The Company has partially repaid the loan amounting to ₹ 7,000 lacs on 26 February, 2023.

"***Working capital loan** of ₹ 10,000 lacs is taken during the current financial year from bank.The loan carries interest in the rangeof 8.5% p.a. to 9.3 % p.a.

****Cash credit and Buyers credit** amounting to ₹ 4,630.55 lacs and ₹ 837.36 lacs respectively are secured by hypothecation of all current assets and 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.

*****Short term loan of ₹ 48,500 lacs** is taken during the current financial year from bank for working capital purposes which is guaranteed by RHI Magnesita N.V. (Ultimate holding company). The loan carries interest at applicable One Month T-Bill rate plus Margin (range of 8% p.a. to 9 % p.a). It is repayable in single instalment in 12 months.

Net debt reconciliation

Particulars	As at 31 March, 2023	As at 31 March, 2022
Cash and cash equivalents	32,241.96	6,221.02
Non-current borrowings	(24,192.82)	(3,341.94)
Current borrowings	(125,072.71)	(2,562.33)
Lease liabilities	(9,664.83)	(566.35)
Net debt	**(126,688.40)**	**(249.60)**

Note 11: Other non-current liabilities

Deposit from employees	158.08	147.16
Total	**158.08**	**147.16**

Note 12: Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note 38)	9,457.46	6,167.74
Total outstanding dues of creditors other than micro enterprises and small enterprises	77,722.75	46,499.25
Total	**87,180.21**	**52,666.99**

*Includes foreign currency trade payables amounting to ₹ 14,404.18 lacs as at 31 March, 2023 (31 March, 2022: ₹ 8,314.54 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, 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	8,497.82	944.56	6.66	7.59	0.83	9,457.46
Others	43,860.07	31,770.50	1,274.45	563.84	253.89	77,722.75
Total	**52,357.89**	**32,715.06**	**1,281.11**	**571.43**	**254.72**	**87,180.21**

As at 31 March, 2022

Undisputed trade payables						
Micro enterprises and small enterprises	4,635.35	1,519.54	11.78	1.07	-	6,167.74
Others	17,590.43	28,133.38	633.97	111.17	30.30	46,499.25
Total	**22,225.78**	**29,652.92**	**645.75**	**112.24**	**30.30**	**52,666.99**

* Includes Unbilled

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 13: Other current financial liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unpaid dividend	290.38	328.19
Employee benefits payable	3,409.97	1,364.93
Payables on purchase of property, plant and equipment (Includes ₹ 3.08 lacs outstanding towards principal and interest provision on dues of micro enterprises and small enterprises as per MSMED ACT 2006)	935.49	125.43
Payable towards business acquisition (Refer Note 40 and 41)	23,610.64	-
Others	1,840.50	-
Total	**30,086.98**	**1,818.55**

Note 14: Contract Liabilities

Advances from customers	3,146.75	627.90
Total	**3,146.75**	**627.90**

Note 15: Provisions

Non - Current		
Provision against asset retirement obligation	281.07	-
Total	**281.07**	**-**

Movement in provision against asset retirement obligation is set out below:-		
Opening Balance	-	-
Additions on account of acquisition through business combination (Refer Note 41)	273.60	-
Unwinding of discount	7.47	-
Closing Balance	**281.07**	**-**
Current		
Provision for unspent corporate social responsibility expenditure as at year end (refer Note 27(b))*	233.55	291.08
Provision for warranty**	1,196.54	-
Total	**1,430.09**	**291.08**
***Movement in provision for unspent corporate social responsibility is set out below:-**		
Balance as at beginning of the year	291.08	135.40
Add: Expense recognised in Statement of Profit and Loss during the year (refer Note 27)	488.71	391.52
Less: Amount spent during the year	546.24	235.84
Balance as at end of the year	**233.55**	**291.08**
****Movement in provision for warranty is set out below:-**		
Balance as at beginning of the year	-	-
Add: Addition on account of acquisition through business combination (Refer note 41)	1,137.03	-
Add: Expense recognised in Statement of Profit and Loss during the year (refer Note 27)	156.88	-
Less: Warranty claims during the year	97.37	-
Balance as at end of the year	**1,196.54**	**-**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 16: Employee benefit obligations

Employee benefit obligations		As at 31 March, 2023	As at 31 March, 2022
		Current	
(i)	Leave obligations	1,353.70	929.72
(ii)	Gratuity	1,509.83	337.55
	Total	**2,863.53**	**1,267.27**

(i) Leave obligations

The leave obligation cover the Group's liability for earned leave and sick leave.

The entire amount of provision of ₹ 1,353.70 Lacs (31 March, 2022 - ₹ 929.72 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.

Leave obligation not expected to be settled within the next 12 months	**1,265.27**	**860.27**

(ii) Post employment benefits

(a) Defined Contribution Plan:

The Group has certain defined contribution plans including provident fund. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards contribution to provident and other fund is:

	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to provident and other funds:		
Contribution to Employee state insurance	32.95	6.92
Contribution to Provident fund	681.05	443.55
Contribution to National pension scheme	55.38	47.37
	769.38	**497.84**

(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 March 31, 2023	As at March 31, 2022
RHI Magnesita India Employees Group Gratuity Trust through Kotak Gratuity Group Plan	RHI Magnesita India Limited	1,651.82	1,396.03
Group gratuity plan with Life Insurance Corporation of India	RHI Magnesita India Limited	49.11	52.54
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	239.05	247.21
HCPL Employees Group Gratuity Scheme with SBI Life Insurance Company	RHI Magnesita India Limited	270.93	-
Gratuity Fund Trust with an insurance company in the form of a qualifying insurance policy.	Dalmia OCL Limited	670.71	-
Managed by Intermetal Engineers (India) Private Limited Employee Group Gratuity Scheme through LIC Gratuity Group Plan	Intermetal Engineers (India) Private Limited	16.74	9.99
Total		**2,898.36**	**1,705.77**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
		Gratuity - Funded	
(A)	**Changes in Defined Benefit Obligation**		
	Defined benefit obligation as at the beginning of the year	2,043.32	1,731.41
	Acquisition adjustment	1,893.53	-
	Current service cost	274.53	174.41
	Interest cost	182.43	87.71
	Past Service Cost including curtailment gains/losses	211.30	-
	Benefit paid	(149.26)	(63.33)
	Actuarial loss/(gain) on obligation	(59.61)	113.12
	Defined Benefit Obligation at end of year	**4,396.24**	**2,043.32**
	Change in fair value of plan assets		
	Fair value of plan assets at beginning of the year	1,705.77	1,438.89
	Acquisition adjustment	939.49	-
	Expected return on plan assets	139.03	80.04
	Employer contribution	310.20	257.42
	Benefit payments from plan assets	(122.72)	(48.25)
	Actuarial loss on plan assets	(85.36)	(22.33)
	Fair value of plan assets at end of year	**2,886.41**	**1,705.77**
	Net defined benefit (asset)/liability		
	Present value of obligation at the end of the year	4,396.24	2,043.32
	Fair value of plan assets at the end of the year	2,886.41	1,705.77
	Unfunded liability/provision in Balance Sheet	**1,509.83**	**337.55**
	Total expense recognised in the statement of profit and loss		
	Current service cost (including Past Service Cost and curtailment Gains)	485.83	174.41
	Interest cost on defined benefit obligation	182.43	87.71
	Interest income on plan assets	(139.03)	(80.04)
	Total Expense recognised under employee benefits expense (refer note 24)	**529.23**	**182.08**
	Total expense recognised in OCI		
	Actuarial (Gain) on defined benefit obligation arising from change in financial assumption	(30.21)	(94.20)
	Actuarial (Gain) / loss on defined benefit obligation arising from experience adjustment	(29.40)	207.32
	Actuarial loss of plan assets	85.36	22.33
	Unrecognised actuarial loss at the end of year	**25.75**	**135.45**

(B)	**Actuarial Assumptions:**		
	i) Discounting Rate	7.38%	7.22%
	ii) Future Salary Increase	4.5% to 8%	4.5% to 8%
	iii) Retirement Age (Years)	58 to 60	58 to 60
	iv) Ages	Withdrawal Rate %	
	Up to 30 Years	3% to 5%	3% to 5%
	From 31 to 44 years	2% to 5%	2% to 5%
	Above 44 years	1% to 5%	1% to 5%

Assumptions regarding future mortality rate for gratuity is based on actuarial advice in accordance with published statistics and experience.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(C) Expected contribution for the next 12 months

		As at March 31, 2023	As at March 31, 2022
i)	Service cost	475.59	203.51
ii)	Net Interest cost	109.82	24.04
iii)	Expected contribution for the next 12 months	**585.41**	**227.55**

(D) The weighted average duration of the defined benefit obligation is 16.03 years (31 March 2022 — 14.19 years). The expected maturity analysis of undiscounted gratuity benefit is as follows:

Maturity profile of Defined Benefit Obligation

Years :			
i)	0 to 1 Year	293.73	149.17
ii)	1 to 2 Year	301.94	87.70
iii)	2 to 3 Year	386.16	149.55
iv)	3 to 4 Year	386.49	250.05
v)	4 to 5 Year	330.16	167.34
vi)	5 to 6 Year	322.73	193.99
vii)	6 Year onwards	6,502.83	2,786.14
	Total	**8,524.04**	**3,783.94**

(E) Sensitivity analysis on defined benefit obligation

Discount rate			
a.	Discount rate - 0.5% to 1% - the liability to increase by	203.11	91.55
b.	Discount rate + 0.5% to 1% - the liability to decrease by	(188.21)	(85.32)
Salary increase rate			
a.	Rate - 0.5% to 1% - the liability to decrease by	(184.43)	(82.05)
b.	Rate + 0.5% to 1% - the liability to increase by	195.94	86.18

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 repotting period) has been applied as when calculating the Defined benefit recognised in the balance sheet. The methods and types of assumptions used in preparation, the sensitivity analysis did not change compared to the prior period.

(F) Risk Exposures:

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Salary Increases: Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment Risk: If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

(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.

Note 17: Current tax liabilities

Provision for income tax - Nil (Net of Advance to Income Tax of ₹ 36,314.64 lacs as at 31 March, 2022)	-	177.96
Total	**-**	**177.96**

Note 18: Other current liabilities

Statutory dues (Contribution to Provident Fund and Employee State Insurance, Goods and Services Tax etc)	1,603.77	1,073.35
Deposits from employees	22.57	11.94
Security deposits	380.25	-
Other payables	1.76	-
Total	**2,008.35**	**1,085.29**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 19: Revenue from operations (refer note 39)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue from contracts with customers		
– Sales of products		
(i) Finished goods	119,908.20	74,785.08
(ii) Traded goods	30,401.64	29,157.18
– Total Refractories Management Services	113,420.14	90,605.30
– Sale of services	5,246.51	2,338.28
	268,976.49	**196,885.84**
Other operating revenues	3,650.16	3,051.49
	272,626.65	**199,937.33**

Note 20: Other income

Interest income on financial assets on amortised cost:		
– on bank deposits	377.71	166.55
– on others	143.88	104.11
Liabilities / provisions no longer required written back	108.76	2.23
Bad debts recovered	-	1.56
Insurance income	380.55	-
Miscellaneous income	476.72	268.69
Total	**1,487.62**	**543.14**

Note 21: Cost of raw materials and components consumed

Opening stock	20,398.32	7,989.11
Additions on account of acquisition through business combination (Refer Note 40 & 41)	27,936.26	-
Add: Purchases	90,237.77	84,084.75
	138,572.35	92,073.86
Less: Closing stock	35,303.11	20,398.32
Total	**103,269.24**	**71,675.54**

Note 22: Purchases of stock-in-trade (traded goods)

Purchases of stock-in-trade (traded goods)	71,200.15	59,983.74
Total	**71,200.15**	**59,983.74**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 23: Change in inventories of finished goods, work in-progress and traded goods

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Inventories at the end of the year		
Work in progress	7,079.02	4,041.84
Finished goods	22,911.73	12,722.26
Traded goods	24,211.61	21,242.55
	54,202.36	**38,006.65**
Inventories at the beginning of the year		
Work in progress	4,041.84	2,508.20
Additions on account of acquisition through business combination (Refer Note 40 & 41)	4,531.70	-
Finished goods	12,722.26	7,087.22
Additions on account of acquisition through business combination (Refer Note 40 & 41)	7,636.23	-
Traded goods	21,242.55	16,093.93
Additions on account of acquisition through business combination (Refer Note 40 & 41)	251.64	-
	50,426.22	**25,689.35**
Less: Own production consumed for construction of Kiln capitalised	**-**	**(21.05)**
Total	**(3,776.14)**	**(12,338.35)**

Note 24: Employee benefits expense

Salaries, wages and bonus	18,042.04	10,990.36
Contribution to provident fund & others (refer note 16)	769.38	497.84
Gratuity (refer note 16)	529.23	182.08
Leave obligation	353.30	219.88
Staff welfare expenses	685.64	461.70
Total	**20,379.59**	**12,351.86**

Note 25: Finance costs

Interest expense:		
- on external commercial borrowings	238.89	102.78
- on term loan from Bank	1,212.56	-
- on bank overdraft	-	14.66
- on bank loan	1,233.66	-
- on cash credit, buyer credit & working capital loan	274.61	-
- on bills discounting	228.92	166.50
- unwinding discount	6.75	-
- net exchange differences on foreign currency borrowings	479.64	(100.95)
- on others	24.25	-
Interest expenses on lease liabilities	229.10	33.38
Others	18.36	1.52
Total	**3,946.74**	**217.89**

Note 26: Depreciation and amortisation expense

Depreciation on property, plant and equipment	4,907.19	3,165.09
Depreciation charge of right-of-use assets	317.36	109.90
Amortisation of intangible assets	1,865.51	107.53
Total	**7,090.06**	**3,382.52**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 27: Other expenses

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Consumption of stores and spare parts	3,796.26	2,979.42
Consumption of packing materials	3,728.69	2,785.70
Power and fuel	8,413.48	5,056.51
Processing charges	7,567.07	5,634.82
Rent (Refer note 3(b) & 34(b))	370.62	252.22
Repairs and maintenance		
– Plant and machinery	993.78	511.34
– Buildings	34.54	33.82
– Others	180.59	155.93
Insurance	580.35	333.41
Rates and taxes	3,311.93	874.73
Communication costs	164.72	136.69
Travelling and conveyance	1,346.60	508.36
Printing and stationery	45.09	26.61
Freight and forwarding	4,511.76	4,924.67
Advertising and other expenses	254.00	29.21
Expenditure on corporate social responsibility (refer note 27(b))	488.71	391.52
Legal and professional fees (refer note 27(a))	2,101.28	1,694.66
Royalty	2,957.05	817.83
Directors sitting fees	35.00	21.25
Warranty expenses	156.88	-
Bad debts written off	1,020.35	143.56
Allowance for doubtful debts - trade receivables (Net)	96.03	478.58
Allowance for doubtful debts - contract assets (Net)	7.36	-
Allowance/(writeback) for doubtful export incentives receivable (Net)	-	(53.27)
Net foreign exchange differences	1,803.31	497.54
Loss on property, plant and equipment sold / scrapped (Net)	45.21	38.11
Bank charges	70.17	108.32
Impairment (reversal) / loss on capital work-in-progress	(81.75)	81.75
Information & technology expenses	1,081.60	888.15
Miscellaneous expenses	485.69	107.61
Total	**45,566.37**	**29,459.05**

Note 27 (a): Legal & professional include Payment to Auditors as under

Payment to auditor (excluding GST) comprise*		
a) To statutory auditor		
– for audit	205.82	112.92
– for limited review	28.19	26.38
– for certificate	1.25	-
– reimbursement of expenses	8.03	6.69
– for other matters	0.71	-
b) To cost auditor for cost audit	0.75	0.75
Total	**244.75**	**146.74**

*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 & 46)

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 27 (b): Expenditure on Corporate Social Responsibility (CSR)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a) Gross amount required to be spent by the Group during the year	488.71	391.52
b) Cumulative provision for unspent expenditure at the beginning of the year (refer note 15)	291.08	135.40
c) Amount spent during the year on:		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	546.24	235.84
d) Provision for unspent expenditure for the year	233.55	187.68
e) Cumulative provision for unspent expenditure as at year end (refer note 15)	233.55	291.08

Reason for shortfall in the current year

Out of unspent amount of ₹ 233.55 lacs, the reasons are as follows:

a) ₹ 199.45 lacs is towards ongoing project i.e. construction of road and building for public utility. Construction was started in the month of February 2023, it is a time consuming activity and hence could not be completed by 31 March, 2023. The same will be completed by December 2023. The amount has been transferred to the unspent CSR account on 27 April, 23 and will be spent in accordance with the provisions of Section 135 of Companies Act, 2013 and the rules made thereunder.

b) ₹ 34.10 lacs is due to delay in identifying a project within stipulated time period and has been deposited 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..

Per sub-section (5) of Section 135 of the Act, the Company is 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 has been deposited before the date of approval of these Consolidated Financial Statements 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	Amount to be spent in accordance with section 135(5)	Amount remaining unspent as at the year-end to be transferred to fund under Schedule VII	Amount transferred to fund for ongoing projects within 1 month from end of financial year	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)	Amount transferred to Fund under Schedule VII, after 6 months from end of financial year (till the approval of these Consolidated Financial Statements)	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
(a)	(b)	(c)	(d)	(e)	(f)	(g)
2021-22	391.52	187.68	-	-	-	187.68*
2022-23	488.71	34.10	199.45	34.10	-	-

* The funds have been transferred under Schedule VII on 23 June, 2022 and 12 July, 2022 amounting to ₹ 100 lacs and 87.68 lacs respectively.

Note 28: Impairment loss of goodwill

Impairment loss of goodwill	66,068.22	-
Total	**66,068.22**	**-**

The group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired. The company including its plants at all locations, has been identified 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 entity level as the single CGU.

The management is of the view that 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 19th November 2022, and has resulted in a significant notional increase in the amount of goodwill. Accordingly, based on the conservative view and on comparison

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(All amount in ₹ Lacs, unless otherwise stated)

of the recoverable amount of CGU with the carrying value as on March 31, 2023, the Company 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.

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 six-year period. Cash flows beyond the six-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	Percentage	Approach used to determine values
Discount rate (Weighted average cost of capital)	13.50%	The Discount rate (Weighted average cost of capital) of the 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)	5.00%	Growth rate over the six-year forecast period; based on past performance and management's expectations of market development.

Note 29: Income tax expense

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Income Tax Expense		
Current tax		
Current tax on profits for the year	7,857.69	9,383.13
Adjustments for current tax of prior periods	85.07	(294.54)
Total current tax expense	**7,942.76**	**9,088.59**
Deferred tax		
Deferred tax expense/(benefit)	(1,007.50)	(240.81)
Total deferred tax expense	**(1,007.50)**	**(240.81)**
Total Income Tax Expense	**6,935.26**	**8,847.78**
Reconciliation of tax expense and accounting profit multiplied by tax rate		
(Loss)/Profit before income tax expense	(39,629.96)	35,748.22
Tax at the rate of 25.168% (Previous year : 25.168%)	(9,974.06)	8,997.11
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustments for current tax of prior periods	85.07	(294.54)
Impairment loss of goodwill	16,628.05	-
Corporate social responsibility expenditure	123.00	98.54
Penalty with respect to Corporate social responsibility expenditure	25.17	-
Others	48.03	46.67
Income Tax Expense	**6,935.26**	**8,847.78**
Amount recognised direct in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited / (credited) to equity:		
Deferred Tax ((refer note 9(b))	-	120.93

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(All amount in ₹ Lacs, unless otherwise stated)

Note 30: Fair value measurement

Financial Instruments by category

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Non-current				
Investments	-	0.97	-	0.45
Security deposits	-	142.66	-	138.83
Other financial assets	-	413.46	-	26.40
Current				
Trade receivables	-	78,745.08	-	48,902.07
Cash and cash equivalents	-	32,241.96	-	6,221.02
Bank balances other than above	-	366.69	-	1,588.19
Other financial assets*	567.47	167.01	-	47.50
Total Financial Assets	**567.47**	**112,077.83**	**-**	**56,924.46**
Financial liabilities				
Non Current				
Borrowings	-	24,192.82	-	3,341.94
Lease Liabilities	-	8,628.63	-	450.67
Current				
Borrowings	-	125,072.71	-	2,562.33
Lease Liabilities	-	1,036.20	-	115.68
Trade payables	-	87,180.21	-	52,666.99
Other financial liabilities	-	30,086.98	-	1,818.55
Total Financial Liabilities	**-**	**276,197.55**	**-**	**60,956.16**

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.

* The other financial assets of ₹ 167.01 lacs (Loans and advances, Interest accrued and security deposits) are considered to be the same as their fair values, due to their short-term nature and hence considered under amortised cost.

Other Financial assets(unrealised fair value gain over forward derivatives contracts) of ₹ 567.47 lacs are fair valued through Profit and loss and considered as Level 2 in fair value hierarchy (Refer note below for fair value hierarchy).

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets and liabilities, that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes the Group's derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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 practice 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, 2023	As at 31 March, 2022
Not due	46,356.98	34,228.17
0-30 days	13,890.60	9,708.22
31-60 days	9,287.44	2,168.14
61-90 days	4,429.15	1,213.84
91-180 days	4,772.48	1,390.00
181-240 days	875.42	132.74
More than 240 days	4,030.86	831.18
Total	**83,642.93**	**49,672.29**

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(All amount in ₹ Lacs, unless otherwise stated)

Allowance for doubtful debts-trade receivables

Particulars	Amount (in ₹ Lacs)
Allowance as on 1 April, 2021	**291.64**
Changes in loss allowance (refer note 27)	478.58
Allowance as on 31 March, 2022	**770.22**
Additions through business combination (Refer note 40)	4,031.60
Changes in loss allowance (refer note 27)	96.03
Allowance as on 31 March, 2023	**4,897.85**

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.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at 31 March, 2023	As at 31 March, 2022
Floating rate		
Expiring within one year (bank overdraft and other facilities)	10,732.34	5,430.30
Total	**10,732.34**	**5,430.30**

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 ₹ and have an average maturity of less than 1 year (31 March 2022 — 1.3 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 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
Unpaid dividend	290.38	-	-	-	290.38
Employee Benefits payable	3,409.97	-	-	-	3,409.97
Payables on purchase of property, plant and equipment	935.49	-	-	-	935.49
Payable towards business acquisition	23,610.64	-	-	-	23,610.64
Other financial liabilities	1,840.50	-	-	-	1,840.50
31 March 2022					
Borrowings	2,562.33	3,341.94	-	-	5,904.27
Trade Payables	52,666.99	-	-	-	52,666.99
Lease Liabilities	158.92	131.86	109.15	334.15	734.08
Unpaid dividend	328.19	-	-	-	328.19
Employee Benefits payable	1,364.93	-	-	-	1,364.93
Payables on purchase of property, plant and equipment	125.43	-	-	-	125.43

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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 ₹ (In Lacs)

Purpose	As at 31 March, 2023				As at 31 March, 2022			
	USD	EUR	GBP	CHF	USD	EUR	GBP	CHF
Borrowings	-	29,603.60	-	-	-	5,904.27	-	-
Trade Payables	37,313.19	4,321.46	1.96	48.67	13,322.32	919.98	2.87	885.76
Payables on purchase of property, plant and equipment	193.58	129.27	-	249.99	-	38.10	-	-
Net exposure to foreign currency risk (Liabilities)	**37,506.77**	**34,054.33**	**1.96**	**298.66**	**13,322.32**	**6,862.35**	**2.87**	**885.76**
Trade Receivables	2,725.33	702.60	650.62	-	5,297.47	820.93	-	-
Net exposure to foreign currency risk (Assets)	**2,725.33**	**702.60**	**650.62**	**-**	**5,297.47**	**820.93**	**-**	**-**

Sensitivity to risk:	Impact on Profit (Net of tax) Increase/ (Decrease)	
Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
USD sensitivity		
INR/USD - Increase by 5%	(1,301.38)	(300.26)
INR/USD - Decrease by 5%	1,301.38	300.26
Euro sensitivity		
INR/EURO - Increase by 5%	(1,247.89)	(226.05)
INR/EURO - Decrease by 5%	1,247.89	226.05
GBP sensitivity		
INR/GBP - Increase by 5%	24.27	(0.11)
INR/GBP - Decrease by 5%	(24.27)	0.11
CHF sensitivity		
INR/CHF - Increase by 5%	(11.17)	(33.14)
INR/CHF - Decrease by 5%	11.17	33.14

(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 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.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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 2023			As at 31 March 2022		
	Weighted average interest rate (%)	% of total loans	Balance	Weighted average interest rate (%)	% of total loans	Balance
Borrowings	9.45%	100.00%	149,265.53	1.75%	100.00%	5,904.27

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates:

	Impact on Profit (Net of tax) Increase/ (Decrease)	
Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Borrowings		
Interest rate Increase by 1%	(1,116.98)	(44.18)
Interest rate Decreases by 1%	1,116.98	44.18

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, 2023	As at 31 March, 2022
Net Debt (Refer note 10)	126,688.40	249.60
Share capital	1,879.96	1,609.96
Other equity	287,223.50	101,262.06
Non Controlling Interest	8,935.50	-
Total Equity	**298,038.96**	**102,872.02**
Gearing ratio	**42.51%**	**0.24%**

B. Dividend

(i) Equity shares		
Final Dividend for the year 31 March, 2022 of ₹ 2.50 (31 March, 2021 - ₹ 2.50) per fully paid share	4,024.91	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, 2022 of ₹ 2.50), in its meeting held on 30 May, 2023 (31 March, 2022: 27 May, 2022). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	4,699.91	4,024.91

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 33: Contingent Liabilities

Claims against the Group not acknowledged as debts

Particulars	As at 31 March, 2023	As at 31 March, 2022
Demand from income tax	2,225.29	1,150.26
Demand from industrial and labour laws disputes	271.65	-
Demand from excise and service tax authorities	959.75	329.56
Demand from goods & service tax matters	25.33	-
Demand from customs authorities	291.88	291.88
Demand from central sales tax	60.92	16.53
Bank guarantee	807.47	-
Total	**4,642.29**	**1,788.23**

Notes :

(i) No provision is considered necessary since the Group expects favourable decisions.

(ii) Paid under protest of ₹ 38.16 Lacs (31 March, 2022, ₹ 39.59 Lacs)

These represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants as the case may be and therefore cannot be predicted accurately. The Group engages professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

Note 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):

Property, plant and equipment	3,308.98	2,211.90

(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 commitments/contracts and long-term derivative contracts for which there were no material foreseeable losses.

Note 34 (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 27).

Note 35: Earnings per share

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
(a) Basic (loss)/earnings per share (₹)	(27.85)	16.71
(b) Diluted (loss)/earnings per share (₹)	(27.85)	16.71
Profits used for calculating earnings per share		
(Loss)/Profit attributable to the equity holders of the Group used in calculating Basic Earnings per share	(46,610.54)	26,900.44
(Loss)/Profit attributable to the equity holders of the Group used in calculating Diluted Earnings per share	(46,610.54)	26,900.44
Weighted average number of shares used as denominator		
Weighted average number of equity shares used as the denominator in calculating basic (loss)/earnings per share	167,357,974.84	160,996,331.00
Weighted average number of equity shares used as the denominator in calculating diluted (loss)/earnings per share	167,357,974.84	160,996,331.00

Note: There are no dilutive instruments.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

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, 2023	As at 31 March, 2022
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	42.49%	49.61%
Dutch Brasil Holding B.V., Netherlands	Subsidiary of intermediate holding company	Netherlands	10.97%	12.81%

(ii) Key managerial personnel (KMP)

Mr. Parmod Sagar, Managing Director & CEO

Ms. Vijaya Gupta, Chief Financial Officer (w.e.f. 27 May, 2022)

Mr. Sanjeev Bhardwaj, Chief Financial Officer (Till 27 May, 2022)

Mr. RVS Rudraraju, Chief Operating Officer (Till 13 February, 2023)

(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 Interstop AG

RHI Magnesita Trading B.V.

Agellis Group AB, Lund, Sweden

RHI Magnesita Turkey Refrakter

RHI Refractories Africa (Pty) Limited

(iv) Relative of KMP

Mr. Christophar Parvesh

RHI MAGNESITA

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(b) Related Party Transactions

Particulars	Relationship	Year ended 31 March, 2023	Year ended 31 March, 2022
Dividend paid			
Dutch US Holding B.V., Netherlands	Fellow Subsidiary	1,996.94	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
Sales:			
RHI Magnesita GmbH	Fellow Subsidiary	29,726.79	26,207.17
RHI Urmitz AG & Co KG	Fellow Subsidiary	1,594.74	1,688.18
RHI Refractories Africa (Pty) Limited	Fellow Subsidiary	12.29	-
Purchases			
RHI Magnesita Interstop AG	Fellow Subsidiary	-	406.25
Magnesita Refractories Middle East FZE	Fellow Subsidiary	28.56	15.20
RHI Magnesita GmbH	Fellow Subsidiary	36,522.51	38,074.51
Purchase of spares			
RHI Magnesita GmbH	Fellow Subsidiary	145.33	177.64
RHI Magnesita Interstop AG	Fellow Subsidiary	85.13	452.25
Magnesita Refractories Private Limited	Fellow Subsidiary	1.00	-
RHI Magnesita Turkey Refrakter	Fellow Subsidiary	4.52	-
Purchase of assets			
RHI Magnesita GmbH	Fellow Subsidiary	156.13	287.93
RHI Magnesita Interstop AG	Fellow Subsidiary	486.65	377.18
RHI Refractories Africa (Pty) Limited	Fellow Subsidiary	20.37	-
Service income			
RHI Magnesita GmbH	Fellow Subsidiary	1,954.48	484.65
RHI Magnesita Trading B.V.	Fellow Subsidiary	-	1,463.74
Managerial remuneration*			
Mr. Parmod Sagar	KMP	436.18	338.17
Mr. Sanjeev Bhardwaj	KMP	16.49	117.20
Mr. RVS Rudraraju	KMP	171.29	131.71
Ms.Vijaya Gupta	KMP	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	11.68	10.33
Royalty			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	2,957.05	817.83
Information Technology Expenses*			
RHI Magnesita GmbH	Fellow Subsidiary	877.91	742.53
*Includes reimbursement of expense			
Expenses reimbursement {Received/(Paid)}			
RHI Magnesita GmbH	Fellow Subsidiary	371.08	175.57
RHI Magnesita GmbH	Fellow Subsidiary	(656.94)	-
Magnesita Refractories Private Limited	Fellow Subsidiary	-	0.84
Agellis Group AB, Lund, Sweden	Fellow Subsidiary	(13.53)	-
Interest Expenses			
RHI Magnesita GmbH	Fellow Subsidiary	66.73	-
VRD Americas B.V. Netherlands	Fellow Subsidiary	172.16	102.78

Notes to Consolidated 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 party:

Particulars	Relationship	As at 31 March, 2023	As at 31 March, 2022
Trade Payables:			
Refractory Intellectual Property GmbH & Co KG	Fellow Subsidiary	2,061.43	688.98
RHI Magnesita Interstop AG	Fellow Subsidiary	424.94	885.77
RHI Magnesita GmbH	Fellow Subsidiary	30,705.36	24,853.41
Magnesita Refractories Middle East FZE	Fellow Subsidiary	46.05	15.48
Magnesita Refractories PVT Ltd	Fellow Subsidiary	1.18	-
Agellis Group AB, Lund, Sweden	Fellow Subsidiary	13.98	-
Total Trade Payables to related parties		**33,252.94**	**26,443.64**
Trade Receivables:			
RHI Urmitz AG & Co KG	Fellow Subsidiary	96.00	303.80
RHI Magnesita GmbH	Fellow Subsidiary	2,325.03	4,934.60
RHI Magnesita Trading B.V	Fellow Subsidiary	-	31.46
Magnesita Refractories Private Limited	Fellow Subsidiary	-	0.17
Total Trade receivables from related parties		**2,421.03**	**5,270.03**
External Commercial Borrowings			
RHI Magnesita GmbH	Fellow Subsidiary	23,322.86	-
VRD Americas B.V, Netherlands	Fellow Subsidiary	6,280.74	5,904.27
		29,603.60	**5,904.27**
Other transactions			
Guarantee given to Bank by RHI Magnesita GmbH	Fellow Subsidiary	10,732.34	4,230.30
Guarantee given to Bank by RHI Magnesita N.V., Austria	Ultimate holding company	124,000.00	-
		134,732.34	**4,230.30**

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:

				Number of share options	
Plans details	**Grant date**	**Vesting Date (Vesting period)**	**Exercise price**	**As at 31 March, 2023**	**As at 31 March, 2022**
Equity-settled share option plan 2019	19-Aug-19	19-Aug-22	Nil	-	1,752
		(3 years)			
Equity-settled share option plan 2020	8-Apr-20	8-Apr-23	Nil	8,510	5,611
		(3 years)			
Equity-settled share option plan 2021	15-Mar-21	15-Mar-24	Nil	2,456	1,255
		(3 years)			
Equity-settled share option plan 2022	8-Mar-22	8-Mar-25	Nil	2,216	131
		(3 years)			
Equity-settled share option plan 2022	11-Mar-23	11-Mar-26	Nil	144	-
		(3 years)			
Total				**13,326**	**8,749**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

i) Summary of share options outstanding under the plan:

Particular	As at 31 March, 2023	As at 31 March, 2022
	Number of share options	
Opening balance	8,749	3,937
Granted during the year	6,329	4,812
Exercised during the year	-	-
Forfeited during the year	(1,752)	-
Closing Balance	**13,326**	**8,749**

ii) Fair value of share options granted by the Group under each scheme:

Grant Date	Fair Value (Euro)
19-Aug-19	46.25
8-Apr-20	22.70
15-Mar-21	48.28
8-Mar-22	25.86
11-Mar-23	26.40

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:

Particular	Year ended 31 March, 2023	Year ended 31 March, 2022
Equity-settled share option plan expenses	227.18	109.37
Total expense	**227.18**	**109.37**

Note 38: Due to micro and small enterprises

	Particulars	As at 31 March, 2023	As at 31 March, 2022
(i)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end *	9,460.54	6,167.74
(ii)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	92.20	73.21
(iii)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	4,773.85	7,702.78
(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	18.99	42.44
(vii)	Interest accrued and remaining unpaid at the end of the accounting year	92.20	73.21
(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.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 39: Revenue from Contracts with Customers

Revenue from contracts with customers (refer Note 19)	Year ended 31 March, 2023	Year ended 31 March, 2022
The Group has recognised the following amounts relating to revenue in the statement of profit and loss:		
Sale of products		
(i) Finished goods	119,908.20	74,785.08
(ii) Traded goods	30,401.64	29,157.18
Total Refractories Management Services	113,420.14	90,605.30
Sale of services	5,246.51	2,338.28
Revenue from contracts with customers	**268,976.49**	**196,885.84**
Other operating revenues	3,650.16	3,051.49
Total Revenue from Operations	**272,626.65**	**199,937.33**

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	233,574.82	165,954.46
Outside India	35,401.67	30,931.38
Total Revenue	**268,976.49**	**196,885.84**

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.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Reconciliation of revenue recognised with contract price

Particular	Year ended 31 March, 2023	Year ended 31 March, 2022
Contract price	266,552.13	196,800.01
Adjustments for:		
Claims & Rebates	(828.99)	(255.56)
Performance Bonus	3,253.35	341.39
Revenue from contracts with customers	**268,976.49**	**196,885.84**

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.

Trade receivables are presented net off impairment loss in note 5(c).

Revenue recognised that was included in the contract liability balance at the beginning of the year		
Revenue from contract with customers	626.64	272.44
Total	**626.64**	**272.44**
Movement in Contract Assets		
Opening balance at the beginning of the year	9,972.02	6,130.73
Additions on account of acquisition through Business Combination (Refer Note 41)	241.85	
Add: Revenue recognized during the year	268,976.49	196,885.84
Less: Invoiced during the year	(252,274.43)	(193,044.55)
Closing balance at the end of the year	**26,915.93**	**9,972.02**
Movement in Contract Liabilities		
Opening balance at the beginning of the year	627.90	272.44
Additions on account of acquisition through Business Combination (Refer Note 41)	1,729.55	
Add: Collection during the year	23,424.26	12,230.71
Less: Gross Sales	(22,634.96)	(11,875.25)
Closing balance at the end of the year	**3,146.75**	**627.90**

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.

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 40: 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 January 31, 2023 for a cash consideration of ₹ 87,937.65 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 ₹ 36,724.63 lacs between the purchase consideration of ₹ 87,937.65 lacs and provisional fair value of net assets has been recognised as preliminary 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.

From the date of acquisition to the year ended 31 March, 2023, the acquired business have contributed, revenue from operations of ₹ 3,462.14 lacs and incurred loss for the year of ₹ 106.50 lacs to the revenue from operations and loss for the year of the combined entity respectively. Management estimates that if the said business combination had taken place at the beginning of the year, the revenue from operations would have been ₹ 32,895.99 lacs and profit for the year would have been ₹ 7,731.81 lacs in the Consolidated Statement of Profit and Loss.

The provisional fair value of the assets and liabilities recognised at the date of acquisition for the above acquisition are as follows:

Particulars	Amount
Assets	
Non-current Assets	11,330.79
Property, plant and equipment	6,925.68
Right-of-use assets	1,466.09
Capital work-in-progress	16,328.32
Other intangible assets (Customer relationships)	71.64
Other non-financial assets	169.86
Other non-current assets	
Current Assets	
Inventories	6,798.54
Trade receivables	11,858.37
Other financial assets	7.77
Other current assets	62.83
Total Identifiable Assets	**55,019.89**
Liabilities	
Non-current liabilities	
Lease liabilities	63.40
Deferred tax liabilities	2,922.20
Current liabilites	
Trade payables	644.03
Other financial liabilities	158.93
Employee benefit obligations	18.31
Total Identifiable Liabilities	**3,806.87**
Net identifiable net assets acquired at fair value (A)	**51,213.02**
Purchase consideration (B)	**87,937.65**
Preliminary goodwill acquired on acquisition (B-A)	**36,724.63**
Purchase consideration - outflow	
Cash paid during the year ended 31 March, 2023 (C)	73,407.01
Net cash outflow in respect of business combination (included in the investing activites in Consolidated Statement of Cash Flows)	73,407.01
Purchase consideration payable as at 31 March, 2023 (B-C)	**14,530.64**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 41: Acquisition of subsidiaries

On 19 November, 2022, Dalmia Bharat Refractories Limited ('DBRL') entered into a business transfer agreement (BTA) with Dalmia OCL Limited ('DOCL') to transfer the entire Indian refractory business of DBRL to DOCL. On 19 November, 2022, the Company entered into a Share Swap Agreement with DOCL and DBRL to acquire all outstanding shares of DOCL. On 04 January, 2023, the business transfer between DBRL and DOCL 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 DOCL. 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. 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).

The fair values of the identifiable assets and liabilities of Dalmia OCL Limited and RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited) as at the date of acquisition were:

Particulars	Amount
Assets	
Non-current Assets	
Property, plant and equipment	27,707.41
Right-of-use assets	11,713.00
Capital work-in-progress	1,184.46
Other intangible assets (including customer relationship)	94,043.88
Deferred tax assets (net)	-
Other financial assets	46.48
Other non-current assets	52.75
Current Assets	-
Inventories	36,789.74
Trade receivables	28,173.63
Cash and Cash equivalents	229.77
Bank balances other than above	76.16
Loans	28.13
Other financial assets	401.97
Current tax assets (net)	26.63
Contract assets	30.13
Other current assets	11,394.32
Total Identifiable Assets	**211,898.46**
Liabilities	
Minority Interest	8,890.00
Non-current liabilities	
Borrowings	1,001.35
Lease liabilities	8,661.23
Provisions	273.60
Deferred tax liabilities (net)	3,811.65
Current liabilities	-
Borrowings	16,574.94
Lease liabilities	59.07
Trade payables	39,129.10
Other financial liabilities	26.89
Contract Liabilities	18.63
Employee benefit obligations	1,053.50
Other current liabilities	3,702.75
Provisions	1,137.03
Total Liabilities	**84,339.74**
Net identifiable net assets acquired at fair value (A)	**127,558.72**
Purchase Consideration	
Purchase consideration in form of equity shares	236,844.03
Base cash purchase consideration	39,329.22
Working capital consideration	9,080.00
Fair Value of Purchase Consideration (B)	**285,253.25**
Preliminary goodwill acquired on acquisition (B-A)	**157,694.53**
Net cash outflow in respect of business combination (included in the investing activities in Consolidated Statement of Cash Flows)	**39,023.30**
Purchase consideration payable as at 31 March, 2023	**9,080.00**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Note 42: 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, 2022, 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 43: 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.

(ii) Borrowing secured against current assets

The group has borrowings from banks and financial institutions on the basis of security of current assets. During the year, the Group has also taken loan from the bank which is guaranteed by RHI Magnesita N.V., Austria, ultimate holding company.

The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts except as follows:

Name of Bank	Quarter ended	Particulars	Amount as per books of account ₹ In lacs)	Amount as reported in the Stock statement (₹ In lacs)	Amount of Difference (₹ In lacs)*
HDFC Bank	March-2023	Inventory	1,270.90	1,270.92	(0.02)
		Debtors	1,866.56	1,750.44	116.12
		Creditors	(1,934.00)	(1,555.26)	(378.74)

*(a) The difference in debtors is 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).

(b) The difference in creditors is 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 intercompany.)

(iii) Wilful defaulter

The Group have not been been declared willful defaulter by any bank or financial institution or government or any government authority.

(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	Amount of the transactions (₹ in lacs)	Balance outstanding (₹ in lacs)	Relationship with struck off company
Star Wire (India) Limited	Sale of Material	30.00	6.00	External customer

(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. In previous year , the Scheme was approved by NCLT. The Group has complied with the approved Scheme.

(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

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(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:

(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 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 not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xi) 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.

Note 44: Interest in other entities

(a) Subsidiaries

The group's subsidiaries at 31 March, 2023 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, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	
		%	%	%	%	
Dalmia OCL Limited	India	100%	-	-	-	Refractory-Manufacturing & Selling
RHI Magnesita Seven Refractories Limited (formerly known as Dalmia Seven Refractories Limited)	India	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 has non-controlling interests and that are material to the group. The amounts disclosed for the subsidiary are before inter-company eliminations.

Summarised Balance Sheet	As at 31 March, 2023	As at 31 March, 2022
Current assets	3,384.56	-
Current liabilities	2,624.52	-
Net Current Assets	**760.04**	**-**
Non-current assets	18,696.64	-
Non-current liabilities	1,220.96	-
Net non-current assets	**17,475.68**	**-**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Summarised Balance Sheet	As at 31 March, 2023	As at 31 March, 2022
Net Assets	**18,235.72**	**-**
Accumulated NCI	**8,935.50**	**-**
Summarised Statement of Profit and Loss		
Revenue	2,836.54	-
Profit for the year	92.49	-
Other comprehensive income	0.37	-
Total comprehensive income	92.86	-
Profit allocated to NCI	45.50	-
Summarised Statement of Cash Flows		
Cash flows from operating activities	4.75	-
Cash flows from investing activities	(38.36)	-
Cash flows from financing activities	(127.95)	-
Net increase/ (decrease) in cash and cash equivalents	(161.56)	-
Cash flow allocated to NCI	(79.16)	

Note 45: 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, 2023		Share in profit/(loss) for the year ended 31 March, 2023		Share in other comprehensive income 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 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	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	**100.00%**	**298,038.96**	**100.00%**	**(46,565.22)**	**100.00%**	**(19.26)**	**100.00%**	**(46,584.48)**

Notes to Consolidated Financial Statements

(All amount in ₹ Lacs, unless otherwise stated)

Name of the Entity in the group	Net Assets i.e., total assets minus total liabilities as at 31 March, 2022		Share in profit/(loss) for the year ended 31 March, 2023		Share in other comprehensive income 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 profit or (loss)	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
RHI Magnesita India Limited	98.88%	101,723.88	99.62%	26,799.18	100%	(100.61)	99.62%	26,698.57
Intermetal Engineers India Private Limited	1.12%	1,148.14	0.38%	101.26	0.00%	(0.75)	0.38%	100.51
Total	**100.00%**	**102,872.02**	**100.00%**	**26,900.44**	**100.00%**	**(101.36)**	**100.00%**	**26,799.08**

Note 46: 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 (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 plans to utilise the net proceeds from the Offering for the purpose of repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by the Company, investment into one of the Subsidiaries, Dalmia OCL Limited ("DOCL"), for repayment or pre-payment, in full or in part, of certain borrowings availed by DOCL and general corporate purposes.

Note 47: 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. The Company issued a postal ballot notice dated 29 April, 2023 to the Shareholders of the Company seeking approval to issue equity shares at a price of ₹ 716.83 per equity share. The Company proposes to utilise the proceeds for repayment/ prepayment in full or in part of certain outstanding borrowings availed by the Company, investment in one of its Subsidiary i.e. Dalmia OCL limited for General Corporate purposes.

Note 48: Investment in Subsidiary

On 08 May, 2023, the Company has made further investment in Dalmia OCL Limited (the 'DOCL'), a wholly owned subsidiary of the Company, by way of subscription of 16,975,051 equity shares of DOCL having face value of ₹ 10 each at a premium of ₹ 197 each for an amount aggregating to ₹ 35,138.36 lacs on right issue basis. The purpose of subscription of equity shares of DOCL by the Company is for repayment or pre-payment in full or in part of certain borrowings availed by DOCL.

Note 49:

Rounding of amounts

All amounts disclosed in the Consolidated financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

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

Abhishek Rara
Partner
Membership Number: 077779

Place : Gurugram
Date: May 30, 2023

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)

Vijaya Gupta
Chief Financial Officer

Manoj Gupta
Vice President (F&A)

Sanjay Kumar
Company Secretary
(ACS-17021)

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RHI MAGNESITA

REGISTERED OFFICE
Unit No. 705, 7th Floor, Lodha Supremus,
Kanjurmarg Village Road, Kanjurmarg (East),
Mumbai, Maharashtra-400042,
Telephone No.: +91 22 49851200

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

E-mail: corporate.india@RHIMagnesita.com
Website: www.rhimagnesitaindia.com