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Date: 5 June 2023

To,

BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers	Exchange Plaza, Plot No. C/1, G Block,
Dalal Street	Bandra Kurla Complex, Bandra (East)
Mumbai – 400 001, India	Mumbai – 400 051, India
BSE Scrip Code: 534076	**NSE Symbol: RHIM**

Dear Sir/ Madam,

Sub: Transcript of Conference Call - fourth quarter and year ended 31 March 2023

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, and further to our earlier intimation dated 24 May 2023 and 30 May 2023, the transcript of the conference call held on 31 May 2023, for discussing the earning performance of the quarter and year ended 31 March 2023, is annexed herewith.

The same has also been uploaded on the Company's website at the below link:

https://www.rhimagnesitaindia.com/investors/investor-meet

Kindly take the same on record.

Thanking you,

Yours faithfully

For **RHI Magnesita India Limited**

SANJAY KUMAR
Digitally signed by SANJAY KUMAR
Date: 2023.06.05 17:25:00 +05'30'

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

“RHI Magnesita India Limited

Q4 FY’23 Earnings Conference Call”

May 31, 2023

MANAGEMENT: **MR. PARMOD SAGAR – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – RHI MAGNESITA INDIA LIMITED**
MS. VIJAYA GUPTA – CHIEF FINANCIAL OFFICER – RHI MAGNESITA INDIA LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Q4 FY 2023 Earnings Conference Call of RHI Magnesita India Limited, hosted by HSBC. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded. From the management team, we have with us today Mr. Parmod Sagar, MD and CEO, and Ms. Vijaya Gupta, CFO. We will start the call with brief opening remarks, and then open the call for Q&A.

I will now hand over the call to Mr. Parmod Sagar for opening remarks. Thank you, and over to you, sir.

Parmod Sagar: Thank you very much. Good evening, and welcome to RHI Magnesita India's quarterly update call. Dear investors, I can understand the sentiments from morning till now. So, I can assure you that everything is in line, and we are going through a presentation. Vijaya will take you through the presentation. And after presentation, if you still have any doubt about the performance, about the basic fundamentals of the company, I will be more than happy to answer your questions. So, Vijaya, can you please let us go through this presentation?

Vijaya Gupta: Thank you. In fact, the presentation has been mailed. So, what I just want to first mention about the note number eight on the impairment loss on account of goodwill, because a lot of news has come on that. So here we can say that in accordance with accounting practice, the purchase price consideration was paid at INR632. But on the date of transaction or the acquisition date, the market price was INR877.2. So, this difference of INR245 per share as per accounting standards, we had to create accounting goodwill, and which we impaired on 31st March.

So this is one-off non-cash transaction, one-time accounting adjustment, which has been adjusted in our earnings. So, we should consider all the numbers before this one-time adjustment. Plus, there has been also one-time expense of 640 million, which we had said we will incur as we are integrating the two companies, of which INR30 crores was in provision for stamp duty we have made, which we will need for transfer of assets from DBRL to DOCL, and from erstwhile Hi-Tech in the name of RHIM.

And this one-time is at 2.3% of revenue, and for the quarter, it is 7%. So these are the two big adjustments which we need to do, wherein we have adjusted to arrive at adjusted EBITDA numbers. So, if we see the financials, then at the adjusted EBITDA levels, we are quite comfortable. The adjusted number for the full year is 4,388, or 16.1%. And in this adjusted numbers, we have DOCL revenue from 5th Jan till 31st March. The numbers, revenue numbers are 2,378 million, and the adjusted EBITDA here is 239 million, or 10.1%.

And in case of Hitech, which we now call Jamshedpur, because it is now integrated with RHIM, there the revenue number is 321 million, and adjusted EBITDA number is 55 million at the rate of 17% EBITDA margin. Standalone financials also, the number is 24,562 million, and adjusted

EBITDA of 4,069, that is 16.6%. And for quarter 4, the revenue number is 6,082 million, and adjusted EBITDA is 877 million, that is 14.4%.

Parmod Sagar: So, I can only say these numbers are in line with my statements in the previous weeks and months about consolidation. And it is still a very initial stage. We have just taken over this company. So we will improve and improvise in coming weeks and months.

Vijaya Gupta: Okay. So, if we look growth from 22 to 23, in terms of volume, there has been a 54% increase from 214,000 tons to 329,000 tons. And standalone also, we have grown at 34%, so from 214,000 tons to 287,000 tons. So next is about the, although this year, last year, because of exceptional circumstances, as you all know, we got one time price increases. And this year, there has been softening of raw material cost, and which has also softened the selling price. But then here, if we see, we have, if we adjust one-time adjustments, then for the year as a whole, we get EBITDA of 16.1% on consolidated basis.

Now we complement product footprint in South and West India. And we offer product segments across all segments and industries. So, the consolidated revenue number is up 37% at INR2,726 crores. Adjusted EBITDA is up by 11.5% over last year at INR438 crores. Adjusted EBITDA margin is 16.1%. We have a healthy cash position up to INR326 crores. And we have declared dividend at the rate of INR2.5 per share, subject to approval from shareholders.

And earning per share has come down to INR14.5 per share. This is because of the shares we had issued for merger. So, our capacity has grown from 1,45,000 tons to 5,25,000 tons now with the merger of two entities. And revenue is from INR2,000 crores to INR2,700 crores. EBITDA margin we have discussed. Earning per share market capitalization has gone up from 101 billion to 118 billion.

So, if we look at the revenue numbers, so here again, for the sake of repetition, we got the good from volume. So, our revenue last year was INR2,000 crores. And from volume, higher volume, we got INR676 crores. Price increased because of lower prices. It was lowered by INR167 crores. And one time price adjustment, which we've increased, which we got last year from our customers. If we adjust for that, mainly our revenue has increased because of higher volumes.

And in addition, we got INR235 crores additional revenue from Dalmia and 32 crores from Jamshedpur. If we look at the movement of EBITDA, from INR393 crores last year, volume added to INR33 crores. Price reduction was INR172 crores. And one-time adjustment, which we got last year, was INR48 crores. So RHIM, adjusted EBITDA, is INR407 crores. And if we add Dalmia, as we can see, we are already in double digit EBITDA percentage here at INR24 crores and Jamshedpur at INR5.5 crores. And the others are intercompany transactions and intermetal. So, with this, we come to INR438 crores.

And one time merge are, as I had mentioned earlier, stamp duty of INR30 crores. Integration costs of INR14 crores. And there was one-off write-offs, which we had mentioned earlier, INR12 crores, plus other one-time expenses of INR8 crores. So there have been big acquisitions. So how did we fund that? So, if we see that, we are in a comfortable debt position. As of today, including working capital lines, the total debt is INR500 crores. So, we had borrowed INR1,100 crores for acquisitions. We got INR225 crores from ECB, from the group. And we needed extra working capital of INR178 crores for DOCL. We prepaid INR700 crores, mainly from... Sorry, INR70 crores we prepaid before March. And INR750 crores we prepaid from QIP proceeds. And INR238 crores from internal accruals to land up in, comfortable cash position, debt position after QIP also. We were able to majority pay our debt.

Cash flow position, our cash position was INR78 crores in the year beginning. And we borrowed INR1,324 crores, all total, from for high-tech DOCL and external commercial borrowings. And we paid off INR1,124 crores. And now we are in a comfortable cash position because of comfortable EBITDA generation and internal accruals. There was a capex of INR42 crores here.

So, on working capital, we are focusing on reducing our working capital cycle. And this is a very strong initiative to generate cash from operations. There's a huge focus on improving inventory and receivables and reducing payable days. So, our cash conversion cycle has come down, you know, from 87 days to 76. And our focus and attention will continue to be in this area.

Now coming to merger and acquisition on Dalmia OCL, as you know, the total enterprise value of the transaction was INR2,852 crores. Actual, as you know, last we said was INR2,200 crores. This difference is purely accounting goodwill, arising due to difference in issue price and the market price on the date of transaction when the control was transferred. So, this difference of INR50 crores we have impaired. And the numbers we had shipped, we had sold 37,000 tons. Revenue was IRN235 crores, EBITDA 10%. And outstanding debt as of 31st March, INR836 crores, which subsequently has come down post-QIP.

Similarly, in case of Hi-Tech, the purchase concentration is INR879 crores. This has gone up because of addition of INR181 crores of working capital. This PPA adjustment, which it was subject to that, so basis business value and working capital, it is now at 879. And the assets acquired was INR512 crores. This resulted in goodwill of INR367 crores. So total goodwill in the books today is INR841 crores for the DOCL and INR367 crores for Hi-Tech.

So that's all, you know, to clarify the questions you might have. Some of the questions I've tried to address, and now we can open the floor for Q&A.

Moderator: Thank you very much. The first question is from the line of Bhalchandra Vasant Shinde from Kotak Life. Please go ahead.

B V Shinde: Yes, actually I didn't got the PPT, so if you can share it, it will be useful. So, I'll not go to the numbers. It might be there in the PPT. But regarding the volume front, as you said, that volume growth was there.

Management: Yes, so I'll go to the numbers. Yes. Actually, we sent the PPT for uploading on the website and I got from Ambarji also the message that it is not visible. So, we are checking on that and we will also share this PPT after this call also with all of you. So, what about this volume? Yes, volume growth was there.

B V Shinde: Okay. So, in the growth wise I understood, but I didn't understand the realization part, why the realization decline was there, means like why we had to take such steep cut in the sales realization?

Management: You know, from last maybe two years, we keep on saying that sustainable EBITDA is 14%, 15% and about this integration, we are spending, it is not one time, maybe next quarter also a little bit will come, because integration is a cost. You know, you have to create teams, you have to travel, you have to bring experts from parent company, so that we can bring the synergies. So now we are investing, we are spending the money on integration, and after successful integration we will have a dividend, we will get the synergies also. So, this is what we have to take with a pinch of salt, that is in a way investment, to really properly integrate the companies into our system.

B V Shinde: Okay. So largely the cost was because of the synergy effects, but as you mentioned in initial remarks also, our volume growth was higher, but revenue growth was not up to the mark. So, the selling price has declined. Is it in line with the commodity cost, input cost, or what?

Management: The thing is this, the raw material prices are softening, and we have tremendous pressure from our customers to reduce the prices. I believe we are still doing a fantastic job; we are still holding our prices to the maximum level. We are just giving some notional price reductions or discounts. So, but yes, the situation is this, raw material prices are going down, so the selling prices have also been corrected accordingly, but margins I don't see have a dent proportionately to the prices that have come down. So we are in a better position, and we are trying to hold it back. We have concluded five or six contracts which every year we are renewing, with 1% or 2% discounts and all those things. So, I see it as a very stable, sustainable growth in the coming months also.

B V Shinde: Got it. And the fourth quarter results wise, if we adjust that INR64 crores, we get margins of around 13%. So, from year onward, for the next one year, how we see the profitability on the consolidated basis, if we merge DOCL and Hi-Tech, how we see the growth, both in volume and value terms, including realization impact, if anything, is there?

Management: You know, we earlier also said that the consolidated EBITDA should be in the range of 14% to 15%. And the Jamshedpur plant will give us a better realization, it will be 20% to 22%, and DOCL this year we are targeting, if we could manage to get, from single-digit to double-digit and land up around 12%, and our RHI Magnesita 15%, 16% so it will be 14% to 15% percent on a consolidated basis.

B V Shinde: Okay. And post QIP raise and everything, how the next year balance sheet will look? I mean, like how will be the borrowing for us, and how overall, what will be the, now we have taken impairment of the goodwill, so there will be impact on, I think, on the reserves also, right? So how overall debt level we see?

Management: You know, we are at about INR500 crores of debt, and I believe INR200 crores will also come as preference, and we believe we will be having more than INR400 crores of EBITDA gain. So, I think one to two years' time we will again be a debt-free company.

B V Shinde: Thank you. And in long-term prospects, as Global CEO also said that our long-term targets are around EUR600 million over. So, will we maintain that in India, and how the export mix will be over the next one years to two years?

Management: Yes, what Stefan said, the philosophy, the strategy is the same as of now, and even from last one day, yesterday, today, and tomorrow, we are reviewing our business, 360 degree review, and what we are looking at, what the presentation has happened, we believe that, the Indian steel market and Indian cement market is still going to grow, steel at about 6%, cement at about 11%-12%, so I don't see, why we will not be growing.

And we are looking India as a global hub for production as well. So, we will be increasing our export from Indian plants, particularly from Jamshedpur and Rajgarh Guna plants, apart from what we are doing from Bibwewadi and Vizag.

B V Shinde: So approximately how can we assume around two times of what steel and cement on an average will grow? Can we assume that, in a long-term average growth?

Management: We are assuming we should be growing better than market growth; it is around 8%, what we are assuming, we will be growing.

B V Shinde: Okay, on the consolidation basis, you are saying, on the current numbers, which is around, after consolidating, on that business, you are saying that much growth will be there, right?

Management: Absolutely.

B V Shinde: Okay, I will come back for further questions.

Management: You are welcome.

Moderator: Thank you. The next question is from the line of Srivathsan from Avendus Spark. Please go ahead.

Srivathsan: Hi sir, just a couple of slightly more broader long-term questions. So, I was checking, you did mention about 1%-2% discount to hear from clients. I wanted to understand, how do we operate with our existing customers? Is it a market share by customer or are we solo suppliers? If that is the case, what will be the next or the second player in terms of pricing? I just wanted to understand more philosophically, how should we look at pricing, if there is one more boat of inflation that happens. Is there enough capacity and ability to pass price to our customers? I just want to understand how both you and the parent look at it from a philosophy of pricing?

Management: First of all, globally, we are leader. In India also, we are leading the refractory industry and we have to behave like a responsible leader. As I said, the off-duty prices are softening. So, all our customers are also have accessibility to the pricing pattern and all. So, they are coming back to us. But to be very precise, almost 50% RHI Magnesita standalone business is through management contracts. And we are sole suppliers, 100% suppliers. But the relationship is so strong over the years.

When we went back to them for price increases a year back or so, they supported us. So, now when they are asking, okay, return back those price increases. Though we are holding it back because we wanted to maintain our margins, still, we have to be very pragmatic, we have to be practical, and we have to be very responsive also to their demands. So, it is a 1%-2% discount. It will not actually, in terms of profitability, it will not have a bigger dent on our profitability. The war material price synergies or savings will be better than, what we are giving the discount to the customer.

Srivathsan: Sure, sir. The second question was on cement. You did allude that, utilizations are on the lower side. Just wanted to get a sense, this would be more new logo addition, you look to ramp up demand or what would the strategy be, given cement is not as frequent replacement as steel. Just wanted to get your thoughts on that?

Management: Cement, yes, cement is two-part. One is for rac business and the other is maintenance business. So, the situation is temporarily gone a little slow. Why? A year back, the delivery time from all refractory companies was 24 weeks to 30 weeks. And now, all the companies are delivering time 6 weeks to 8 weeks. So, the cement industry, our customers are having inventory, so they are holding it back, they are thinking further raw material will be soften and we can get a better price. So, it is a temporary thing of 2 months-3 months, they will dilute their inventory level and again, it will be open market for everything.

And normally, in India, this monsoon time, July, August, September, for cement industry, is a little low volume business. And October, November, December is again going back to the better than normal level. So, it is normally a cyclic thing and pricewise, I would say, the numbers for this quarter even, the volumes are low, but the profit margin is better than last quarter of last year.

Srivathsan: One last question, apologies if I had answered this. In this quarter's number, how many weeks or months of both Dalmia and Hi-tech were included?

Management: We took control of Dalmia on 5th of Jan. So, it is 25 days of January and then Feb-March. And from Hi-tech, it was 1st of Feb, so two months of Hi-tech.

Srivathsan: Sure, thanks. I will come back to that.

Moderator: Thank you. The next question is from the line of Parag Chavan from UTI Mutual Fund. Please go ahead.

Parag Chavan: Hi sir, thank you for the opportunity. Sir, trying to understand on the gross margin, as you are saying, the raw material is going up, there is some pressure on the realizations as well from our customers. But when I look at historically, so say, before last two quarters, from FY '19 onwards, our gross margin average is about 39.5%-40%, in that range. Whereas for last two quarters, our gross margin is 34%-34.5% in that range. So, why exactly the gross margin reduction has happened and going ahead, how do you see the trajectory for the gross margins to pan out? This is on standalone I am looking at it, not this or the other two entities, which we have acquired and all that. Just standalone numbers, when I look at, this is how I…?

Management: As in the beginning, Vijaya was saying that, there were some price increases happened before these two quarters, when we were having a better gross margin. And these are still over to third quarter as well because we are asking for retroactive price increases and order amendments, approvals and all those things. And all of a sudden, in one quarter we got the realization, the old adjustments of price increases. So, it gives us 19% I think if I am remembering correctly. 19.7% EBITDA. So, this was abrasion. I on the board said many times that it is abrasion, this is not sustainable. Sustainable was 14%-15%, we were housing around 16% also.

But when you have a bigger volume, you grow. Smaller company when it was Orient Refractories standalone, the percentage wise we were at 18%. But when your base is bigger, the percentage comes down a little bit because you have a broader portfolio where you are not only having ISO products or global products which attract better margins. Now you have a mix, breaks, everything. So, when you have an overall portfolio, it gives you absolute value, better margins, profitability. But if you talk about percentage wise, it comes down a little bit. So, we should also look at absolute numbers.

Parag Chavan: Okay, but then the current gross margins, you are saying is this normal or is there some pricing pressure involved here so from here gross margins can recover some bit?

Management: I would say coming months or coming quarters, what we are projecting is 14% to 15% on consolidated basis. We will be able to sustain those margins.

Parag Chavan: Okay, and then you are saying, EBITDA margin is what we should be looking at and gross margin is not the right number to look at? I mean we should be looking at only the EBITDA margin?

Management: I think that is more accurate.

Parag Chavan: Okay, thank you sir.

Moderator: Thank you. The next question is from the line of Manan Poladia from MKP Securities. Please go ahead.

Manan Poladia: So, my first question is, what I want to understand is we have said that our capacity has gone up from 145,000 ton to 545,000 ton. What I want to understand is what is the breakup of this new capacity and what segments will we be catering from these capacities?

Management: You know RHI Magnesita standalone was 145,000 ton and roughly 35,000 ton is coming from Hi-Tech, and balance 300,000 ton is coming from DOCL. So, it is combined capacity is 525,000 ton and we are at a level of this year around 330,000 ton and it is a mix of things. RHI Magnesita standalone 145,000 ton will be 145,000 ton utilized almost fully and Hi-Tech also we assume that in coming days the production will go up and we will be able to utilize the capacity to 80%-85%. DOCL the capacity is 300,000 ton but we are at about 60% capacity.

So, I don't think it will go up to 80%-85% in next two years' time or so. So first we have to consolidate this 160,000 tons whatever is the capacity. Sustainable you know quality and upgrading we are looking for a modernization of these plants, bringing new technologies and, you know, looking at cost reduction, better margins. This is my first priority not to increase the capacity.

Manan Poladia: Correct Sir. Understood. Also, sir, would you want to make any comments on what happened in RHI and the parent company that has been an open offer by Ignite Group. Is there something that would change for the Indian entity after that since it is quite a large thing?

Management: I am not supposed to talk on this, it is only Chris Bucknall our Global Investment Relation Manager or Stefan Borgas can talk. But I can only say, this is a good development, nothing wrong.

Manan Poladia: Right, right sir. Thank you.

Management: You are welcome.

Moderator: Thank you. The next question is from the line of Abhishek Poddar from HDFC Mutual Fund. Please go ahead.

Abhishek Poddar: Thank you for taking my question, sir. Sir, regarding the integration cost, I want to understand if majority of it is there already in the results and or should we expect more to come in '24-'25 and if yes then what quantum? And sir, then, if you can talk about the synergies what we hope to realize from DOCL and Hi-Tech in next one year and next three years and what areas and what could be the timelines for those?

Management: You know, integration cost almost major part is covered but this coming quarter, running quarter, yes, there will be some still integration cost, but major part is gone. About synergies, we are tracking synergies. We are on track if we talk about manpower synergies or raw material synergies, we are tracking that and we are on track. The numbers I don't have available with me, but we will be -- we will have this regular call after every quarter, and we will be sharing the numbers when available. But yes, synergies will happen, and it is almost roughly, if I say, $5 million to $6 million or roughly INR45 crores to INR50 crores synergies we are only tracking already. But it is rough number. I don't want to give but still, if you will not get anything, you will say, I am just talking.

Abhishek Poddar: Understood. Sir, so this INR45 crores to INR50 crores is the synergy and beyond this even in DOCL, we are looking at the margins to go to 10%-12% next year and beyond that in the years to come, so that will be additionally.

Management: Yes.

Vijaya Gupta: See, already you are seeing, Abhishek, the margin has gone up to 10%. So, the raw material synergy is coming in and more so will come in the coming days.

Abhishek Poddar: Understood. And on the export part, you made a comment that looking to increase the exports from Jamshedpur and Rajgangpur. If you could give us what was the export percentage in FY '23? And what would be the target of exports in next two-three years?

Management: FY '23, I think, our standalone RHI Magnesita was 17%. And overall, is 12% or, so but we believe that first we need to reach to a level of what RHI Magnesita India was say 16%-17%, and then, ultimate target is to take it to 22% to 25%.

Abhishek Poddar: Understood sir. Thank you. All the best sir.

Management: Thank you very much.

Moderator: Thank you. The next question is from the line of Bhalchandra Vasant Shinde from Kotak Life. Please go ahead.

B V Shinde: I think, capacity wise as you mentioned, that only 60% will be right now available. Overall, how you see? Means like, how the capex will be because now we have almost increased the capacity by almost 5x. And by when you will be able to optimally use all these capacities? And how much capex will need to incur to fully commercialize or fully make it operational for us?

Management: So first is capex. We have here marked about INR300 crores capex, which we will be using in next three to five years' time. It depends upon delivery time and all those things, and you need to really work on integrity design and all those things. But this will be the spend and by this spend modernization, productivity improvement, rejection improvement I believe, by this time when we will be spending this money and transfer modernize, we will be at about 80% capacity level.

B V Shinde: So, five years down the line, we will be ready with the capacity of 525,000 tons only at the capex of INR300 crores, you mean to say?

Management: Yes, absolutely.

B V Shinde: And year onwards will we be targeting any acquisition or now overall addressable market related portfolio is complete and we will look to increase the market share. Because in India also our market share is also lower as compared to global. So will we be -- we are endeavor to reach to 40% and by when we expect to target that?

Management: I think, you might have heard that we already have a SPA signed with the Seven Refractories from Sylvania, Europe. In India, we have a joint venture with them in Katni plant with 51% shareholding. So now with this SPA, we will be closing probably in July so that will be 100% subsidiary of ours. So that is one thing which is already in the pipeline it is decided. But after this, I don't see any major big acquisition or even small. There can be some adjustments type of acquisition to that you know, say, less than INR25 crores, if need be.

B V Shinde: Okay. And sir if we exclude FY '23, our relatively return ratios ROEs or ROCs were in the range of around 25%-30%, right. So because of this acquisition and relatively margin slightly at the lower level our return ratios will be relatively lower for this year. But by when we expect to return to those kind of return ratios what will be our target when we expect to come back to those kind of return ratios?

Management: I don't see in short term. It will go back to that level, but I think 18% to 20% ROC should be the reasonable number.

B V Shinde: That means next one year to two years, you are saying, 18% to 20% will be achievable but once we achieve that 80% kind of a capacity then we can target those kind of return ratios. Is it fair to assume that way?

Vijaya Gupta: Yes.

B V Shinde: Thanks. Thanks sir.

Management: You are welcome.

Moderator: Thank you. The next question is from the line of Ashish Kejriwal from Nuvama. Please go ahead.

Ashish Kejriwal: Hi. Thanks for giving me an opportunity. So, three questions. One, when you are speaking about the capex of INR300 crores in next three-five years, is it possible to, you know, break down into FY '24 and FY'25 how much our capex could be including maintenance capex?

Management: When I am saying, INR300 crores this is only modernization and development capex. Maintenance capex, over and above will be about INR100 crores every year for all these nine plants put together.

Ashish Kejriwal: So, is it safe to assume that FY '24 and FY '25, could be INR200 crores each?

Management: We are still working. We are creating a blueprint what are the first priorities. You know we have already ordered three mixers for Rajgarh core. We have ordered one press for Jamshedpur. So, it is still work in progress. You know you need to give us few more months to really have a, you know, the broader picture is there like I said. We need these things, but we have to prioritize, and you know, integration is not that easy.

We are running post to pillars and doing too many things. So first we need to look into a low hanging fruit without capex or with very small capex, how we can increase the productivity and increase the margins. This is the first priority. And then, where is the most important need to invest. Historically, we are very conservative in spending capex. So, we will not be spurring your money. It will be used very judiciously. So maybe next three-four months' time, we will be able to tell how much we are going to spend next two financial years.

Ashish Kejriwal: Sure. And so, second question is, in terms of your revenue guidance, because you mentioned about 8% volume growth. Obviously, that takes into account the console entity now on a -- so by looking at the current raw material prices and the negotiations which you are having with your customers, is it possible to share some kind of range of revenue guidance for FY '24?

Management: It will be to the tune of 4,400 approximately. It can be 4,300 to 4,500 or something like that.

Ashish Kejriwal: Sure. That is helpful sir. And sir lastly, it's a bookkeeping question. Is it possible to share Q4 volumes for different entities?

Vijaya Gupta: Yes. Q4 shipments as I said 2,87,000 is for RHIM and we had 41,500 for other entities together.

Ashish Kejriwal: That's for full year?

Vijaya Gupta: Yes. You want it in quarter? So, quarter is 68,000 for RHIM, 37,000 for DOCL and 4,500 for Hi-tech (Jamshedpur).

Ashish Kejriwal: Okay. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Anish Jobalia from Girik Capital. Please go ahead.

Anish Jobalia: Yes sir. Hi. Good evening. So, some of my questions will be answered, sir. One thing that I would like to understand is the depreciation. So, our quarterly run rate has gone up from INR10 crores to INR40 crores. So that's like a four-fold increase between the standalone and after the consolidation. So, if you can just break that up, how this kind of an increase has happened and what can we expect going forward in terms of the run rate of quarterly in the next year?

Vijaya Gupta: Yes. See INR32 crores in this INR70 crores depreciation, INR33 crores is for the other entities and as you know, we have done this fair valuation. So, this will impact our depreciation at least say around INR70 crores additional.

Anish Jobalia: Sorry, I am not able to understand. So, you are saying it will be…

Vijaya Gupta: Okay. We can connect separately if you want. I can explain it to you.

Anish Jobalia: No but at least, do you think this INR40 crores run rate will continue on a quarterly basis? I mean is that the right way to understand on a net-net basis?

Vijaya Gupta: Yes.

Anish Jobalia: And it won't increase right? So INR40 crores okay. And this you are saying will continue for some time but then it will start coming down, is that it?

Vijaya Gupta: No, it won't come down, because it's depreciation on the fair value of assets done. So, we have allocated the purchase consideration. So, this will be in this range in the coming days.

Anish Jobalia: Okay. So rest of my questions are answered. Thank you.

Moderator: Thank you. The next question is from the line of Pratim Roy from B&K Securities. Please go ahead.

Pratim Roy: Yes, hi sir. I have just two clarification questions. One is that you have mentioned that your EBITDA margin for the standalone basis is stood at around 10% right? Is this the correct thing?

Vijaya Gupta: Yes for -- can you repeat your question?

Pratim Roy: This was for DOCL.

Vijaya Gupta: DOCL. Yes.

Pratim Roy: No, I am talking about the 4Q adjusted EBITDA, if you don't consider DOCL and Hi-Tech what is the number? It's 10%.

Vijaya Gupta: Yes. So adjusted EBITDA if you don't consider is 14.4%.

Pratim Roy: Okay. 14.4% without considering that Dalmia OCL and Hi-Tech right?

Vijaya Gupta: Yes, for Q4.

Pratim Roy: Okay. And one more thing ma'am, for the FY '23, what is the current debt position that was mentioned? I don't have the presentation also. So, if you can mention that the current debt position gross level or net level?

Vijaya Gupta: So, the current debt position is INR500 crores. So, it has ECB loans to that you know INR300 crores and working capital of INR200 crores.

Pratim Roy: Okay for next -- next year it will come down?

Vijaya Gupta: No, it will be in this range only.

Management: No, it will come down in coming days.

Vijaya Gupta: 31, March is INR1,500 crores and as of April is INR500 crores.

Pratim Roy: Okay, 31st March it is?

Vijaya Gupta: INR1,492 crores. From the QIP proceeds, we have paid off the bridge loan and as of 31, April we are at the level of INR500 crores in which ECB is INR300 crores. These are long term loans, and the working capital loan is INR200 crores. So total debt is at a consolidated level is INR500 crores. And this we will maintain.

Pratim Roy: Okay. This we will maintain for the next one-two years.

Vijaya Gupta: Yes.

Pratim Roy: Okay, thank you ma'am.

Moderator: Thank you. Ladies and gentlemen that was the last question for today. I would now like to hand the conference over to Mr. Parmod Sagar, MD and CEO and Ms. Vijaya Gupta, CFO for closing comments.

Parmod Sagar: So, friends, I think, we have clarified the doubts and I again reassure you; your company is in safe hands, and we will make sure that we keep on growing. The confidence, the faith, the support you have given to us in the past, please continue in future also. So that we with your support can deliver the results as we are projecting. Thank you very much for your time. And if anything is left out, if any question, anything is in your mind, kindly reach out to Vijaya or me and we will be more than happy to answer your queries. Thank you so much.

Vijaya Gupta: Thank you. And I just want to add that the estimates which we had given in the beginning of the year, we stand by it. If not meet, we should be able to improve upon them. Thanks a lot.

Moderator: Thank you. Ladies and gentlemen, on behalf of RHI Magnesita India Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

Parmod Sagar: Thank you.

Vijaya Gupta: Thank you.