RHI MAGNESITA

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18 August 2026

To,

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001, India
BSE Scrip Code: 534076

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051, India
NSE Symbol: RHIM

Dear Sir/ Madam,

Sub: Transcript of Conference Call for the quarter ended 30 June 2026

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 6 August 2026, the transcript of the conference call held on 12 August 2026, for discussing the earning performance for the quarter ended 30 June 2026, is annexed herewith.

The same will also be 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: 2026.08.18 14:56:32 +05'30'

Sanjay Kumar
Company Secretary
ICSI Membership No. -17021

"RHI Magnesita India Limited Q1 FY27 Earnings Conference Call"

August 12, 2026

MANAGEMENT: **MR. PARMOD SAGAR – CHAIRMAN**
MR. PANKAJ MALHAN – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER
MR. AZIM SYED – CHIEF FINANCIAL OFFICER

Moderator: Ladies and gentlemen, good day, and welcome to the RHI Magnesita India Limited Q1 FY27 Earnings Conference Call. 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 a touchtone phone.

Before we get started, I would like to point out that some statements made or discussed on today's call may be forward-looking in nature and must be viewed in conjunction with the risks and uncertainties that we face. The company does not undertake to update these forward-looking statements publicly.

I now hand the conference over to Mr. Parmod Sagar, Chairman from RHI Magnesita India Limited. Thank you, and over to you, sir.

Parmod Sagar: Thank you very much. Good morning, everyone, and thanks for joining us. It is a pleasure to welcome all of you for this earnings conference call for the first quarter of financial year '27.

Safety remains our highest priority at RHI Magnesita. We will continue to invest in our safety programs and make safety progress for Zero harm and the well-being of our people.

We delivered a strong start to financial year '27 with revenue growth and a significant improvement in profitability despite a volatile operating environment. This performance underscores the resilience of our business model, the effectiveness of our execution and the strength of the strategic foundation we have built over the year. Our Q1 performance reinforces confidence in our ability to create long-term value while maintaining disciplined growth.

Let me briefly share our perspective on the industry environment.

The refractory industry continued to operate in a competitive environment characterized by pricing pressure, rising input costs and increasing competition from both domestic and multinational players with greenfield and brownfield expansion. Nevertheless, our differentiated business model, technical expertise and customer-centric approach position us well to navigate these challenges.

Encouragingly, demand across all our key end markets remains healthy. In the steel sector, major steel producers reported steady growth in production and volumes aided by strong domestic demand and high-capacity utilization levels. From a refractory industry perspective, continued investment in blast furnaces, steelmaking facilities, rolling mills and capacity expansion projects are expected to sustain demand for refractory products. Our production levels and capacity utilization across steel plants typically support both project related and maintenance refractory requirements. Our requirement for advanced refractory solution to improve campaign life, reduce downtime and enhance thermal efficiency create opportunities.

The cement industry maintained strong growth momentum in Q1 '27, supported by robust demand and capacity expansion programs. Industry players remain committed to significant brownfield and greenfield investments, reinforcing a positive long-term demand outlook. While the cement industry experienced margin pressures due to elevated fuel, energy and raw material costs, manufacturers continue to focus on operational efficiency, productivity improvement and cost optimization initiatives.

While the operating environment remains dynamic, the structural growth drivers across our end market remain intact. And we remain focused on leveraging our technological leadership and strategic partnerships to consistently outperform the underlying market.

Our sustainability agenda continue to translate into enable business initiative through formation of our joint venture with Khemka Refractories, MINPRO to establish a greenfield mineral processing facility in Odisha, which will be a subsidiary of RHI Magnesita India Limited.

We see this as strategic investment that deliver both environmental and economic value over the long term. Overall, the progress across these 5 pillars reinforces our strategy of driving profitability, growth through market expansion, technology leadership, cost excellence, sustainability and long-term value creation for our customers.

Before I conclude, I would like to take a moment to address an important leadership transition for the company. After having the privilege of leading RHI Magnesita India over the past several years and working alongside a highly committed team to build a strong platform for future growth, I'm delighted to welcome Mr. Pankaj Malhan as our new Managing Director and Chief Executive Officer, while I continue to serve as Chairman.

Pankaj brings industry experience, deep customer insight and a strong commercial track record. His customer-centric leadership style and strategic vision make him ideally positioned to lead the company through its next phase of growth.

I look forward to working closely with Pankaj as we continue strengthening our market position and advancing our vision of building a high quality differentiated in the systems and solutions business for our customers while generating value for our shareholders and all stakeholders.

With that, I would like to invite Pankaj to share his thoughts and perspective on the opportunities ahead. Thank you very much.

Pankaj Malhan: Thank you, Parmod, and good morning, everyone. It's an honour to address today as Managing Director and CEO of RHI Magnesita India. I'm joining a company with a strong market position, deep technical expertise and a proven track record of creating value through innovation, operational excellence and longstanding customer relationships.

As we look ahead, we remain focused on 5 strategic pillars that are going to drive our next phase of growth. First, we would love to outpace the market by strengthening our presence in high-growth segments such as ironmaking, DRI & pellets, flow control and selected industrial applications. We are very confident this will be supported by new order wins and deeper customer engagement.

Second, we continue to expand our 4PRO model, moving beyond traditional product supply to deliver tailored solutions and long-term strategic partnerships with strong momentum coming in both the steel and cement markets.

Third, we are accelerating digitization and technology adoption to enhance customer value and operational excellence, including investments in advanced automation and energy optimization initiatives.

Fourth, we remain focused on driving cost competitiveness through backward integration, progress in quartzite mining and increasing recycling rates, which would strengthen both our resilience and sustainability.

Finally, sustainability remains at the core of the strategy. We continue with reductions in energy consumption and CO_2 emissions. This reinforces our commitment to responsible and profitable growth.

With a very resilient business model, trusted customer relationships, a talented team and very clear strategic priorities, I think we are very well positioned to deliver sustainable and profitable growth over long term.

With that, let me hand over to our CFO, Mr. Azim, who will take us through the financials. Over to you, Azim.

Azim Syed: Thank you, Pankaj and Parmod-ji, and good morning, everyone. Let me now take you through our financial performance for the first quarter of FY27. We began FY27 on a strong note, delivering healthy growth in both revenue and profitability despite a challenging industry environment.

Revenue from operations for Q1 FY27 stood at INR1,014 crores, representing 9% quarter-on-quarter growth and 6% year-on-year growth. Growth was primarily driven by the steel business, supported by favourable realizations and healthy demand across key applications. Cement segment also recorded a recovery during the quarter, benefiting from seasonal maintenance demand.

EBITDA for the quarter was at INR147 crores, reflecting a strong 42% year-on-year increase. EBITDA margin improved significantly to 14.5% compared to 10.8% in Q1 FY26. This improvement in profitability was driven by strong execution across our steelmaking portfolio, favourable price realization, operating leverage and ongoing productivity initiatives.

Despite inflationary pressures in raw materials, logistics and energy costs, disciplined cost management and operational efficiency measures supported healthy margin expansion. In addition, initiatives around recycling, vertical integration and supply chain optimization continue to contribute to cost competitiveness and long-term margin sustainability.

As a result, profit after tax nearly doubled during the quarter, increasing from INR35 crores in Q1 FY26 to INR65 crores in Q1 FY27.

Our balance sheet remains strong. Working capital remained well controlled even as we strategically increased inventory levels to strengthen supply continuity and support customer requirements in the upcoming quarters.

We remain focused on maintaining supply chain resilience while preserving capital discipline and liquidity. We have cash and cash equivalents of INR452 crores, and our balance sheet shows a strong improvement in working capital. Our balance sheet remained net cash positive with strong KPIs.

Our confidence in the outlook is supported by the resilience of our business model, strong customer engagement, healthy order visibility and the progress we continue to make across our strategic initiatives as outlined by Pankaj.

Looking ahead, while the industry continues to face competitive intensity, excess capacity and geopolitical uncertainty, we remain confident in our ability to outperform the underlying market.

Our confidence is supported by customer engagement, order book and continued progress across our priorities.

We remain encouraged by the momentum in our business and expect to deliver profitable growth while maintaining a disciplined focus on margin, cash generation and returns. Overall, the quarter reflects the strength of our business model and our ability to deliver profitable growth despite a challenging environment.

With that, we conclude our prepared remarks, and we'll now be happy to take your questions. Thank you. Back to the operator.

Moderator: Thank you very much sir. We will now begin the question-and-answer session. First question is from the line of Varun Jain from Dolat Capital.

Varun Jain: I have a couple of questions. So starting with the realizations. I think realizations grew close to 12% year-on-year in this quarter. So could you split this in what came from price increases versus product mix versus currency? And what is the sustainable realization for this year?

Parmod Sagar: Normally we don't do this split of what is coming from price increase and other areas. I'm sorry, we don't have the split as of now.

Azim Syed: But on a high level, what we can say is that most of the price increases were nothing but a war surcharge. So, you can say that primarily it is driven by the product mix, if that helps.

Varun Jain: Sure, sir. And sir, on the capex side, I think we did INR 8 crores of capex only in Q1 versus INR150 crores guidance. So we are running kind of slower than the run rate. So do we want to revise the capex guidance or is it intact? And can you just give us a split of the capex in the 4PRO, Dalmia modernization, etc?

Parmod Sagar: Actually, the long term of whatever we said, INR80 crores to INR100 crores capex every year, we are maintaining still the same statement. It includes modernization of Dalmia plants, some 4PRO machinery robotic solution and maintenance projects.

Varun Jain: Got it, sir. And sir, on this MINPRO JV, sir, what is the planned investment and how will we be funding it, commissioning timelines? If you can throw some more light on the entire economics of this?

Parmod Sagar: First 2 years, we and our JV partner Khemka as per the shareholding, 51% we will infuse, 49% they will infuse in capex as well as in working capital for first 2 years and then the JV will have self-sustainable money and from that they will do further expansion or ramp-up of the facility.

Varun Jain: Sir, my question was how much investment is planned and what are the payback period, EBITDA margin, ROCE? Like, how are we thinking about it?

Parmod Sagar: It is roughly INR35 crores initial investment in next 2 years' time. And we believe EBITDA should be around 8% to 10% and payback period should be less than 3 years or so after production.

Varun Jain: Got it. Sir, just a last one, sir, on the volumes front. I think we have a guidance of close to 9% for FY'27. So since this quarter, we didn't deliver that, so we'll need close to 14% for the balance 9 months to meet that guidance. So is that much possible?

Parmod Sagar: I don't think I have ever committed 9% volume growth. I normally say 7% to 9%. And you are taking upper side of it, I can take lower side of it. So my dear friend, it all depends on the situation, dynamic situation, like cement season is almost going to be over by end of September.

I would say we will be having a healthy run for market growth. I still believe we can deliver 7%-8% volume growth but not 9%. I think it's a bit of stretch but definitely if we can get some good order with the high volumes, why not. But as of now, I'm not in a position to say 9% is a sustainable volume growth for rest of the year.

Moderator: Next question is from the line of Sahil Sanghvi from Monarch Networth Capital.

Sahil Sanghvi: Yes. Excellent set of numbers team. Congratulations to the whole team. Secondly, just wanted to convey my best wishes to Parmod sir. I mean, there was a time when the IRMA team used to say that how to learn to do profitable business from Parmod sir. So congratulations, sir, and best wishes.

Parmod Sagar: Thank you so much Sahil

Sahil Sanghvi: Yes. Sir, my question is, how should we look at margins, sir, for the business? I mean I'm more of understanding structurally and over a medium to longer term, what could be the levers for the improvement? And this number that we have delivered this quarter, I understand, sir, the price hikes are something which will be renegotiated and depends on how RM cost moves.

But I mean, if you can also split the margins between the Dalmia business and the other businesses because as we understand, the other businesses are flow control heavy and high margin. So structurally, how should we look at the margins for this business?

Parmod Sagar: Sahil, if I talk about Dalmia and RHI Magnesita India, Dalmia is mostly flat and the growth has come from RHIM India. In RHI Magnesita India, most of the products are flow control products, be it the Bhiwadi plant or Jamshedpur plant, and that was our focus area where we could manage to get price increases. So, the growth has come from IN whereas IR remains flat. What else? Sorry, I could not get you,

Sahil Sanghvi: Yes. So I was asking for a medium to longer term structural view on the margins. Where do we see the numbers, maybe a range, and what initiatives we'll work on to reach that range?

Pankaj Malhan: It's Pankaj Malhan, if I was to take this question. First of all, the team has delivered a wonderful quarter. We should appreciate this. I think going forward, there are a couple of things that Parmodji also discussed about.

One called some structural changes coming up because of this MINPRO joint venture that we're looking at. Then of course, we are looking at some of the mines starting for us. So these are the structural changes that we are looking at in terms of making sure the margins sustain.

And we are very positive about the Indian context, specifically in terms of the continuing industry growth rates, the way the capex are planned. We are very hopeful, going forward, the price should also look sustainable over here. So, we are hopeful in medium to long-term basis, we should be able to sustain the past.

Moderator: Next question is from the line of Rajesh Majumdar from 360 ONE Capital.

Rajesh Majumdar: Congratulations on a good first quarter. I just wanted to know a couple of things. One is, what is the impact of project orders in the first quarter results, whether any project orders are reflecting in the first quarter numbers? And if so, what is the quantum of that?

Parmod Sagar: Rajesh, we don't have any project in the first quarter, so there is no impact of any particular project delivered in the Q1.

Rajesh Majumdar: So this is entirely from steel operations, mostly?

Parmod Sagar: Yes, it's operation fully. So mainly steel. And industrial was a bit weak because whether it's non-ferrous or glass, there's hardly any project coming up in first half of the year, I would say. And there are some projects coming up second half of the year.

Rajesh Majumdar: So, because we were expecting some project orders this year, but some things seems to have materialized so far. So is that expected to be still down the line?

Parmod Sagar: Yes. We are still expecting in second half.

Rajesh Majumdar: And is there any...

: Silica and glass orders will come through in Q3 and Q4, and we'll normally see this as seasonal as you are well aware of it. So it is still in our pipeline. This is why we are emphasizing our order book visibility because these are long-term projects for market growth and we will be able to execute this and this is in our pipeline.

Rajesh Majumdar: Right. And is there any impact of softer alumina in this quarter in terms of the margin because the gross margin standalone has gone up quite a bit? So I was wondering that impact is positive from the alumina price.

Parmod Sagar: Alumina price has stabilized from last 6 months to last quarter of last financial year It was static; there's no significant movement. I would say there's always movement a little bit here-there, but not a significant movement. So it's stable as of now.

Rajesh Majumdar: Right. And sir, what is the outlook for magnesite prices in terms of you already have some price increase in 1Q? But will we see cost increases again in 2Q which will again be a problem and you need further price increases or you think the margins are going to be stable by and large given the impact of raw materials and everything? Yes.

Parmod Sagar: So magnesite price has already gone up by 6% to 8% from, last 2 months or so. We are trying to see how we can absorb this and how we can pass on to our end user. So both way we are working on how we can further optimize our product processes, recipes, circular economy and whatever is not possible how we can go to our end user customers and ask for a price adjustment.

Rajesh Majumdar: Right. And sir, my last question is you mentioned in the presentation that the flow control market share has gone up. So what is the contribution of flow control in this quarter?

Parmod Sagar: It's difficult to say what is the contribution, but I can only say in one of the big group, our market share has gone up almost double in the last 6 months or so.

Azim Syed: Just to give you an update Rajesh, 35 percentage is coming from core business, our total revenue. I think that has answered your question...

Moderator: Next question is from the line of Rajakumar Vaidyanathan from RK Invest.

Rajakumar Vaidyanathan: Congrats for the good set of numbers. So the first question is this margin improvement that we have seen in this quarter, is that sustainable?

Azim Syed: I will take this question. we have given a guidance of 13%. We still remain firm with that guidance.

Rajakumar Vaidyanathan: Okay. Okay. The reason is, see, I think your parent company, in their commentary, they have said that they are looking at a EUR45 million EBITDA improvement for 2026 coming from pricing efficiency and product mix combination. So I just want to know how much of that will be contributed by the India entities?

Azim Syed: our parent company has given for the entire group on the total pricing initiatives that it will come. It will contribute to EUR45 million. This includes all the regions, a part of it is India.

However, we give guidance on these 2 aspects, one is on volume growth, which we always have said that whatever steel, cement, those plus 1% to 2% is what we have always given a guidance. So this is on the volume side. On the profitability side, again, we said 13%. So we continue to remain at 13% this year.

Parmod Sagar: I can only add out of this EUR45 million worth that global has said, we are going to contribute significant proportionate. I would say, they are the 6 regions, So we will be contributing proportionately.

Rajakumar Vaidyanathan: Yes. And sir, sorry to focus on the point. So of this EUR45 million, you said you are going to contribute significantly. So is that already reflected in your Q1 or we will be expecting some more in the...

Parmod Sagar: No, it is already reflected in Q1.

Rajakumar Vaidyanathan: Okay. So that's going to kind of sustain in the next quarter, right?

Azim Syed: Again, I'll go back to my earlier remarks. We'll stay at 13%. Of course, right, if there is any upside in the raw material pricing and the war uncertainty gives us a little bit of a cost headroom, of course this will be some kind of an upside. But we cannot comment or predict on this geopolitical uncertainty.

So I think despite all these challenges, despite all these inflationary pressures and volatility in the market, we're still firm on what we had said in the last 1 year that we will still sit on the guidance for the 13%.

Rajakumar Vaidyanathan: Okay. Got it, sir. Sir, the second question is your competitor, Vesuvius, has recently moved into the crucible market through the Foseco, Morganite to build out the non-ferrous industry exposure. Sir, the question is does RHI see Crucible or a broader foundry consumable as a white space opportunity?

Parmod Sagar: Actually, if you talk about our good friend Vesuvius, they are from the very beginning with Foseco. They are quite with Foseco 30 years back and this crucible business was there throughout. It is not a new diversification, as per my knowledge. We, as RHI Magnesita India, are open to anything and everything, If it fits into our scheme of things.

Moderator: Next question is from the line of Chetan Doshi, an Individual Investor.

Chetan Doshi: Thank you for giving me opportunity, Welcome Pankaj to the Board. Now my first question is regarding in the coming quarters, see, this quarter you have performed very well as far as RHI is concerned. But in coming quarters, what kind of product mix you are going to concentrate wherein you will see a similar growth? And second is that in spite of the raw material cost and the other challenges, what active steps you are going to take to nullify them?

And second question is regarding MINPRO, when actually the production is going to start. And are you the only company to which I shall bid, or any other competitor is also capable in this segment?

Pankaj Malhan: Doshiji, first of all, thank you very much for welcoming me. Your couple of questions, if I have understood well. First of all, thank you very much for including sustenance in the team's performance in quarter 1. Of course, we have just touched upon our guidance has remained strong.

Actually Azim has touched upon margins and in terms of profitability, our guidance for the year will be standing. Of course, we are also looking forward to have some structural changes in the process, which we have just touched upon. And we are very hopeful we will be able to deliver the numbers that we gave as a guidance.

And number 2, you want some kind of product mix changes. Of course, our endeavours of the management is also there in terms of making sure the product mix is always on richer side which is the flow controls and the steel technology side. So going forward, we would look forward how we can further enrich our product portfolio, and of course, actually the profitability.

Third one where you wanted to understand MINPRO. What are the expected timelines of this project to start? We are very hopeful. We will be looking somewhere towards the quarter 4 of this financial year to start.

Chetan Doshi: And you have any competition in that, or you are the only one to do this type...

Pankaj Malhan: Our peers is always welcome. We cannot comment on that, but competition is always there and we believe in healthy competition as always.

Moderator: Next question is from the line of Praveen Jayaraman from Avendus Spark Institutional Equities.

Praveen Jayaraman: Congrats on the good set of numbers and welcome Pankaj sir. Pankaj sir, in the opening remarks, you mentioned something on quartzite mining. Can you give more detail on what we are doing there? And what would be the idea here? I could not get that earlier.

Pankaj Malhan: Okay. The company is planning to have some backward integration specifically for quartzite mining. There are 2 mines that we are working on: one is Chiraipani and other one is Bhikampali. So we are very close to opening up this mine and now our take is, towards the end of this quarter we should be able to open these mines. So this would definitely give us a solid structural benefit in terms of cost structure. The benefits we expect should start coming up from next quarter.

Azim Syed: If I may add a little bit. So this mine is something that we got as a part of our Dalmia deal. Now we have received all the licenses to operate this mine. as Pankaj rightly said, this is most for supply resilience Make in India initiative, which we have always targeted upon So I think it's all coming to fruition now and this will make us completely self-sustained. And most importantly to serve our public sector in steel players.

Praveen Jayaraman: Understood, sir. My second question is on the lines of project orders. So, we were saying that we didn't have any impact on the revenues as of now. In the earlier con calls, I came to know about the coke oven-related project orders, which we are anticipating. So, what is the outlook on the same? And whether we will be having impact in this year?

Parmod Sagar: So, if we talk about the glass project, the silica project and coke oven project. So, coke oven project is almost at the final stage of our negotiation. There's a bit of pricing adjustment, which we are doing with our customers. So it should be concluded anytime. And we will start the production from next month. So, that project is a long-term project, may be for next 14 to 16 months.

And the second is glass. Glass group projects are at a very advanced stage of discussion. So, that should also happen in third and fourth quarter of this year.

Praveen Jayaraman: Okay, sir. So, we could expect the project contributing from H2 with these 2 coming up on the coke oven side.

Parmod Sagar: Yes, absolutely.

Moderator: Next question is from the line of Rajas Joshi from Chrys Capital.

Rajas Joshi: Congrats on a good set of numbers. My question would be around the growth drivers. So, given that we have a net cash balance sheet now, how should one think of incremental opportunities for us outside of the current industries or products that we manufacture and serve? Any other inorganic growth drivers or any other new segments that we can probably enter into? Some color on that would be helpful, please.

Parmod Sagar: We have just concluded with JV with Khemka. So, give us some breathing time also. As I said earlier, the global management is also very supportive to expand our business in India and going forward, the management and the leadership of Pankaj will look into various options for which we can expand further our business in India.

Rajas Joshi: Understood, sir. And secondly, I think, I mean, on the call, we've just spoken about how we can enter PSU clients better after having our own captive mine. Just wanted to get a better understanding there of why we were not able to cater to them before so well.

And related to that would be, SAIL has announced a new plant recently. So, would we be participating in the same plant, both from a one-time, upfront capex that they do, and then also more recurring revenue perspective on the same plant that they're setting up.

Parmod Sagar: I think, you have misunderstood, when Azim was saying about PSU, linking with the mine, we are already doing this coke oven project with the PSU plant. Only thing is with our own mining, we will have a supply resilience and a cost advantage. That will improve our margin in a way. And we are not relying on third party to supply our raw material for any update. So, that's what he was trying to say.

Rajas Joshi: Okay. And, sir, I mean, so then should one look at this from a perspective that given our own captive mines, we can price our products better and that should lead to higher volume growth while margins will remain largely stable? Or should one look at it as volume growth should be where it is and margins should improve because we have a captive base?

Parmod Sagar: Second option. Margin will improve.

Rajas Joshi: Okay. Understood. And on the SAIL Bhilai plant, if you could just clarify whether we are there in the plant or for the new capex that they've announced?

Parmod Sagar: You know, they are coming up with SMS4. So it will take time when they will start talking to the refractory producers for first fill or capex order. I was there a few weeks back, we discussed in general when it will come, but it is still, away, maybe another 6 months or 8 months when they will start talking to the refractory part. But yes, SMS4 is coming up. They have a plan of adding about, I think, 6 million tons or 6.5 million tons.

Rajas Joshi: Okay. And from a product portfolio perspective, if you look at our parents' product portfolio and market offering, are there some products, per se, which our parent has, which have not been introduced in India yet, and we could possibly introduce them at some point in time, depending on how the market evolves in India here?

Parmod Sagar: Yes, from last few years, we were continuously trying to transfer some technology, some products, which we were not producing in India. So, some are already transferred. Some are in the pipeline. We are working on that. And in maybe 1 year's time, we will have 4 or 5 more products being produced in India.

Azim Syed: So, we have shared this portfolio of what we are transferring. If you go to the investor deck on Page number 21 and 22, you can see this, what is our current new product transfer and what we are developing. So, it will give you a flavour of what we are introducing already or in the process of it.

Moderator: Next question is from the line of Sahil Sanghvi from Monarch Networth Capital.

Sahil Sanghvi: Just if you can give some more details on the quartzite mine. I mean, would this scale up to make us self-sufficient on our requirements to that particular mineral? And if there is any approximate understanding on how much cost savings can be done or any translation into margins, any kind of details on this front, any direction?

Parmod Sagar: Sahil, this is still a work in progress. Our FP&A team is working on how much will be mining cost, transportation cost, royalty, landed cost, at what price we are buying from outside sources etc. . We are working on this and we will reach out to you when we are ready with the costing.

Pankaj Malhan: I think this question let's take offline in terms of very specifics of the advantages. But yes, there are such advantages which we are expecting.

Sahil Sanghvi: Got it. And with respect to Khemka, I mean, I understand whatever you have explained in this call till now. But again, is there any kind of quantification possible on how much we can save with respect to our cost structure?

Pankaj Malhan: Not exactly we can divulge those numbers as of now. But of course, it is more of supply chain resilience, what you just said now. I think we are trying to create that kind of resilience in the supply chain. As we have seen in this year, there were a lot of disruptions because of the geopolitical tensions, So we don't want this to happen in future. we are preparing organization from a future perspective.

Sahil Sanghvi: Got it. Secondly, we are also constantly trying to work on the export story. Any kind of developments or any kind of visibility improving on that front with respect to 6 to 12 months?

Parmod Sagar: Sahil, it is really unfortunate from last 2- 3 years, we were trying very hard to increase our export percentage of business. But sometimes Ukraine-Russia war, now Middle East war, something or the other is happening, though we keep on striving and we did some very successful trials. And we expect at least some flow control, particularly isostatic products. Export will go up in coming months and maybe a year or so.

Azim Syed: Yes. But the current performance, Sahil, it's actually reduced from last quarter to this quarter. So it's actually reducing at the moment for us.

Parmod Sagar: With 1%...

Pankaj Malhan: So, the larger focus, which we really want to be in domestic market as we are an Indian company and we would love to focus on international markets. We would be definitely introducing new products like we just opened up a while back. But the larger focus is continuing to be in the Indian market.

Parmod Sagar: Local, for local.

Moderator: Next question is from the line of Rajakumar Vaidyanathan from RK Invest.

Rajakumar Vaidyanathan: Sir, there was also a commentary line about India which said that there is some India steel market share loss as a deliberate exit from low margin business in favour of 4PRO. So I just want to know how much of top line we lost due to this?

Azim Syed: I think that's not the right statement, Raj, if I understand. So, we are not saying that we will prioritize 4PRO. I think these are 2 different statements. As we said in our earlier calls was that we want to be absolutely disciplined on our profitability that will generate value for our shareholders.

We will exit low margin business and if it is not adding any value or any strategic advantage, we will not grow for the sake of growth. Now, 4PRO, as we said that this is a different business model what we are adopting. It's a completely different approach altogether in the way we are selling. Earlier, we used to do this TRM or FLS kind of contracts.

Now, we are saying that we will provide solutions for our customers wherein we are not just a supplier of bricks or mixes, but here our focus is that we understand the problem statement of the customers, establish long-term relationships, and ensure that we provide the solution that works for them, which could not be just providing refractories or installation, but it also could be automation, digitization, or robotics, or managing the supply chain of the factories for them.

Again, on the margin, we don't usually give that split because it is unfair and it is a competitive sensitive information. So we don't give this outright.

Rajakumar Vaidyanathan: This is helpful sir. Sir, so the shift to 4PRO, will it also lead to elongated sales cycle given that you are looking at providing long-term solutions to the customers?

Azim Syed: Exactly right. That is the intention of this long-term partnership because putting up robotics or automation or digitization kind of initiatives, it has its own technology, life scale from adaptation, and also maturing this to get the full value of the customer. Second, it also has an investment from our side as well. So the customers very well understand it and that is our entry point to ensure that we do effective long-term relationship with the customers.

Rajakumar Vaidyanathan: Okay. Got it, sir. And sir, just one housekeeping question. So this -- I saw this notification on this auditor's resignation. So any reason there is a mid-year resignation with the auditors, if you can give some color on that?

Azim Syed: So I know that you follow our group results also very closely and I am sure you would have observed a notification that we had a change in auditors in our group. So we are aligning with that process and most importantly, our auditors will also get rotated next year. So we are aligning with our group's strategy to ensure that we have same auditors.

So this mandatory rotation for group also it made sense for us to have a productive discussion with our auditors and they had said that they also had intent to resign and we will be adopting the same auditors in the upcoming AGM to ensure that we get the right governance and also synergies along with our group.

Rajakumar Vaidyanathan: Okay. This is helpful. Sir, if you permit me, can I ask one more question?

Azim Syed: You are already asking, sir. Go ahead. One more.

Rajakumar Vaidyanathan: Yes, sorry about that. Sir, the question is, last quarter you made a goodwill impairment. So do you think that the things have now kind of improved? Will there be a situation of reversal of that impairment? Is it something that we can expect?

Azim Syed: So, goodwill was one time and all we can confirm is that all the goodwill of Dalmia is already off our balance sheet now. And by the way, just to kind of remind everybody to the investor, these are non-cash goodwill, non-cash impairment, no impact on our profitability. It is below EBITDA line.

And yes, so we don't think we don't need anything further because we have it on RHIMIN some goodwill, but we have enough headroom also if even the situation worsens as well. And by the way, this also has a positive impact because it also has contributed positively to us,

Moderator: Next question is from the line of Chetan Doshi, an Individual Investor.

Chetan Doshi: This is in regarding this robotic solution in caster operation. So, we have 2 robots already installed. So since how long these are in operation? And we have written that we are flexible on 5-year lease. So we are ready to offer them 5-year kind of warranty kind of a thing that we are associated with the company and we take care of the maintenance card if at all something goes wrong as far as this is concerned?

Parmod Sagar: Yes, Pankaj, the contract with the JSW is for 5 years.

Pankaj Malhan: Doshi...

Azim Syed: Chetan.

Parmod Sagar: Chetan, I'm sorry. Chetan, it is a 5-year contract. It includes everything: supply of refractory, maintaining of robotic part. The maintenance, everything is taken care of when we offer this.

Azim Syed: Chetan, if I was to just add, I think you know the world is opening up to data centricity, which is in line with a layer of automation, robotics and then, of course, artificial intelligence. Your company, RHIM, is strongly looking into this side of value addition to the customers also going forward.

Moderator: Next question is from the line of P. Yogesh, an Individual Investor.

P. Yogesh: Sir, my simple question isI guess, over 3 to 5 years, apart from our core business, so now recently, we have new contracts with 4PROs and we are doing so many things again and again. So it is good for shareholders.

I am just simply saying as per our understanding, apart from the refractory business, what we can do is to jump up the top line and what could be the services business and product business going forward?

Roughly, based on your understanding, because you know the client better and because of the scope of automation and improvement everywhere in India and in the world as well. So based on your understanding, what could be the possibilities? I am not asking you to target anything because this market is new to me and everyone, to be frank.

Because I have not seen all these kinds of plants probably where we can add value, where we can actually give consultancy or maybe AMC income or maybe other any product. Like recently, Foseco India acquired Foseco Crucible and they are non-ferrous kind of thing. I do not know whether we can do that part also or not. Just your, like, hypothetical comment, I am not asking you very straightforward answer.

Pankaj Malhan : So it is a very forward-looking question, Yogesh, and it is a brilliant question also. Look, the company has always been trying to add value to the customers and we would be going all the way in terms of making sure we engage with the customer. So when we say engage, it is going beyond the selling of the products. We really want to fit ourselves into the shoes of the customers and see what exactly we can add value to them.

Now, this can actually spin out of some kind of automation, digitization, or even going up to an AI layer, which can add value to their processes. So net-net, if I was to say, the company would be striving to move from a product selling to a solution selling, definitely in the next 3 to 5 years basis.

Second, of course, the opportunities, I can't predict as of now what would be there in future, but our company remains open to exploring whatever comes on their way in terms of attractiveness of the business.

P. Yogesh: Okay. And anything on for non-ferrous side? Like...

Pankaj Malhan : Sorry?

P. Yogesh: Anything on non-ferrous side?

Pankaj Malhan : Non-ferrous, we are already there. See, we are into cement, so we are into aluminium. And we will continue to look, we are into copper. So, we will continue to strengthen our own position in terms of non-ferrous going forward.

P. Yogesh: Okay. Just a last question on my side. Sir, I agree in volatile kind of situation, it is very difficult to predict anything. But I am asking for, let's say, this year, how do you see for steel industry? As per your understanding, and because you are in touch with customer also, and obviously, you have some basic idea of how things have turned, and there is a lead time to supply goods and services.

I am not asking exact number. But outlook-wise, how do you see that this year would be better than last year based on -- because most of the production, auto production and everything is going up. So just asking simple. Because last year was X scenario, whether this will be 1.2x kind of scenario for this year?

Pankaj Malhan : No, we very clearly communicated our strategy elements with you, that we are looking to outpace the market growth. That is where the management is working on with. There would be customer engagement coming to the 4PRO model. Definitely, we would love to adopt more of technology and digitalization that I just touched upon.

Fourth, of course, we are looking into structural changes in the cost structure itself. So all these initiatives are there. There is a lot of strategic motion to this, which will be -- which, as a team, we will continue to work on and take it forward.

P. Yogesh: No, sir. I am asking the environment, because strategies, we can decide in terms of...

Pankaj Malhan : We all know, steel is growing very strongly in the country right now. If we look into the numbers, the way Indian steel sector has grown in H1, it was 7-8% growth, so that actually puts us into a very good sweet spot with the growth of our end-consuming industry. Steel demand, of course, continues to grow at a good pace, and we are hoping that the India story would be intact going forward.

The way we are looking at the capex announced by a lot of steel companies and their commitment to the capex, I think if I just do a very broad-cut number, not to be exact, but I think steel sector itself would be seeing a capex of not less than INR50,000 crores to INR60,000 crores coming up this financial year.

So that also gives us a lot of headroom. Going forward, the growth rate of steel sector is going to be great, at least for the next 5 to 8 years that we look at. And refractory industry should be tagging in line with the growth rate of steel sector.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Parmod Sagar for the closing comments.

Parmod Sagar: Thank you very much, dear valued shareholders and analysts, thank you for your support over the years. Thanks for your trust in the management and we assure you we will do everything possible to exceed your expectations.

Under this volatile situation, we can't comment, confirm everything, but intention is to grow more than the market and we will continue this. We look forward to your continued support. Thank you very much and all the very best. Thank you.

Moderator: Thank you, sir.

Azim Syed: Thank you.

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