



**RHI MAGNESITA**

**RHI MAGNESITA INDIA LTD.**

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**20 February 2026**

**BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai-400001.

**National Stock Exchange of India Limited**

Exchange Plaza, Bandra Kurla Complex  
Bandra (East), Mumbai

**STOCK CODE: 534076**

**STOCK CODE: RHIM**

Dear Sir/ Madam,

**Sub: Transcript of Conference Call – third quarter and nine months ended 31 December 2025**

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 11 February 2026, the transcript of the conference call held on 16 February 2026, for discussing the earning performance of third quarter and nine months ended 31 December 2025, 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  
Company Secretary  
ICSI Membership No. -A17021

Encl.

a/a.



**“RHI Magnesita India Limited  
Q3 FY '26 Earnings Conference Call”  
February 16, 2026**



**MANAGEMENT:**

**MR. PARMOD SAGAR – CHAIRMAN, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER  
– RHI MAGNESITA INDIA LIMITED**

**MR. AZIM SYED – CHIEF FINANCIAL OFFICER AND CHIEF INVESTOR RELATIONS OFFICER  
– RHI MAGNESITA INDIA LIMITED**

**MODERATOR:**

**MR. RAJESH MAJUMDAR  
– B&K SECURITIES**



**Moderator:**

Ladies and gentlemen, good day, and welcome to RHI Magnesita India Limited Q3 FY '26 Conference Call hosted by B&K Securities. As a reminder, all participants' line 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 this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rajesh Majumdar from B&K Securities. Thank you, and over to you, sir.

**Rajesh Majumdar:**

Yes. Good morning, everyone, and welcome to the Q3 and 9 Months FY '26 Conference Call of RHI Magnesita India. We have with us today Mr. Parmod Sagar, Chairman, MD and CEO; and Mr. Azim Syed, CFO of the company, joining us in this call. Before we get started, I would like to point out that some statements made or discussed on today's call will 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, Managing Director and CEO from RHI Magnesita India Limited. Thank you, and over to you, sir.

**Parmod Sagar:**

Thank you, Rajeshji. Good morning, everyone, and thank you for joining us today. The quarter gone by has been defined by resilience and the ability to sustain momentum in the face of macroeconomic headwinds. We have maintained our market leadership on the back of our diversified product portfolio, long-standing customer relationships and agile production capabilities.

At the outset, let me start by highlighting that safety remains our highest priority at RHI Magnesita. I'm pleased to share that we have been formally recognized by the World Refractory Association for exemplary safety performance across 9 refractory service locations. By enabling safer, more efficient steel and cement production, we are strengthening India's industrial backbone and supporting the 5 trillion economy vision with self-reliant supply chains.

This quarter, we maintained our strong market position and achieved record revenue again to the tune of INR 1,092 crores despite macro headwinds impacting the overall market.



We once again surpassed our INR 1,000 crores revenue benchmark, a testament to our strong business fundamentals. EBITDA was 13.7% this quarter, which is the highest in this fiscal year. Strong iron making project orders were delivered through OEM orders, coupled with good momentum in Flow Control and 4PRO delivered expected and tangible returns. Even though the external environment remains demanding, our performance reflects the steady outcome of strategic decisions made consistently over a long period of time.

From an industry perspective, refractories continued to face structural pressure as domestic overcapacity additions outpaced demand and oversupply of imported commoditized refractory products further intensified market challenges. A similar situation exists in our core end market of steel and cement as well. And steel producers faced Chinese steel dumping, but safeguard tariff of 11%-12% in Q3 and production-linked incentives were introduced by government helped to curb low-price imports. Hence, India returned to a net steel exporter position in Q3 'FY'26 after 6 consecutive quarters. However, it must be noted that the safeguard tariffs are only applicable for specific grades of flat steel products. Despite Indo European and Indo-U.S. trade deals, no further increase of imports -- exports in steel are to be expected.

Cement sector delivered strong shipment volume during this year. However, margins were under strain with capacity utilization between 55% and 60% only. With a 10% year-on-year increase in government capex, along with real estate focused policies in the recent budget, it is expected to improve utilization levels further.

The recent budget sustains strong infrastructure spending across roads, railways, housing, supporting steel and cement demand. The construction and infrastructure equipment scheme will promote heavy equipment manufacturing, further boosting steel consumption. While the INR 20,000 crores carbon capture utilization and storage fund advanced decarbonization in steel and cement.

Together, 10% capex growth, the CIE Scheme and decarbonization initiatives have created a structural opportunity for refractory suppliers aligned to steel cement value chain. However, the industry continued to await targeted interventions such as duty relief on key raw materials to enhance cost competitiveness.

The above initiatives are positive from a growth perspective for our customers. However, we are cautiously optimistic due to the industry challenges. Our



strategic initiatives are gaining traction across both solution-led and product-led businesses. Our future focus for this and next year would be on strengthening the core while delivering sustainable long-term growth. Our focus areas for this year include expanding our 4PRO footprint across cement, steel, iron making sector. As you know, 4PRO means total refractory management with sustainability inclusive in that.

Focussing on our customer relationships and strengthening our iron-making business by enhancing our presence in coke oven and blast furnace area by launching new DRI products.

Increasing our share in blast furnace runner management and taphole clay supported by the commissioning of the semi-automatic taphole clay line in Jamshedpur.

Solidifying the HPI, Hydrocarbon Processing Industry business of legacy RESCO from U.S. in India and establishing a clear growth road map.

Continue with our cost optimization program to remain competitive and control the spend with the right trade-offs.

Advancing our R&D agenda by optimizing recipe with recycling to support circular economy initiatives while escalating new product transfer, development and portfolio harmonization.

Maintaining strict margin discipline to ensure sustainable and profitable growth.

India remains a key market for global refractory suppliers with competitive intensity high across products and customer segments. Despite this, we remain confident in our ability to respond to challenging market needs. While remaining mindful of short-term challenges, we are cautiously optimistic about the path ahead.

Financial year '25-'26 till now demonstrated a resilience, and we are now focusing on converting this into tangible gains through disciplined execution and sustainable market share expansion. We are honored to have received recognition from both Steel Authority of India and Tata Steel Group, affirming the strength of our product quality and execution. SAIL's Award for social governance excellence underscores our dedication to responsible business practices, While Tata Steel named us Agile Partner of the Year, highlighting our capability to deliver



in complex steelmaking environment, also, we have received Safety Award from Tata Steel.

In summary, while challenges remain, we are confident that our strong fundamentals, disciplined execution and customer focus will sustain our growth momentum.

I will now hand it over to Azim to take you through the financial performance in detail. Thanks a lot.

**Azim Syed:**

Thank you, Parmodji, and good morning to all. Let me now walk you through the financial results for the third quarter of FY '26. Despite market headwinds, we achieved our highest ever quarterly revenue of INR 1,092 crores. This reflects a sequential growth of approximately 5.5% over Q2 FY '26 and a year-on-year increase of 8% versus Q3 FY '25. This growth underpins our strategy in action. This growth was driven by 4PRO wins across steel plants and project deliveries in iron making.

Average realization improved sequentially, rising to INR 80,410 per MT in Q3 FY '26 from INR 73,237 per MT in Q2 FY '26, reflecting an improved product mix, onetime performance bonuses and pricing discipline. The same is reflected in adjusted EBITDA at INR 150 crores, which marks a 36% improvement over the previous quarter and 14% year-on-year. EBITDA margins improved to 13.7% compared to 10.7% in Q2, driven by the same reasons which we mentioned for realization.

Profit after tax for the quarter stood at INR 62 crores, up by 61% quarter-on-quarter and 29% year-on-year. Additional employee costs arising from the new wage code implementation and higher costs due to rupee depreciation pressured margins, which was offset through operational excellence program, which focuses on better manpower planning, machine level loading and tighter control over discretionary spends.

I am pleased to share that we recorded highest ever operating cash flow at INR 289 crores in current quarter, representing a 627% quarter-on-quarter increase. This improvement was driven by strong EBITDA growth, disciplined working capital management, particularly tighter inventory control and improved collections.



Turning to the balance sheet. We continue to operate with strong capital discipline. Between Q2 and Q3 FY '26, the net debt reduced from INR 200 crores to a net cash position of INR 35 crores. Hence, net debt to EBITDA ratio improved from 0.5x to minus 0.1x, which is the first time negative leverage post-acquisition. This reflects disciplined capital allocation, robust cash generation and tighter working capital management.

We now have ample capacity to fund working capital requirements and pursue any growth investment without over-leveraging the company.

Looking ahead, we remain confident and realistic quarters driven by a robust order book and pricing initiatives, input cost optimization through our productivity initiatives and normalizing raw material costs.

In closing, RHM Magnesita India delivered solid top line growth with strong margins in Q3 despite industry headwinds. Business fundamentals have positioned RHI Magnesita India for success through strong industrial demand, solid execution and strategy and a healthy balance sheet.

Thank you to all our stakeholders for your continued trust and support. We will now open the line for questions.

**Moderator:**

The first question is from the line of Garvita Jain from Seven Islands PMS.

**Garvita Jain:**

I have one question. As mentioned that there was onetime bonus received. Can you quantify what was the amount of the bonus received during the quarter? Plus, what are the other factors which are driving the margins for us and the sustainable margins?

**Parmod Sagar:**

When Azim said one-time bonus, it doesn't mean it is one time. During the last quarter, we did some ladle and converter lining. And over a period of time, it starts to realize as bonus because there's a guarantee clause and when you are overachieving that guarantee, then you are getting bonus. So that we got in this quarter, and we assume that it will continue in next quarter as well. Because whatever we supply to the steel industry on guarantee basis, it is yielding results in terms of bonus.

**Garvita Jain:**

You are clear about the process, but I am asking what is the amount that we have received this quarter? And how much are we expecting for the next quarter also?



- Azim Syed:** We don't give those outlooks for the current performance. We don't separate out that performance purely because it's very difficult even for us also to model this because it has multiple factors. One, how many contracts we have. Second is also the performance of the products and when it will be realized based upon the steel production or consumption of our material. So we don't give out this information. We have never done that historically, we will not start to do that now also. Thank you.
- Garvita Jain:** The amount of bonus cannot be disclosed?
- Azim Syed:** No. We don't do that because of the variability, as I mentioned earlier.
- Garvita Jain:** Okay And the margins this quarter despite this bonus has increased because of what are the reasons, sir?
- Azim Syed:** Yes, absolutely. Sorry, the question was not clear.
- Garvita Jain:** It was because of the product mix majorly, right?
- Azim Syed:** Absolutely. In the previous quarter, we had high cement orders as well that had a lower realization rate. This time, we have low cement orders. We also have some high-margin OEM orders that also contribute to the increase in the margins as well along with the performance bonus.
- Garvita Jain:** Okay. Thankyou sir
- Moderator:** The next question is from the line of Amit Agicha from HG Hawa.
- Amit Agicha:** Congratulations for a good set of numbers. So what is the total installed capacity across plants and the utilization rate? And what will be the peak revenue if the plant is 100% utilized?
- Azim Syed:** So the current quarter capacity utilization on a consolidated basis is 64%. Again, the installed revenue on overall capacity utilization cannot be directly derived because of multiple reasons. One is the pricing ability, in Chairman's remarks, you have clearly heard that we have quite a bit of a market headwind, So the realization rate is subject to (especially for the commodity products), it is subject to the market conditions. So you cannot directly consolidate it.
- Second reason is that our lines are sometimes flexible, which means sometimes we can do different product portfolio on the same line. So it is very difficult for us to say that if fully produced, you're going to get this because in some months, we



have project orders, , especially for the industrial, let's say, like NFM, glass, which has higher realization rate versus a cement brick, which has probably a lower realization rate, it will completely change up the number.

Having said that, the line process is completely different, the raw materials and the recipes that we use are completely different. So unlike cement or steel industry, it's very difficult to directly give an estimate here.

**Amit Agicha:** And sir, the next question is about the recycling percent target. Like, currently, I think so in the presentation, it is mentioned 19%?

**Parmod Sagar:** Yes. So our target is to take it beyond 20% in coming year. It will be a gradual process. You cannot jump from 19% to 25% or so. You need to see the products where you can increase without impacting any quality or performance. We are not compromising. We are using recycled material after thorough processing as raw material, not just taking out a used material and crushing and putting it in some place. It will be gradual, but still we are doing reasonably well.

**Amit Agicha:** Thank you for answering question.

**Moderator:** The next question is from the line of Rajesh Majumdar from B&K Securities.

**Rajesh Majumdar:** Yes, sir. So I had a question on the realization. While it has jumped from INR73,000 to INR 80,000-odd sequentially, this captures some part of the performance bonus. Is that correct? So what is the realistic realization growth that has happened this quarter? And what is the sustainable realization per ton? I just want to get a hang of the price increase that you have got, that's all.

**Parmod Sagar:** Rajeshji, yes, it has an impact of bonus in realization, but it is not substantial that it cannot underline that it is because of bonus, right? And it will keep on changing also depending upon the product mix, like this quarter, Jan, Feb, March is a lean period for cement industry. So it will have a different impact on volumes and profitability in that particular segment. But at the same time, if you have a high end, like Azim was saying, glass order or coke oven order, then it also rectify it, neutralize it also. So I think anything between 76 to 80 should be the numbers are healthy, numbers without any performance bonuses, etc.

**Azim Syed:** Also, just to clarify for everybody on the call, what do we mean by performance bonus? This also has an impact on the realization rate in the previous quarter, for these contracts, we have installed the material, that means we have taken a cost in our P&L and we have not realized any revenue or profitability because you earn



after the product performs. So, there is a lag in the way we earn the money for the cost that we have incurred in the previous quarter.

So this also has an impact on the realization rates as well. We call it bonus because it comes a bit late and also it depends upon how much performance it gives. So although it's called a bonus, it's just a lag effect of the materials that we install and the performance of the product. These both determine our performance bonuses.

**Rajesh Majumdar:** Yes, sir. That's useful. Just a follow-up question on the margins. So we had guided 14% to 15% margin that we are going to see in terms of our normal business coming through in fourth quarter. This is without the project order.

**Parmod Sagar:** Rajeshji, there's a saying, Ye Dil Mange More. The heart also asks for more, but we have too much headwind. I still say we wanted to have a sustainable margin between 14%- 15%. This is our wishful thinking and not only thinking, we are working towards that with various processes and levers, actions in place. That's why you see upside in this quarter. And I cannot pre-empt for the next quarter, but I think we should be now in this line in coming days as well. Whatever the action taken, it will keep on yielding results in coming days as well.

**Rajesh Majumdar:** Thank you, sir.

**Moderator:** The next question is from the line of Mayank Bhandari from Asian Market Securities.

**Mayank Bhandari:** Thank you for the opportunity. Sir, what would be the export contribution in the 9-month...

**Parmod Sagar:** It is flat as of now like last year, 9%-10%, the international market is so docile. We did a lot of trial, but I think in last quarter also, I mentioned this, maybe in '26 April onwards, we will have some upside in exports because whatever trial we did in these 9 months and are doing in this current quarter, probably it will start converting into orders. So there will be some uptick.

But at the same time, it will not be exponential because the export is only isostatic and slide gate refractory, which we call flow control. So flow control, tonnage-wise or revenue-wise is about 25% of your total revenue. So if it is 25% and if it increases, maybe from 9%, 10%, it will go to 11% or 11.5% or 12%. It will not be from 9%-10% to 20%,



- Mayank Bhandari:** So flow Control contribution also is, I mean, flat Y-o-Y means the overall, as part of the overall revenue?
- Parmod Sagar:** There is a bit of increase, but not substantial.
- Mayank Bhandari:** Okay. And just on the margin, if you could just give a flavor on the Q4, what we are expecting in terms of margin?
- Parmod Sagar:** That's what I said to the Rajesh Ji also. We expect, it should be on similar lines, if not better.
- Azim Syed:** Slightly better.
- Parmod Sagar:** We have to be a bit cautious because of market conditions.
- Moderator:** The next question is from the line of Abinash Swamenathan from NAFA Capital.
- Abinash Swamenathan:** Congrats on a good set of numbers. Just a couple of questions. So earlier, say, 5-6 years back, we were completely focused on the steel segment, and now we have progressed into the cement and iron. Is it because of the stagnation in time, the time growth in the steel segment that resulted in us exploring this lower-margin opportunities? That's number one. Number two, can you also quantify our current market share in steel, cement and iron.
- Azim Syed:** So I will take this. I think our strategy always has been to grow in refractory business. And if you're covering steel market, you will very well know that the Indian GDP consumption for cement is the lowest in the entire world, especially for the middle class market. So because of this, we are, very clearly seeing that the infrastructure spend would be also going higher from a government perspective.
- So these two factors point to a very clear realization that the cement market is going to boom in the upcoming years. I'm talking 2 years back. And today, it's a reality. Even in the current union budget, you can see the amount of infrastructure spend was allocated. So with this in mind, we wanted to also grow in the cement market. And hence, we did a couple of acquisitions that supported our cement growth market.
- To clarify the second question. Although it is lower realization, there's going to be a good growth opportunity. And our strategy from the beginning was that we want to be having the highest market share and grow with the market where possible



or in some cases, outgrow the market as well. And to outgrowth of the market, we are focusing more on the iron making DRI, coke oven and pellet business.

Now coming to the market share, we have about 32% market share in the steel side. And on the cement side, we have close to about 40%- 41% of market share in the business to answer your question.

**Abinash Swamenathan:** Just a follow-up. In the cement segment, last quarter, we said that the margins have improved to 11.4%. So how is the margin for this quarter?

**Azim Syed:** Sorry, can you repeat the question? The margin was how much you said in the last quarter?

**Abinash Swamenathan:** So in the last quarter, we were told that the margin in the Cement segment specifically was 11.4%. It improved from 8% to 11.4%. So what could be the margin from this quarter?

**Azim Syed:** We normally don't give out the margin separately by steel and cement. I'm just -- I cannot recognize that number, but...

**Parmod Sagar:** Probably, you are saying from Dalmia plant.

**Abinash Swamenathan:** That's right.

**Parmod Sagar:** Right? It is not cement, but yes, primarily it is the industrial business. So that is almost at same level, 10.5% to 11% or so.

**Azim Syed:** Exactly right.

**Abinash Swamenathan:** Perfect. Congrats on a great set of numbers.

**Moderator:** The next question is from the line of Pathanjali Srinivasan from Sundaram Mutual Fund.

**Pathanjali Srinivasan:** I have a couple of questions. So firstly, can you tell me what is the revenue mix for the quarter between cement and steel? And did we get any benefits of new plant commissioning in this quarter?

**Azim Syed:** So let me give you the number for the ratio between cement and steel. So steel was at about 80%. Industrial was 20%, of which cement in particular, was close to about 10%. And for the greenfield, yes, we have signed some new contracts



with some of the greenfield project with one of the biggest industrials, integrated steel plants somewhere in Punjab.

**Azim Syed:** We just signed a 4PRO contract with Tata Steel Ludhiana in the month of January, which will get commissioned somewhere in the middle of the year, we'll start taking the benefit.

**Parmod Sagar:** Middle of March, probably they have a target to commission. So next fiscal, it will be upside. The business should be on the tune of, say, INR 50 crores to INR 60 crores additional business from that 4PRO business.

**Azim Syed:** Exactly.

**Parmod Sagar:** And it is end-to-end furnace, ladle, ISO and flow control, everything. The first time in Tata Group strategy, they have given from the commissioning stage 4PRO contract to any refractory industry in the world. So that is a big achievement, I'd say.

**Pathanjali Srinivasan:** Great, sir. And next question I have is, with respect to the quarter, we saw a fair bit of improvement in margins. So can you explain how this margin switch has happened? Is it because of improvement in pricing with respect to product mix? Or is it because of a general reduction in input costs? What is the lever that's helping us to generate this higher margin?

**Parmod Sagar:** We cannot pinpoint one lever. We are working on many things. Raw material softened a little bit, yes, but we are seeing input cost. At the same time, we did operational excellence in our plants to control the cost. We started working on optimization of recipes, product specification to the, exactly to the requirement of the customer, we started increasing our recycling rate in our plants.

We are working on reducing our scrap rate or rejections. So there are multiple things. At the same time, we are very cautious about pricing with our customer wherever we need a price increase, we are pushing for that. And at the same time, if the pricing is bad, we are not into rat race.

**Pathanjali Srinivasan:** Yes, sir.

**Azim Syed:** We are not into rat race for getting the order at any cost. We have our internal strategy up to what level we will go for an order or if it is below that, we will not go. We will leave it. So these are yielding results.



**Pathanjali Srinivasan:** Okay. So if you had to bifurcate like we had a 200 bps improvement in gross margin. How much would you say came from internal efficiencies and how much is from RM softening?

**Azim Syed:** Your question was not clear. Bifurcation of what you were speaking, can you please repeat?

**Pathanjali Srinivasan:** Yes. So the 200 bps improvement that we have in gross margins, could you tell me like how much of it came in from internal efficiencies and how much of it is from softening of raw materials?

**Azim Syed:** You cannot see the direct bifurcation, but if you have to make an assumption, you can look into the other expenses. Maybe that will give you a very good idea in terms of how we have improved our operational cost as such. From a per ton perspective, that's one of the ways to look at that. But again, it's a super high level, just from assumption purposes, you can use that.

On the material cost, you can say that although we had a softening in the alumina prices, this was further negated by FM, graphite and bauxite price increases as well. so you need to take this number with a pinch of salt here...

**Pathanjali Srinivasan:** I do get the broad reduction in other expenses, that is second. Only thing is the improvement in gross margin. Is it a pricing function where we went for a better quality of product mix? Or is it because we had benefit from input cost margin? So I'm just trying to figure out the mix...

**Azim Syed:** As Parmodji mentioned, see, in the previous quarter, we had low-margin cement order. So you had a realization impact. This time, you don't have the low-margin cement order. Second, we had more converters, RH degassers that we sold in the current quarter. So you had a product mix improvement as well. Now as Parmodji mentioned on top of this, we had some operational excellence programs, which we do normally.

Every quarter, we do this as a part of our continuous effort where we are focused on operational excellence program, which focuses on two things. One is productivity. Second is on the safety measures. So this also aided our benefit because as you saw that our volumes are lower, which means that on the cement side, we had lower volumes.



The question is how do you effectively plan your manpower, raw materials and finished goods and these kind of operational excellence program have further improved our results. I hope that gave a clarity.

**Pathanjali Srinivasan:** Yes. That explains it very well. I just have one last question. Can you tell me like what is our target with respect to this traded goods volume that we have with our parent? And are we trying to substitute that with a bit of domestic production going forward? Do we have any strategy there in place?

**Azim Syed:** Absolutely. So your voice was not clear, but let me repeat the question. Your question was what is the target that we are looking forward in the trading percentage. The answer is that we don't have any specific target there. But if you ask me differently, do we want to localize it? Yes, you can see in our investor deck on the R&D page in terms of the amount of new product transfers and development we are doing.

Again, the focus is more to get some highly specialized product, especially in the area of cement and some of the high-end technically advanced solution. We are in the process of transferring now. Once we have transferred the technology, we need to localize it to the local market demand.

So yes, our domestic production on this product portfolio will increase quarter-by-quarter. It will be a slow and steady increase because we need to have the product acceptability. We need to demonstrate through various trials. And once there's an acceptance, we will see the production volume increase. I think you are seeing this in the trading percentage also going low as well. So over the course of years, yes, it will increase.

**Pathanjali Srinivasan:** Yes. Just to continue on that, I get that you are, directionally, you're moving towards a higher mix. I'm just trying to figure out what would be our long-term or say, a 3-year target in terms of how much of our volumes would we want to keep entirely from our domestic production? Because I think today, 40% roughly in terms of volumes is from the traded parent. So what would be a number that we would look at to achieve a couple of years down the line?

**Azim Syed:** So these volumes are not only the parent company, these volume also includes the toll manufacturing as well. So please bear that in mind that it's not like 40 percentage of the volumes we are completely trading, we're getting from the group. That's the first assumption I want to clarify.



The second, is that if you think about the product transfer, we look at it from how much of added benefit it will have. Again, based on multiple factors, one is the closeness of raw material. Some of the products are very closer to our parent company's raw material production, So you get quite a bit of unique geological benefit. Of course, these products we will not transfer. The products we will transfer is that where we have availability of raw material, our ability to produce the technology. And third, of course, is a solid business case. We only entertain if the business case's ROIC is in double digit. Once these three things gets qualified, that's where we make the investment and ensure that it's moving.

At the moment, if you look at it, we are more focusing on our industrial business, which is cement, nonferrous metal and glass. So this is where we are focusing apart from some of the acquisitions that we have done recently. So this is where we think about how we can localize the product portfolio.

We'll not give the percentage because it will tip off the market in terms of what are the products we are bringing in here as well. But we will keep on updating whatever products get transferred. On Page number 17, we can see in the investor deck something similar, we will start to publicize this.

**Moderator:**

The next question is from the line of Ashish Kejriwal from Nuvama.

**Ashish Kejriwal:**

Many congratulations for a good set of numbers. Sir, my question is again on the margins. As you rightly pointed out in the beginning of the conversation that situation in the market is not so great in terms of oversupply situation. But at the same time, if you look at the profitability of steel businesses, that has improved significantly in last 2 quarters or last 1 quarter.

So do you think that from here on, if any margin increase could happen, will it be possible for us to take price hikes to improve the margins? Or its margin improvement can only depend on our product mix or internal efficiencies? That's my first question.

**Parmod Sagar:**

We always try to get price increases from our customer wherever is possible. At the same time, market is so overcapacity. And with due respect to our competition, most of the competition try to grab order at any price. So when they are so aggressive to get the order then getting price increase becomes very, very difficult.



In one of the cases, I just gave you an example in one project, cement project, we were at 8% margin and then the counter came to us with 13% lower margin, 13% negative margin. And one of our competitors took that, and it is not a B or C grade competition. It was A grade, our level of competition.

So some people try to just grab the order to fill their additional capacities, which they have created. So it became very, very difficult to go and say, I need a premium, I need a different pricing than the competition. So best way is how you can control your cost, how can you increase your efficiency, productivity, reduce your scrap rates, increase your recycling -- so we are working on that.

At the same time, we will keep on striving for price increases. As you said, steel industry, if they will have a comfortable situation with their margins, definitely they will not be so rigid about price. But at the same time, industry as a whole has to behave responsibly.

**Ashish Kejriwal:**

Understood. And secondly, whatever cost benefit we could have taken on account of raw material cost lower that we have already factored in. And from here on, we are not expecting at least for a quarter or two, any raw material cost advantage to kick in the P&L?

**Parmod Sagar:**

Yes, I fully agree with you. We don't see now because alumina prices are at its bottom. So it can go up, it will not go down further. Magnesia, if we talk about, it has a bit of upside, and I don't see it will go further up. So I can say it can be a status quo for the next 2- 3 months to maybe 4- 6 months. There will not be a substantial delta, upside or downside.

**Ashish Kejriwal:**

And lastly, sir, because now we are into net cash status. So two things, either will promoters will be willing to buy stake if Dalmia tries to reduce their stake from 13%? Are the companies willing to increase our stake? Or are the promoters willing to increase the stake in the company? Or with this cash status, are we more inclined to go for any inorganic expansion?

**Parmod Sagar:**

As of now, nothing is on the table. We have not discussed anything at length whether we want to buy back those shares or not. Maybe if Dalmia has to come forward, whether they want to sell it off or not, and then we will take a call whether we want to or not. And about the second part, what we are saying is inorganic that also we don't see in '26.



I wanted to consolidate whatever we acquired but again, if the Group company will push us, this is great opportunity, we should do that, we will definitely try to do that. But as of now, my idea is just to consolidate, bring the margin level to a respectable level, sustainable margin and then think of further expansion or acquiring the company.

**Ashish Kejriwal:** Very clear. So at least promoters are not averse to buying Dalmia stake if it comes in the market?

**Parmod Sagar:** I'm not saying they are not averse. We have not even discussed because Dalmia's has not reached out to us whether they want to sell off their shares or not. When they will reach out, then we will talk to the parent company, Stefan Borgas, our Global CEO. And then we will come to know whether they are averse or not averse.

**Moderator:** The next question is from the line of Sahil Sanghvi from Monarch Network Capital.

**Sahil Sanghvi:** Congratulations again for a record revenue number. My first question is, if you can help me understand what is the percentage of imports that is posing a big competition to our Indian market. I mean, what is the percentage to our total demand, if you can give some number? And also, what kind of products are these? Are these largely brakes or just a bit of colour on that? What kind of products are these?

**Azim Syed:** So our export revenue percentage for the Q3 number is 11.

**Parmod Sagar:** He is asking import.

**Azim Syed:** Import. Okay. My apologies. I misunderstood it. Yes. So we group this number with the set of the trading percentage numbers. We don't give out this specifically because it gives us a little bit of a competitive edge in terms of the product profile that we import, Sahil.

**Sahil Sanghvi:** I think, sorry, I'll just rephrase my question. I meant as a country, the kind of imports that we are having, which is posing a threat to the overall -- how it's getting an oversupplied market. So just that, on that colour, I mean, Parmod, sir, did allude to a lot of imports coming. So yes...

**Parmod Sagar:** So Sahilji, mostly, there are two buckets. One is where we have a technological advantage like our product like ANKRAL. Everyone, our competition over the



ages, years after year try to copy that, they could not because of some inherent raw material available with us, and this is a very niche product. So we cannot make it in India, So we will keep on importing because for electric arc furnace, this is the heart of that performance, and that gives us a lot of advantage over our competition.

So same way, there are a few products. I'll just give you one example. There are a few products where we have real technological advantage and we have a raw material over there, so we don't want to shift it to India. There are some products which we are still importing and we are doing the accreditation in Indian plants. We are doing the trials in Indian plants. And gradually, we will shift those products to our Indian plant to take this capacity level from 64% to 75% and beyond. So it is a time-consuming process.

We are doing that gradually. We understand the market dynamics. If we go local for local, we have advantage with the same product because we will be doing technology transfer to Indian plants. So these are 2 buckets. One, we will not touch. The other, we gradually will shift to India.

**Sahil Sanghvi:**

Right. Right, sir. And, so second question is that in FY '25, the total revenue contribution from total refractory management was roughly 41%, as I can see in the annual report. Any sense you can give what that number could be this year? I mean, maybe ending this year or currently where we are on that number?

**Parmod Sagar:**

Ending this year, probably will remain same. Next year, we should have an advantage of 4% to 5% upside, Arora and this Tata and all those things. So it will be up 4%-5%.

**Moderator:**

The next question is from the line of Swaraj Mehta from Perpetual Capital Advisors.

**Swaraj Mehta:**

Congratulations on a good set of numbers. I wanted to understand from the induction furnace point of view, could you provide a breakdown of the revenue contribution from induction furnace and ramming mass within your portfolio? And how do you see the market of ramming mass developing? Like how is it going from unorganized to organized? And what matters for induction furnaces? Like is it the cost proximity or price for ramming mass?

**Parmod Sagar:**

When you talk about ramming mass, it is a very generic term, ramming mass. There are silica ramming mass, which people are using. We don't make silica



ramming mass. So one product which you are talking about is not under our radar. There are some other ramming masses like neutral ramming mass that we want to pursue. We did some trials, we will definitely be more aggressive in that market. If you talk about induction furnace, I don't know why you're so much interested only in the induction furnace, but I don't have any hesitation to say it is about INR 500 crores business or so.

**Moderator:** The next question is from the line of Praveen Jayaram from Avendus Spark.

**Praveen Jayaram:** Sir, my question is also in the line of localization. So we understood that we won't be giving a specific number unclear, but directionally, how have we been in this localization trend when we compare to our last year's when we were giving out the trading numbers?

**Azim Syed:** Sorry, your voice was not -- we could hear you, but your voice was not clear, so we couldn't understand your question.

**Praveen Jayaram:** So I understood that we won't be giving our trading numbers, which you were giving during like last year con call. So directionally, how have we been in this localization journey when we compare it to last year, even if it is not a specific number?

**Azim Syed:** Absolutely. We have introduced quite a bit of new products, especially on the iron making side, wherever we wanted to make -- which aligns with our strategic initiatives, we were able to make quite a bit of a significant progress. Hence, in the last 3 quarters of our investor deck, we are making it absolutely clear what are the kind of products that we are doing. Our focus will increase rather than stable, hence this will increase.

As I said, it has multiple factors. One is our ability to get the raw material. Second is our ability to localize these recipes for our Indian customer needs. Third is trial stage and fourth is acceptability. So if you think about in this whole process, we have introduced quite a bit of new products on the iron making side. We'll continue to do so. We have done something on the cement side. We will continue to do so. And now we are also importing quite a bit of advanced technical specialized refractory for the upcoming quarters as well.

**Praveen Jayaram:** Sir, my second question is again a follow-up to an earlier participant. So we were discussing about our margin levers where we discussed about price increase, internal efficiency or volume growth. In that, while we were discussing about



price increase, with the competition scenario right now, price increase will not be something which we can go aggressive on. But the realization which we are at right now, is that sustainable? Like I heard the number to be INR 78,000 to INR 80,000 range. Is that trend sustainable with the competition intensity right now?

**Parmod Sagar:** As of now, yes, we think it is a sustainable number, in the short term. But market is so volatile, I cannot predict after 6 months or so what will happen. But as of now, yes, it is sustainable.

**Azim Syed:** At least for 3 months

**Praveen Jayaram:** Sir, in the Total Refractory Management contracts, which we enter, we would be willing to rate upfront for a certain period?

**Parmod Sagar:** Yes. Yes. We have to fix rate for a certain period, and then there's a rate negotiation or price negotiation periodically. In some cases, we are 6 months, in some cases, it's 1 year.

**Praveen Jayaram:** Right. Right. And this contributes to 40% to 43% of our business?

**Parmod Sagar:** As of now, yes, 40%-41%, I think.

**Azim Syed:** It's 33 percentage is for the previous quarter. I think 45% is not the right number. I think one of the analysts mentioned that for FY '24, it was 31.3%. In the current quarter, it is 33.1%.

**Praveen Jayaram:** Right, sir. So this includes both 4PRO and TRM?

**Azim Syed:** Yes. See, we stopped doing TRM because as Parmodji mentioned earlier that we wanted to include 2 piece here. One is the planet piece, which is the sustainability part in terms of how we can effectively get the recycled material from our customers. Second is also the usage of robotics and robotics using artificial intelligence to ensure a safe and highly productive operations for our customers. So that's why it's slightly different than the previous TRM, but TRM is a subset of 4PRO. Let's put it like that.

**Parmod Sagar:** Yes. So your question and whatever you asked is right, it is a combination of TRM and 4PRO. In some cases, it's still TRM. We did not succeed to get the material back or putting a robotic or artificial intelligence. It is very, very conventional TRM in most of the cases. In some cases, it is 4PRO. But now we start using



terminology of 4PRO, just to emphasize on our customer, on our team itself, that this is the way forward.

**Moderator:** The next question is from the line of Neha Jain, an Individual Investor.

**Neha Jain:** Sir, I just wanted to understand for these new products that are in pipeline, how can we expect the contribution in the coming year for '27? Like what percentage can be expected in the next 1 to 2 years?

**Azim Syed:** So if you refer to Page number 18 in our investor deck, you can see that Magnesia spinel bricks for our cement customers. So we are already selling these products to our customer today. Now what will happen is that we will localize this production rather than getting it as an imported product. So you will get a working capital benefit here.

And you have the Mag-Chrome bricks for RH Degassers. We will be localizing the production because, again, you pay lesser production cost maybe comparing to the place where we are importing this from today. Plus on top of it, we save on the transit time. So there are various advantages, some will be additional revenue, some will be you get a working capital benefit, So this is the way we see this improvement per se. Again, it depends on the product portfolio and other things, but yes, definitely, it will overall improve our margin by very, very lesser percentage. But on the overall net cash performance, you will see quite a huge benefit, Neha, if that helps.

**Neha Jain:** And coming to the working capital part, do we have a lot of stress due to the PSU receivables?

**Azim Syed:** can you please repeat question? Again, it was not clear.

**Neha Jain:** Stress due to PSU receivables on the working capital front.

**Azim Syed:** Yes, we do have healthy receivables from the PSU front. We don't see any big challenges today as probably we had once -- last year, it's improved quite significantly. Again, that was only with RINL. And I think there, due to the cash infusion on the RINL side, it has improved. It is getting better and better. Still, we have some collectibles. But overall, we are in a very healthy position with our PSU.

**Moderator:** We'll take the last question from the line of Rajesh Majumdar from B&K Securities.



- Rajesh Majumdar:** Sir, one question on the sector, IFGL Refractories. We've seen a lot of CEO exits, and what is happening in that company? Is the company up for sale? Or what is happening there? Are they competing also actively in the market? Or what do you see happening there?
- Parmod Sagar:** Look, we love IFGL. I don't want to give any comments on that. But I'm really surprised to see their results. I don't know what went wrong. Only thing is that they are trying to be everywhere. Their core strength was flow control, etcetera, but now they are trying to be everywhere. Their employee costs have gone up exceptionally. I don't know why. Rajeshji, you are sitting in Calcutta. I thought you will give us some feedback...
- Rajesh Majumdar:** Yes. I think that industry structure can change quite a bit if IFGL scales down or whatever is what I was thinking.
- Azim Syed:** I think you need to ask them, not us because you can ask us about 4PRO, about our margins, we will be able to explain this better. hopefully.
- Parmod Sagar:** that's why I started with we love IFGL. So as the management, we are all friends.
- Azim Syed:** Great.
- Rajesh Majumdar:** No, sure sir. Congratulations once again on your numbers.
- Moderator:** Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Parmod Sagar for closing comments.
- Parmod Sagar:** Thank you very much, dear investors, shareholders, analysts for your continuous support. Keep guiding us, keep asking us sometimes not so comfortable questions so that we are more agile, we are more prepared and keep on pushing us. We love to be under a bit of pressure to deliver good results.
- So I can assure you, at RHI Magnesita India Limited, we are trying our best to further improve the results, further improve the performance and the investors should get their due benefits -- by investing in this company, which is having a very strong fundamental. And in coming days, it will further improve. So thank you very much for this call and your trust on us. Have a good day.
- Moderator:** On behalf of RHI Magnesita India Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.