HEG LIMITED

Future Ready

HEG LIMITED

52nd ANNUAL REPORT

2023-24

Contents

Today's businesses can all count on one thing... uncertainty.

A razor-thin margin for error and rapid pace of change has transformed the rules of the game.

It's one thing for companies to recognise that they need to redefine the way they do business to succeed in an age of disruption. It's quite another to understand how to achieve that.

It requires leaders who think strategically, executive teams willing to accept failure as the price of success, and a culture conducive to constant experimentation, testing, and reiteration.

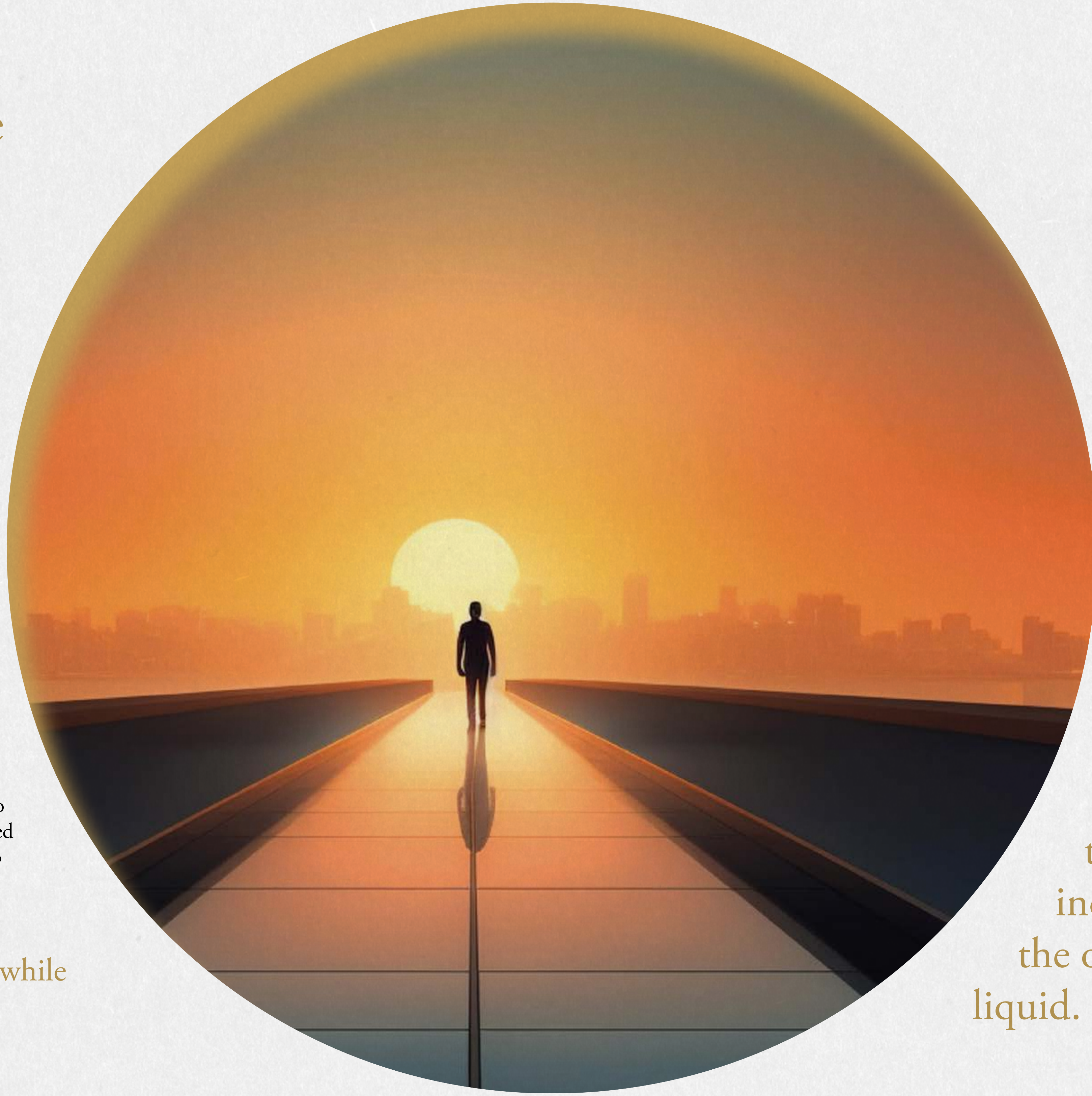
Becoming future-ready involves clearly defining one's ambitions, scanning the market to uncover areas of potentially untapped value, and crafting a vision statement that reflects where the organisation aims to see itself. It is followed by committing to one's conviction.

HEG LIMITED

At HEG, we have made significant headway in our journey to become a Future Ready organisation.

We have strengthened our business model to survive, evolve and thrive through any situation. We adopted agile and nimble-footed ways of working to enhance productivity and profitability. We have looked beyond the immediate trends to anticipate the future. We analysed, strategised and devised our road map. We took the leap of faith. We ploughed much of our savings behind our belief.

We designed HEG for today while building it for tomorrow.



A tomorrow that extends well beyond tomorrow and promises to unfurl a large growth opportunity, one that has the potential to make the business increasingly solid and the organisation immensely liquid.

About HEG Limited.

We manufacture graphite electrodes and have the largest manufacturing capacity at a single location. Despite being the latest entrant in this business space, we have already become one of the fastest-growing players.

Parentage

We are part of the six-decades-old LNJ Bhilwara Group with interests in diverse business spaces.

Products

We manufacture UHP (Ultra High Power), and HP (High Power) electrodes used in Electric Arc Furnaces for steel production. Our presence (from a cost perspective) in steelmaking is miniscule, but our relevance (in terms of criticality) is immense. Our products facilitate the decarbonisation of the steel manufacturing process.

Presence

We have an integrated manufacturing facility near Bhopal, Madhya Pradesh. We enjoy a strong marketing presence across 35+ nations globally and are listed on The BSE Limited and The National Stock Exchange of India Limited.

People

We have a 350+ strong team of energetic professionals led by Mr Ravi Jhunjhunwala, Chairman, Managing Director and CEO.

Pride

1) Depth of knowledge
2) Product quality
3) Capability to manage expansive operations
4) Foresight on sectoral trends
5) Cost Competitiveness arising from economies of scale and tightly controlled processes

Our On-Ground Strength

100,000 TPA
Graphite Electrode capacity

76.5 MW
Power generation capacity

Our Market Strength

Top 25
Global steel giants in our customer list

67%
Revenue from exports

Our Vision

A vibrant globally acknowledged top league player in Graphite Electrode & allied business with a commitment to growth, innovation, quality & customer focus.

Our Mission

To become a leading international player in Graphite Electrodes & related businesses by leveraging our core competence and thereby enhancing value to our customers, shareholders, employees & society.

Business in FY24

100,000
Capacity (tonnes) since Nov'23

526
EBITDA (₹ crore)

81
Capacity Utilisation %

72
Export volumes as a percentage of the total Sale

76.5mw
Captive power generation capacity

232
Net Profit (₹ crore)

2,537
Revenue (₹ crore)

615
Net cash flow from Operations (₹ crore)

Statement From The Chairman's Office

"Our enhanced capacity, our position as a cost competitive producer, our state-of-the-art equipments, cutting-edge technology and our strong business relations with leading steel producers across the world should allow us to capitalise on emerging opportunities effectively and efficiently."

Dear Shareholders,

I am immensely pleased to write to you, especially because we achieved the best results among our peers in a year challenged by heightened geopolitical stress, unprecedented inflationary pressures and supply chain constraints.

It has been a momentous year as our new capacity became fully operational in Nov'23 and is working perfectly well. At 100,000 tons, we are the world's largest single-location facility for manufacturing graphite electrodes and the third-largest graphite company in the Western world. It's a moment of joy for everyone at HEG who has made this possible. I am sure you would also experience a sense of pride with this achievement.

Our Performance

The growth of graphite electrode sector is closely dovetailed with the fortunes of the global steel industry.

The world steel production in 2023 somewhat matched the production in 2022. The US steel market remained stagnant, while production in the EU dipped by about 7%. Besides China, India was the only large steel-producing nation to register healthy growth. Owing to the subdued steel demand and production, the demand for graphite electrodes remained tepid.

We, too, felt the heat of the moderated demand since the lion's share of our output goes to steel mills globally.

Despite the dismal demand, I am pleased to mention that your Company achieved capacity utilisation of 81%.

However, the increase in output did not cascade into profitable business growth. Our topline and bottom line were significantly impacted by the pricing pressure on graphite electrodes. Our Revenue from Operations dipped by 3% to ₹72 crore, and our Net Profit slipped by 49% to ₹224 crore.

Immediate Prospects

The global economic uncertainty will limit steel demand and constrain steel production. As a result, we do not see much improvement in steel production in 2024 due to the expected subdued demand for our products for the next few quarters.

On a positive note, we have exhausted all old high-priced needle coke inventories, WIP and finished goods, and this year, we will be using the lower-priced needle coke (purchased in FY24), which should help us sustain business profitability. Moreover, by the end of 2024 (calendar year), we hope to see the green shoots of recovery.

Medium / Long Term Prospects

While the scenario for the current year does not appear promising, we are positively upbeat about our prospects over the medium / long term. There are two parts to our optimism story, which I shall briefly articulate.

1) Electric Arc Furnace scenario

As steel companies embrace sustainable practices worldwide, decarbonisation efforts have increased intensely to the extent of becoming an irreversible priority. America, Europe and other parts of the World are working overtime to adopt cleaner steel-making technologies. They have and continue to make massive investments to convert their steel-making infrastructure into environment-friendly assets.

As a result, greenfield electric arc furnaces are being announced regularly, with the US and EU leading this trend. More than 90 million tons of greenfield capacities have already been announced in different parts of the world to come on-stream by 2030, a number which will steadily increase as more and more steel companies switch over to cleaner ways of steel making.

Aligned with this transformation in steel making, we expect graphite electrode demand to increase gradually by about 150,000 to 200,000 tons by 2030. This is a large increase considering the current demand of about 500,000 to 550,000 tons for ultra-high-power electrodes (excluding China).

2) Graphite electrode scenario

While the medium / long term demand situation is particularly promising, supply over the same period will likely fall short of demand. I draw this conclusion for two reasons.

a) **Capacity closure:** Some electrode producers have shut down significant capacity in the last decade owing to the slump in demand consequent to the pandemic. More recently, a leading graphite electrode producer has announced a closure of its 25,000 ton capacity.

b) **No capacity addition:** Other than HEG, no other player (excluding China) has announced any capacity addition. Moreover, if any capacity addition is announced now, it would take anywhere between 3 to 5 years for any new capacity to commence operations.

We believe that the opportunity runway for the next 4-5 years appears encouraging. Besides, as we move beyond 2024, we hope for sustainable demand for our products.

What Went Right For HEG

Essentially, three factors worked for us. A bit of good luck. A lot of brainstorming. And immense hard work in execution.

We capitalised well on the appreciable uptrend of 2017 and 2018 in our business space. Utilising the proceeds for capacity expansion was a foregone conclusion as this was our only business. We took a difficult decision to expand our capacity from 80,000 to 100,000 mt at a time when COVID-19 struck. In retrospect, I am pleased to say that we got our timing right – from conceptualization to execution. Our additional capacity is ready, when the sector is perfectly poised for a riveting upturn over the coming years.

Our enhanced capacity, our position as a competitive-cost producer, our state-of-the-art equipments, cutting-edge technology, and our strong business relations with leading steel producers worldwide should allow us to capitalise on emerging opportunities effectively and efficiently.

Our New Venture

India's EV dream is steadily taking shape as automotive OEMs launch electric mobility variants rapidly. Also, rising environmental consciousness and increasing availability of charging infrastructure and solutions are driving the adoption of electric vehicles. Leading battery manufacturers have announced and are also implementing capacity creation, which is about 50 GWh, which requires about 50,000 tons of graphite anode powder.

India's critical Achilles heel in this ecosystem is anode powder, as India does not produce anode powder.

Recognising this opportunity, our Board has approved the proposal of setting up a 20,000-ton graphite anode powder plant at an investment of ₹1800 crore.

I am happy to mention that we have made significant headway in this venture.

One, we have acquired the land for the project and started constructing the facility. We intend to complete it by mid-2025. If everything goes according to plan, we should generate revenue from this venture in FY27.

Two, we will use renewable energy to operate our facility. We are in conversation with renewable energy players to secure long-term power purchase agreements. This is a commitment towards reducing our carbon footprint.

Three, we have a state-of-the-art pilot plant producing around 10 tons of anode powder per month. We have started sampling with some large companies and are trying to work with them to develop customised products that match their requirements.

I would like to reiterate that our timing is our advantage. While some other players may enter this space, our proactive thinking and swift execution position us as the first committed player in this exciting business space.

We are optimistic about positively contributing to India's electric mobility ambition as our new facility commences operations.

In Closing

The principal message I would like to send out is that we are FUTURE READY. Our future is built on a strong base. We have put our resources into areas that ensure long-term success. Our financial stability, a skilled and passionate team and clear vision allow us to proactively align with the winds of change and thrive to unlock immense value for our stakeholders.

I express my sincere appreciation to all our stakeholders for their confidence and support. I am certain that we will script an exciting growth journey ahead. Looking forward to our prosperous future at HEG.

Warm regards

Ravi Jhunjhunwala

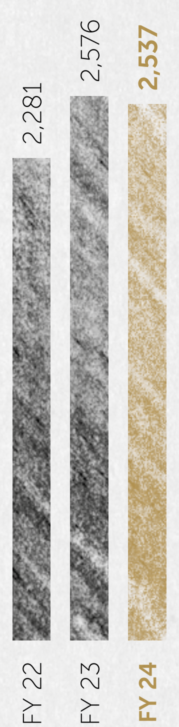
Chairman, Managing Director & CEO

In the Western world (without China), steel production through the electric arc furnace route was around 44% 6-7 years ago. It has reached 50% in 2023. And is likely to exceed 55% in the next 3-4 years.

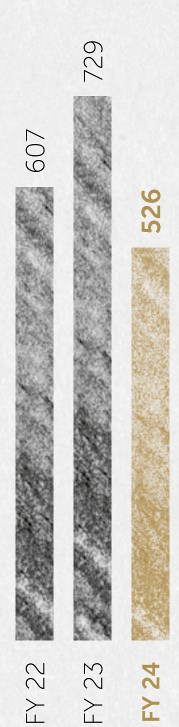
HEG LIMITED

Key Performance Indicators

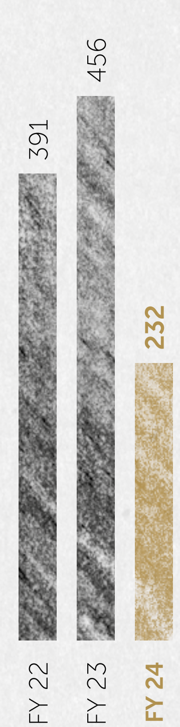
Revenue From Operations
(₹ crore)



EBITDA
(₹ crore)

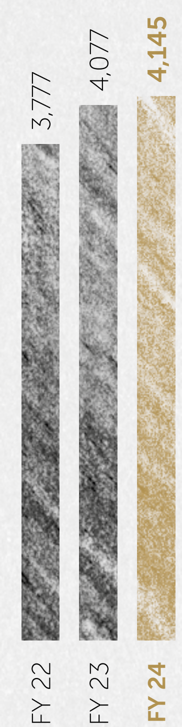


Net Profit
(₹ crore)

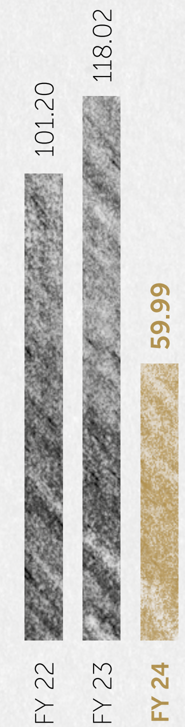


Net Cash from Operations
(₹ crore)

Net Worth
(₹ crore)

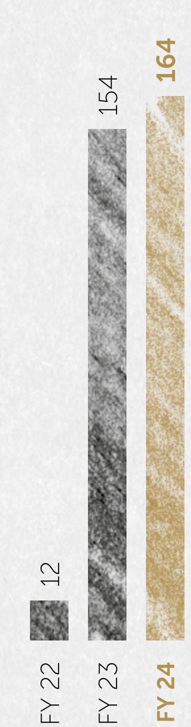


Earnings per Share
(₹)



Return on Capital Employed
(%)

Dividend Payout
(₹ crore)



Management Discussion & Analysis

AN ECONOMIC OVERVIEW

GLOBAL ECONOMY

The global economy demonstrated remarkable resilience against all odds.

Despite facing various challenges, the economic landscape in 2023 exhibited resilience, influenced by several factors. The world economy experienced moderate growth, estimated at around 3.2%, compared to the 3.5% growth rate in 2022.

Advanced economies witnessed a slowdown, with growth declining from 2.6% in 2022 to 1.6% in 2023. In contrast, emerging markets and developing economies saw a modest increase in growth from 4.1% in 2022 to 4.3% in 2023. Global inflation also decreased steadily, from 8.7% in 2022 to 6.8% in 2023, due to tighter monetary policies aided by lower international commodity prices.

However, the current pace of expansion remains subdued compared to historical standards, reflecting ***factors such as*** restrictive monetary policies, reduced fiscal support, and sluggish underlying productivity growth due to near-term factors such as elevated borrowing costs and long-term impacts from the COVID-19 pandemic, Russia's invasion of Ukraine, the conflict in Gaza and Israel, weak productivity growth, and increasing geo-economic fragmentation.

Despite significant interest rate hikes by central banks to restore price stability, the economy has shown unexpected resilience. This resilience is largely attributed to the ability of households in major advanced economies to utilise substantial savings accumulated during the pandemic. As global inflation began to decline from its peak in mid-2022, economic activity continued to grow steadily, contradicting predictions of stagflation and a global recession. The steady growth in employment and income can be attributed to supportive demand developments, including higher-than-expected government spending and household consumption, and a supply-side expansion, particularly an unexpected increase in labour force participation.

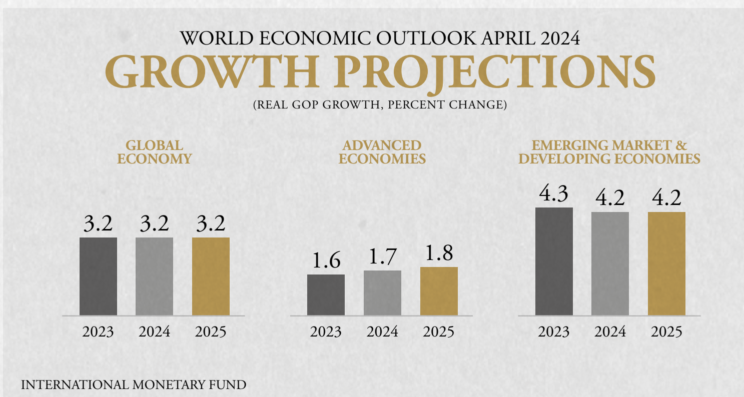
With inflation moving closer to target levels and central banks in many economies beginning to ease monetary policies, a tightening of fiscal policies is anticipated to address high government debt through increased taxes and decreased government spending, which is expected to exert downward pressure on growth.

The Outlook: Steady Growth

The global growth outlook for 2024 suggests a steady but slow recovery. The world economy is projected to continue growing at 3.2% during 2024 and 2025, the same pace as in 2023.

A slight acceleration is expected for advanced economies, where growth is projected to rise from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. Modest stable growth is expected in emerging markets and developing economies at 4.2% in 2024 and 2025.

Global inflation is expected to fall from an annual average of 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies expected to return to their inflation targets sooner than emerging markets and developing economies.



INDIAN ECONOMY

India served as a powerhouse, contributing to global economic growth and optimism.

India's GDP growth rate is estimated at 7.8%, as per the IMF. India sustained its economic resurgence fueled by strong domestic consumption and increased Government-funded capital investment.

The Index of Industrial Production (IIP), which measures industrial activity, grew by 5.9% between April 2023 and February 2024; it is expected to moderate in March 2024 and grow between 3.5% and 5%.

Increased geopolitical tensions and heightened adversities on the Red Sea global trade route dampened exports from India. India's exports dropped by about 2.4% annually in value terms during FY24, while exports to the US declined by 1%. Exports to Europe rose by only 1.47%, according to the official data from the commerce ministry.

India recorded its highest GST collection since its launch, reflecting robust economic growth and administrative efficiency. Total gross collections were ₹20.18 trillion, an 11.7% increase from the previous year.

Outlook: Continuing resilience

India continues to be the fastest-growing major economy. The economic growth outlook for FY25 looks positive despite headwinds such as hardening crude oil prices and the global supply chain bottleneck. Experts predict India will become the world's third-largest economy, overtaking Japan and Germany. Projections by the IMF forecast high growth rates for India at 6.8% in 2024 (FY25) and 6.5% in 2025 (FY26).

This optimistic trajectory can be attributed to the Government's increase in capital expenditures on infrastructure projects and implementation of investment-friendly policies. These initiatives are fostering a conducive environment for economic expansion.

OVERVIEW OF THE STEEL SECTOR

WORLD STEEL

Steel demand remained soft due to challenging conditions prevalent across the industrial world.

Steel is a reflection of industrial activity. With increased turbulence in the economic world owing to raging human conflict, inflationary headwinds, fragile trade equations, and logistics, industrial activity in most parts of the world, especially the developed nations, steel demand remained tepid.

Global crude steel production remained flat in 2023 compared with the previous year, with an output of 1888.2 million metric tonnes (mmt) against 1888.7 mmt in 2022.

According to the World Steel Association, top producer China's output remained flat at: 1019.1 mmt in 2023 compared to the previous year. The downturn in the real estate sector and its ripple effects on the financial market adversely impacted steel demand.

In 2023, India, the world's second-largest steel producer, saw a notable increase in production, up by 11.8% to reach 140.2 mmt. Meanwhile, Japan, ranking third globally, experienced a slight decline in production, totalling 87 mmt, representing a 2.5% drop. The United States, on the other hand, witnessed a modest increase in crude steel production, rising by 1.1% to hit 81.4 mmt. Conversely, Turkey's steel production faced a downturn, falling by 4% to reach 33.7 mmt.

The European Union recorded a decrease in crude steel production, reaching 126.3 mmt, marking a decline of 7.4% compared to 2022. Germany, as Europe's leading steel producer, experienced a notable reduction in output, hitting its lowest volume since 2009 at approximately 35.4 mmt, reflecting a 3.9% decrease year-on-year. This decline was attributed to weak market fundamentals and elevated international electricity prices.

Due to weak industrial and manufacturing activities, steel prices remained subdued through the year in most steel-consuming markets.

Outlook: The global economy continues to show resilience despite facing several strong headwinds. While the world economy will experience a soft landing from this monetary tightening cycle, the World Steel Association (WSA) predicts a modest steel demand rebound in 2024 and 2025. It forecasts a 1.7% rebound in steel demand in 2024, reaching 1,793 mmt, and a further 1.2% growth in 2025 to 1,815 mmt.

A boost in steel demand could come from "faster than expected disinflation" along with further monetary policy. Major risks to growing demand may be seen in further escalation to geopolitical tensions, continuing inflation, and high and rising public debt, causing fiscal consolidation in major economies.

Steel demand in China in 2024 should remain at the 2023 level as real estate investments continue to decline. The corresponding steel demand loss will be offset by growth in steel demand from infrastructure investments and manufacturing sectors. In 2025, China's steel demand could decline by about 1%.

India is projected to lead steel demand growth with an 8.2% increase during 2024 and 2025, driven by strong growth in infrastructure investments. Other emerging regions like MENA and ASEAN are expected to show accelerating growth in their steel demand over 2024 & 2025.

The developed world is expected to register a strong demand recovery, with 1.3% growth in 2024 and 2.7% in 2025.

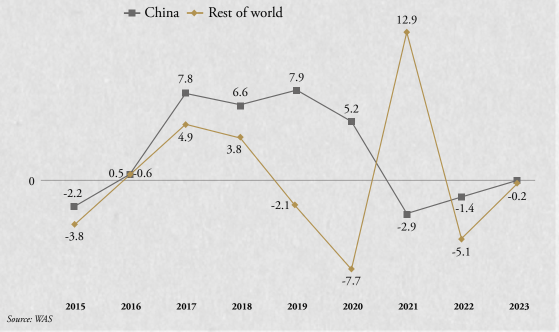
US continues to show healthy steel demand fundamentals. The country's steel demand is expected to return to a growth path in 2024, supported by robust investment activity, which has received a boost from the Inflation Reduction Act and a gradual recovery in housing activity. EU expected to see a meaningful recovery in steel demand in 2025.

Excluding China, WSA projects a comparatively strong 3.5% annual global growth in steel demand for 2024 and 2025.

Crude Steel Production & Change

Sr. No	Country	CY 23	2022	CY 23/22
		Y-o-Y Comparision		
1	North America	109.7	111.6	(-1.7%)
2	European Union (27)	126.3	136.4	(-7.4%)
3	Middle East	53.2	52.5	1.3%
4	Asia and Oceania	1368.5	1357.5	0.8%
5	Europe, Others	51.3	53.5	(-4.1%)
6	Russia & other CIS + Ukraine	88.1	84.2	4.5%
7	South America	41.5	44.1	(-5.7%)
8	Africa	22.0	20.8	5.7%
	World	1.888.2	1.888.7	(-0%)
	World Excl. China	867.6	869.6	(-0.2%)

Crude Steel Production Annual Growth Trend (%)



INDIAN STEEL

India stood out as the driver of steel demand and production.

India has emerged as the strongest driver of steel demand growth since 2021. It will continue to charge ahead with 8.2% growth in its steel demand over the near term, driven by continued growth in all steel-using sectors, especially by continued strong growth in infrastructure investments.

Production: Crude steel production surged by 12.9% to 143.6 mmt in 2024, up from 127.2 mmt in the previous fiscal. This uptick in steel production is significant, especially considering the National Steel Policy's objectives. The Government aims to ramp up India's annual steel manufacturing capacity to 300 mmt and increase per capita steel consumption to 160 kilograms by 2030.

Consumption: Domestic finished steel consumption saw a notable growth of 13.4%, reaching 136 mmt. This increase in consumption was primarily driven by improved demand from the automotive and infrastructure sectors.

The infrastructure and construction sectors demonstrated resilience, buoyed by investments largely supported by government-funded development projects. The improvement in demand from the automotive industry during FY24 was owing to a growing focus on electric vehicles (EVs).

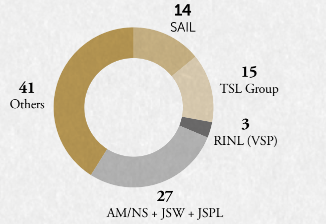
External Trade: India was a net importer of finished steel during the FY24. The country imported 8.3 mmt of finished steel between April and March, up 38.1% from a year earlier. India's finished steel exports were at 7.5 mmt during 2023/24, up 11.5% on year-on-year. Exports jumped due to increased demand for alloy steel, supported by non-alloy and stainless steel. Imports grew primarily owing to a larger inflow of non-alloy steel; alloy and stainless-steel imports witnessed a drop over the previous year.

Outlook: India's steel consumption is expected to rise steadily, buoyed by the Government's thrust on creating world-class infrastructure. The infrastructure capital investment outlay for FY24 jumped by 33% to ₹10 trillion, about three times the amount allocated for 2019–20. Additionally, it is anticipated that India's focus on sustainable solutions will lead to a rise in the use of stainless steel in home, process, and traditional applications, as well as in developing critical industries like aerospace, defence, and the green and blue economies.

Long-term estimates: According to a report by SteelMint India, India's steel demand is expected to grow at a CAGR of 7% to touch 190 mmt by 2030. The demand will be largely fuelled by the construction and infrastructure sectors, which will contribute 60-65%. Other sectors contributing to demand would be the automotive, real estate, and renewable energy sectors.

- Crude steel output +12.9%
- Finished steel production +12.4%
- Finished steel exports +11.5%
- Finished steel imports +38.1%
- Finished steel consumption +13.4%

Producer-wise crude steel output



Source: joint plant committee report | Compiled and maintained by BigMint

The EAF Steel Sector

Decarbonisation to drive EAF capacity building

Decarbonisation has become a global imperative and priority for countries, governments, corporations, and society. The production of steel is a CO2 and energy-intensive industrial activity. The largest-emitting manufacturing sector on our planet is steel production, which is solely responsible for a staggering 11% of global carbon dioxide emissions and around 30% of total industrial emissions. Decarbonising the steel industry is essential to meet climate goals and address the rising demand for green steel from industries.

The steel industry is a passionate participant in the global quest for environmental conservation. Carbon emissions may be an inevitable byproduct of steel manufacturing, but decarbonisation efforts are driving a transition in steel.

Steel can be produced via two main processes: the Blast Furnace-Basic Oxygen Furnace (BF-BOF) route and the Electric Arc Furnace route (EAF). Currently, the BF-BOF route accounts for around 70%, and the EAF route accounts for around 30% of global steel production. The BF-BOF route emits nearly 4 times more CO2 than the EAF route.

The electric arc furnace (EAF) route has emerged as the main decarbonisation pathway for green steel production, and there is no doubt that it is the fastest way to produce net-zero-emission steel. EAF steelmaking is more environmentally friendly and provides flexibility in production volume and manufacturing capacity planning.

With the world's focus firmly on carbon neutrality, this innovative technology offers a sustainable and cost-effective solution that will undoubtedly transform the sector's landscape. As a result, electric arc furnace steelmaking is expected to continue to grow and become the primary method for steel production, leading the way towards a greener and more sustainable future. Graphite electrodes are an essential component for producing steel in Electric Arc Furnaces (EAFs).

The proportion of crude steel production (excluding China) from the EAF route has grown from around 44% in 2015 to nearly 50% in 2022. Industry experts predict that by 2030, with a focus on green steel production (excluding China), EAF production will account for approximately 60% of the market and 80% by 2050. This anticipated growth presents an excellent opportunity for our business, as we expect a substantial increase in demand for graphite electrodes.

A Global perspective

Europe: Europe takes centre stage regarding decarbonisation in the steel industry. Besides working tirelessly over 20 years and attaining fruitful results, the European Union (EU) has set itself the ambitious target of achieving net zero emissions by 2050 as per the European Green Deal. Besides introducing regulations such as the Emissions Trading System (ETS) and the Carbon Border Adjustment Mechanism (CBAM), many regional steel producers are transitioning to EAFs.

The US: Close to 70% of the steel production is through the EAF route. Combining EAF technology with scrap recycling and mini-mills operations is a defining feature of the American steel sector. New capacities coming up in this nation will adopt the EAF route; some legacy capacities are moving to the EAF route to enhance the sustainability of business operations.

China: The nation has been late in adopting the EAF route. A little more than 10% of its steel is produced through this route. According to the Ministry of Industry & Information Technology, crude steel produced via electric-arc furnaces will exceed 15% by 2025 and 20% by 2030 to aid China's goal of decarbonising the steel industry. According to an action plan published by China's State Council, China will continue to promote the development of EAF steelmaking to reduce carbon emissions.

Other regions: Due to its extensive steel production, the Asia-Pacific region is anticipated to hold the largest share of the global EAF market. Encompassing countries like Japan, South Korea, and Australia, the Asia-Pacific is witnessing a diverse range of decarbonisation efforts in the steel industry. While some countries have made significant progress in transitioning to electric arc furnaces and renewable energy, others are still contemplating the transition. Collaborative initiatives such as the Asia-Pacific Partnership on Clean Development and Climate facilitate knowledge sharing and technology transfer to accelerate regional decarbonisation efforts.

Luxembourg-based ArcelorMittal, the largest global steelmaker in Europe, is making ongoing investments to convert a sizable percentage of its former coal-based blast furnace/ BOF mills into EAF capacity.

Source: Recycling Today

The Graphite Electrode Sector

The graphite electrodes industry has an exceptionally positive outlook for the long term.

Globally, steel manufacturers are dedicated to reducing their carbon footprint and decarbonising their production processes. According to industry experts, electric arc furnace steelmaking is believed to hold significant potential for the future of the steel industry.

As mentioned above, graphite electrodes are an essential component used as conductors inside EAFs. Electricity passes through the electrodes, forming an arc of intense heat that melts the scrap steel located in the furnace shell. The tip of the electrode can reach 3,000 degrees Celsius (for reference, this is approximately half of the temperature of the Sun's surface). Currently, graphite is the only commercially available material that can sustain such high heat levels within the EAFs.

According to industry sources, the current capacity of Graphite Electrodes outside China is approximately 750,000 tonnes. The industry is highly consolidated, and HEG has recently expanded its production capacity to a staggering 100,000 tons per annum at one location. HEG is now the third-largest graphite electrode company among the five major players in the Western world.

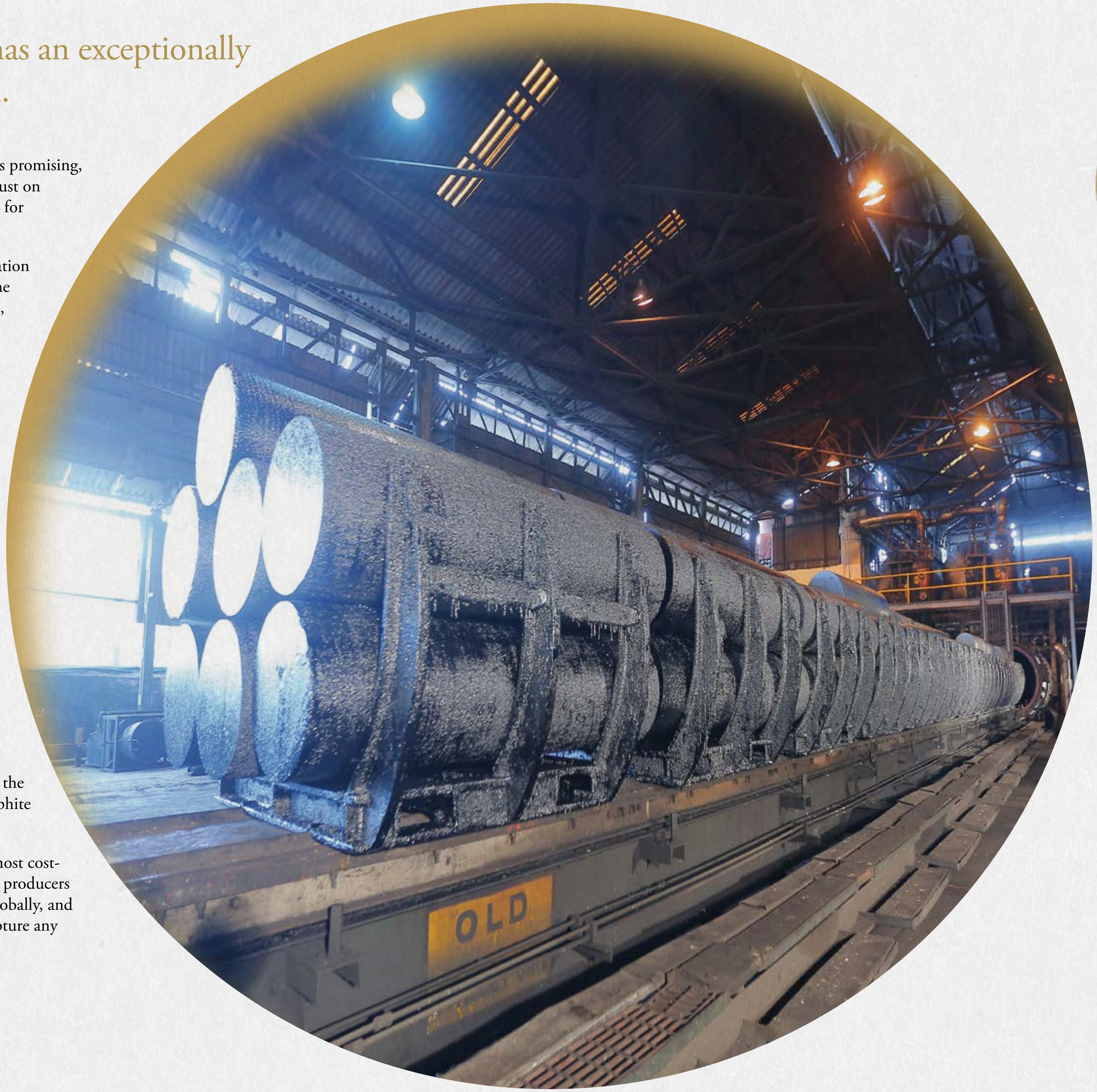
While the short-term prospects for graphite electrodes appear challenging owing primarily to geopolitical instability that has impacted industrial activity in developed nations, the mid and long-term demand for graphite electrodes looks promising, considering a global thrust on adopting the EAF route for manufacturing steel.

In line with decarbonisation efforts, to date, as per the Company's information, more than 100 mmt of new Greenfield/ Replacement EAF's capacities have already been announced, with US and EU leading the capacity expansion.

Out of this, about 9–10 mmt is already in operation, and another ~30 mmt is expected to be in operation between now and the end of 2025.

We expect GE demand to increase gradually by around 150,000 to 200,000 mt by 2030, a significant increase over the current demand for graphite electrodes ex-China.

We remain one of the most cost-competitive and quality producers of graphite electrodes globally, and we are fully ready to capture any available opportunities.



SWOT Analysis

Strengths

Established technology that is closely guarded.

Uncluttered industry with a few selected players on a global scale.

No new capacity has been announced for graphite electrodes in the Western world.

Weaknesses

The industry's fortunes are closely linked to steel demand.

Opportunities

Decarbonisation measures in the steel sector will increase the share of EAF-based steel production and the demand for graphite electrodes.

Threats

Diverting key inputs for other products like EV batteries are in high demand globally.

Operational Performance

The world's largest single-site plant and now the third-largest graphite electrode company in the Western world, with a capacity of 100,000 tons per annum.

The operating performance for the fiscal year 2023-24 primarily reflects the influence of a subdued market environment attributed to various global factors that have introduced economic volatility and impacted global trade. Despite an increase in sales volume, the Company's overall performance has been affected due to lower realisation compared to the preceding fiscal period.

Despite pricing pressure on graphite electrodes, the Company successfully operated its facility at 81% utilisation.

The Company had undertaken an expansion project to increase production capacity from 80,000 tons per annum to 100,000 tons per annum. During the third quarter of fiscal year 2023-24, we completed the expansion project, and the new facility is operating smoothly. Due to the long duration of the production cycle of our products, commercial production from our expanded capacity will be in the market during the current year.

Power generation:

The Company has a 76.5 MW captive power generating capacity comprising of thermal and hydel power generating assets. The thermal plants remained closed throughout the year due to high coal prices making operations unviable.

However, our hydel plant continued to operate as per plan with a record generation of 7.74 crore units with revenue of ₹33.87 crores.

Financial Performance

A volatile ecosystem casts a shadow on the Company's financial performance.

The dull global steel scenario shadowed the Company's financial performance. While sales volumes improved over the previous year, pricing pressure impacted realisation.

Revenue from Operations remained at the previous year's level - ₹2395 crores in FY24 against ₹2467 crores in FY23.

Inflationary headwinds, increased logistics costs and high-cost raw materials impacted business profitability. As a result, EBITDA and Net Profit dropped by 28% and 49%, respectively, over the previous year.

Net Cash Flow from Operations increased appreciably from ₹114 crores in FY23 to ₹615 crores. The jump was owing to a sharp decrease in inventory, which released funds that were locked in working capital. During the year, the Company invested ₹322 crores towards completing its brownfield project – it commenced operations in the third quarter of FY24. The Company expects to generate sizeable returns from this strategic initiative over the medium term.

Networth increased as business surplus (after paying dividends) was ploughed into the operations – it stood at INR 4145 crores as of March 31, 2024, against INR 4077 crores as of March 31, 2023. The Return on Networth stood at 5.63% in FY24 against 11.60% in FY23.

Significant changes (i.e., change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios, along with explanation, are as under

Particulars	2023-24	2022-23	Variance	Reasons for change
Operating Profit Margin (%)	8.74	20.97	58%	Opearting profit margin has decreased due to fall in sale prices
Return on Net Worth (%)	5.63	11.60	51%	Net profit has decreased
Net Profit Margin (%)	9.73	18.70	48%	Net profit margin has decreased due to fall in sale prices
Interest Coverage Ratio	9.82	24.09	59%	Increase in interest cost of working capital loans
Current Ratio	2.23	2.16	-3%	
Debt-Equity Ratio	0.15	0.18	18%	
Debtors Turnover Ratio	4.77	4.52	-6%	
Inventory Turnover Ratio	0.87	0.76	-15%	

Transaction of the Company with any person or entity belonging to the promoter/promoter group which holds (s) 10% or more shareholding in the Company is given below:

There was no transaction between the Company and any person or entity belonging to the promoter /promoter group that holds (s) 10% or more shareholding.

Internal Control and its Adequacy

The Company has a sound system of internal controls to ensure the achievement of goals, evaluation of risks and reliable reporting of financial and operational information. This efficient internal control procedure is driven by a robust system of checks and balances that ensures the safeguarding of assets, compliance with all regulatory norms, and procedural and systemic improvements periodically.

The Company uses an ERP (Enterprise Resource Planning) package supported by in-built controls, guaranteeing timely financial reporting. The audit system periodically reviews the control mechanism and legal, regulatory and environmental compliances. The internal audit team also checks the effectiveness of internal controls and initiates necessary changes if any inadequacies arise. The Audit Committee of the Board of Directors further reviews all financial and audit controls.

Quality Management

At HEG, Quality Management is paramount and an integral part of the Company's culture. It's not just about creating superior-quality products. It's about creating top-notch products far beyond meeting and exceeding customer expectations. From eliminating defects to striving to add value at every stage of product creation, the Company always goes the extra mile to ensure that customers get the best quality products.

Quality Management runs from the top floor to the shop floor and sometimes vice versa, as the Company encourages everyone to develop innovative ideas for enhancing product and service quality.

At The Shopfloor

HEG's manufacturing unit commands high operational efficiency with its institutionalised SOPs. This gives HEG an edge as the Company can adopt a centralised approach, which naturally fosters better control over various operations.

The Company has a two-pronged approach to quality—process-wise and product-wise. Simply put, HEG's quality products result from stringently applying quality processes in manufacturing and other aspects. This also helps minimise wastage.

Rigorous quality checks are conducted on the manufactured products. In summary, stringent quality checks are carried out right from the initial stage of choosing raw materials and continue throughout the manufacturing and post-manufacturing stages.

Quality training is frequently imparted across hierarchies to ingrain the spirit of producing the best quality products. HEG also always stays alert to any potential for upskilling. Happy customers and long and healthy business relations bear testimony to the Company's quality standards.

At The Top Floor

HEG has embraced business process automation across the organisation to minimise the possibility of human errors while offering prompt and effective customer services, both internally and externally. Adopting a robust mechanism of checks and balances throughout all levels of the organisation has highly enhanced product quality.

The senior marketing and management teams regularly interact with key customers to obtain feedback on further enhancing product quality. Experts thoroughly analyse all such feedback before incorporating it into operational procedures.

HEG's drive for excellence has made it a prestigious service provider to the world's top 25 steel producers.

Innovation

Some of the most renowned scientists lead our Research and Development team, and they have been making significant strides toward enhancing different processes and product quality.

This team also develops newer carbon materials and carbon alternatives for energy, thermal, and environmental management. While looking for novel ideas to enhance the Company's operations to increase growth and profit, the R&D team collaborates with renowned research centres to identify novel, sustainable future expansion strategies.

Human Resources

The Company's skilled, accountable and highly motivated team is critical to sustainable growth. It is HEG's priority to keep employees informed, involved and connected.

The Company continues to invest in people development. The HR department emphasises frequent technical, business and behavioural upskilling. Employees are encouraged to participate in exciting, fun-filled team-bonding activities, fostering teamwork and cooperation.

The Company also celebrates festivals and national events to strengthen team dynamics outside the workplace. The IT department developed applications that improved organisational transparency and customer connectivity.

Risk Management

HEG has an effective risk management process that identifies risks associated with the business and develops procedures to eliminate them. The Company's structured Enterprise Risk Management (ERM) framework ensures the business's profitability and is paramount to HEG's decision-making. The ERM Framework follows an annual process of setting objectives, identifying key risks on an ongoing basis, developing a mitigation and action plan, and monitoring leading indicators and planning gaps.

Demand Risk

Demand for graphite electrodes is expected to remain subdued for the current year.

Mitigation Measure

These are estimates from leading industry experts. They will impact all graphite electrode manufacturers, including HEG. With some Western players stopping and curtailing operations, the graphite electrode supply is expected to drop in the short term, which should largely balance the demand and supply equation.

Additionally, the Company's edge of being the lowest-cost graphite electrode manufacturer should help it market its output and sail through the dull environment with a minimal impact on its financials. The medium-term outlook for the graphite electrode sector continues to appear promising.

Material Risk

The availability of needle coke is critical for increasing production to optimum levels.

Mitigation Measure

The Company has been in graphite electrodes for more than three decades. Through this journey, it has never faced a shortage of raw materials owing to its long and healthy business relations with the needle coke suppliers, who have sustained supplies even as the Company continued to increase its manufacturing capacity.

Marketing Risk

The Company's additional capacity comes when the prospects of the graphite electrode sector could be more exciting. Marketing the additional output could be a tall ask.

Mitigation Measure

The additional capacity has been set up with an eye on the decarbonisation transition that is playing out in a phased manner over the next 5-7 years. During this period, graphite electrode demand is expected to rise steadily. When that happens, HEG will be ready to meet the additional demand. The Company has strong relations with leading global steel manufacturers and does not see any issue selling the additional output even when the demand could be low in the current year.

Talent Risk

People are critical for executing the Company's plans efficiently.

Mitigation Measure

HEG provides a safe and supportive work environment for its employees. Each employee is well-informed and provided with ample learning opportunities. The Company emphasises a performance culture where employees are empowered to be their best. The Company has taken every precaution to ensure the safety of its people, which has gone a long way in building a strong bond with the Company.

Corporate Social Responsibility

HEG celebrates yet another year of purpose-driven progress and sustainable growth as its Corporate Social Responsibility. At HEG, we believe that nurturing our world and embracing our surroundings is not just a philosophy but a fundamental part of our identity. As a company deeply committed to fostering economic and social progress, we have undertaken various initiatives aimed at uplifting communities and driving positive change. From providing essential healthcare and education to underprivileged segments of society to working tirelessly towards poverty alleviation, our efforts are rooted in the belief that inclusive and sustainable development is the pathway to long-term success. With an unwavering focus on environmental responsibility, we are dedicated to implementing eco-friendly and renewable initiatives that safeguard our planet for future generations. Furthermore, we cultivate an inclusive business environment where every stakeholder is valued and empowered to thrive. In this report, we invite you to explore our journey over the past year and the impact we have made as we continue to pursue our mission of creating value for all.

The Akshaya Patra:
Sustaining Smiles, Empowering Futures

The inauguration of the Akshaya Patra mega kitchen in Bhopal stands as a testament to HEG's unwavering commitment to social responsibility. This landmark event was graced by the Honourable Chief Minister of Madhya Pradesh, Shri. Shivraj Singh Chouhan, Honourable Minister Sh. Vishwas Sarang and other distinguished dignitaries mark the realisation of our flagship CSR project, establishing the first kitchen of its kind in Madhya Pradesh. Dedicated to providing nutritious mid-day meals to nearly 50,000 children across 900 schools in Bhopal and Raisen districts, this initiative underscores our dedication to nurturing the well-being of future generations. By partnering with Akshaya Patra, which now operates 72 kitchens nationwide, covering every state and union territory, we amplify our impact on communities in need.

Recognising the critical link between health, nutrition, and learning capabilities in children, we are steadfast in our commitment to eradicating hunger and promoting holistic development. Evidence underscores the transformative power of mid-day meals in incentivising school attendance, improving concentration, and eliminating classroom hunger. With centralised facilities capable of serving up to 50,000 meals daily, we prioritise the safe handling, preparation, and delivery of food, ensuring the highest quality and hygiene standards. These semi-automated kitchens, operating from a single control point, exemplify our commitment to efficiency and scale in maximising the impact of our school feeding program.

Beneficiary Testimonial

Name : **Puja Pal**
Age : **11 Years**
Class : **6th**
School : **Govt. High School Khanugav**
Father Name : **Shri Karnal Singh Pal**
Occupation : **Daily Wage Worker**

Feedback About Meal-

Very tasty food is being sent by Akshay Patra, now we come to school daily, since Akshay Patra is providing food, now I am not bringing tiffin from home, because MDMML sent by Akshay Patra is very good.

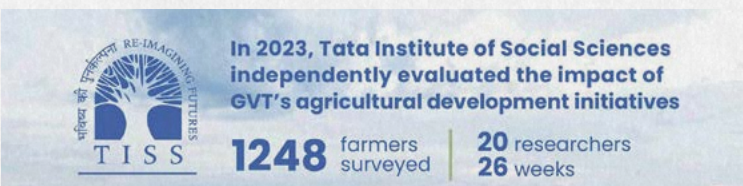
As we reflect on these achievements, we recommit ourselves to driving positive change and making a meaningful difference in the lives of those we serve. Through collaboration, compassion, and collective action, we stand poised to create a brighter, more inclusive future for all.

HEG/Akshaya Patra served 50 lakh meals from Jan'23 to 31st Mar'24

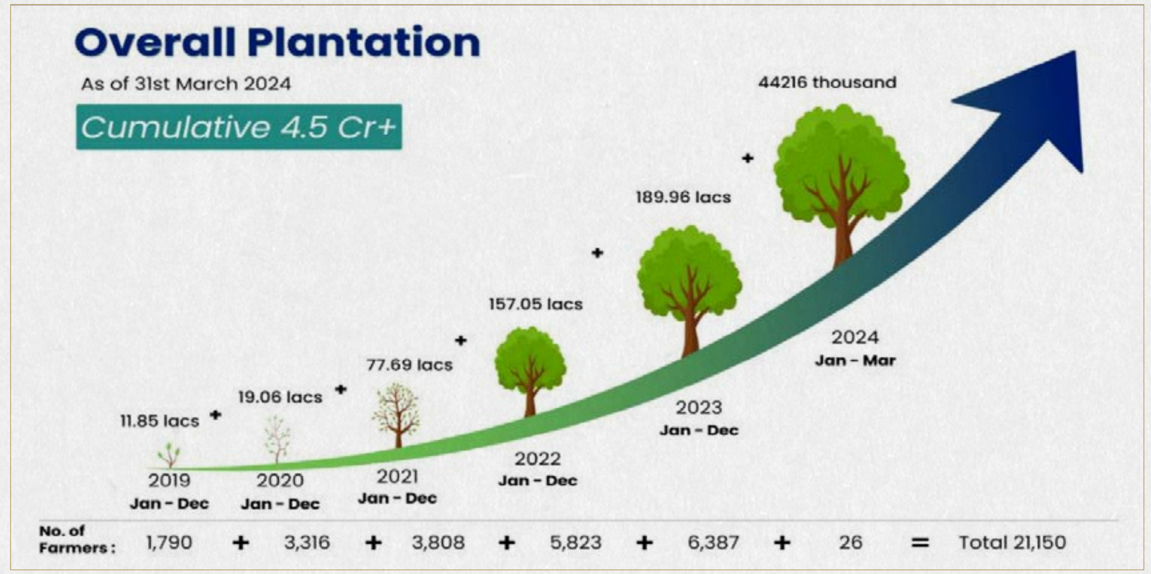
Global Vikas Trust: Mitigating Economic Deprivation through Sustainable Agriculture

HEG is honoured to collaborate with Global Vikas Trust (GVT), a non-profit organisation founded by Mr. Mayank Gandhi in 2016, dedicated to elevating farmer livelihoods and fostering comprehensive development across India. Through strategic initiatives and unwavering commitment, GVT has made a profound impact on the lives of over 21,000 farmers spanning 27 districts in Maharashtra, Madhya Pradesh and Gujarat. By facilitating the transition to horticulture crops through the provision of high-quality subsidised saplings and establishing a supportive ecosystem, GVT has empowered farmers to achieve sustainable growth.

Furthermore, GVT's assistance in creating forward linkages has facilitated market access and enhanced profitability for farmers. Notably, GVT's endeavours have resulted in the plantation of over 442 lakh trees across Madhya Pradesh and Maharashtra, symbolising a significant stride towards environmental conservation and agricultural prosperity.



> "If we can change the worst affected area, we can transform the nation by using the proof of concept"



Ashoka University: Strengthening India's Foundation

HEG proudly extends its support to Ashoka University, a pioneering institution in India's educational landscape. Established on the ethos of collective public philanthropy, Ashoka University stands as a beacon of academic excellence and inclusive learning. Situated in Sonepat, Delhi NCR, Ashoka is committed to offering the highest calibre of education in liberal arts and sciences and fostering critical thinking and holistic development. With a steadfast emphasis on research and knowledge creation, the university equips deserving students with the tools to become tomorrow's leaders and innovators. Recognising the importance of accessibility to quality education, Ashoka University provides scholarships to deserving students who aspire to pursue higher education but face financial constraints. Through our partnership with Ashoka, HEG reaffirms its dedication to nurturing talent and fostering a brighter future for generations to come.

HEG's CSR Impact: Empowering Education through Graphite School

In the heart of Mandideep, Graphite School stands as a beacon of educational excellence and community empowerment, a testament to HEG's unwavering commitment to Corporate Social Responsibility (CSR). Especially, over the past few years, Graphite School's journey has been nothing short of remarkable, marked by strides in academic prowess, infrastructure development, holistic education, community engagement and knowledge upgradation. As we reflect on the highlights of this transformative period, it becomes evident that Graphite School is not merely an educational institution but a catalyst for positive change in the lives of countless individuals.

1. Academic Excellence

Under HEG's CSR umbrella, Graphite School has continuously raised the bar for academic standards. The dedication of students and faculty has resulted in commendable performance across various examinations, reflecting a culture of excellence and a commitment to educational advancement. To the extent that Graphite School is the most sought-after school in the vicinity.

2. Infrastructure Development

HEG's substantial investments in infrastructure have reshaped the educational landscape of Mandideep. From state-of-the-art classrooms to well-equipped laboratories, libraries, and sports facilities, Graphite School now boasts a conducive learning environment that inspires and empowers students to reach their full potential.

3. Holistic Development

Recognising the importance of holistic education, Graphite School has introduced a myriad of extracurricular activities to nurture well-rounded individuals. From chess tournaments to self-defence training, astronomy clubs, and career counselling sessions, students are encouraged to explore their passions and develop diverse skill sets beyond the confines of traditional academia.

4. Enriching Experiences

Graphite School goes beyond textbooks, offering students enriching experiences through edutainment trips and field excursions. These outings not only complement classroom learning but also provide invaluable real-world exposure, fostering a deeper understanding and appreciation for the world around them.

Apna Ghar Ashram - A Home for the Homeless

HEG sponsors APNA Ghar, an Ashram nestled in Bhopal, dedicated to extending a compassionate hand to the destitute and homeless. APNA Ghar stands as a beacon of hope for individuals often forgotten and found languishing in harsh conditions on streets, railway stations, and public places. With unwavering dedication, APNA Ghar provides essential support, including accommodation, food, and medical care, addressing the immediate needs of those it rescues with empathy and care. With an expanded capacity to accommodate up to 120 individuals, referred to as Prabhuji, APNA Ghar has become a lifeline for many. Over the past four years, the Ashram has rescued a total of 1500 Prabhuji, with over 150 successfully reunited with their families, a testament to its commitment to holistic care. Currently, APNA Ghar extends its nurturing embrace to 111 Prabhuji, offering them essential support and a haven amidst life's trials.

बिछड़े भाई को बहन से मिलाया

अपना घर आश्रम भोपाल की रेस्क्यू टीम के द्वारा दिनांक 20 फरवरी 2024 को एक असहाय लावारिस बीमार पुरुष प्रभु जी को पीपल्स मॉल के सामने भोपाल से लाकर सेवा एवं उपचार हेतु प्रवेशित किए गए। प्रवेश के समय प्रभु जी द्वारा अपना नाम राजेश बाबू बतलाया अन्य जानकारी ठीक से नहीं दे पा रहे थे लगभग एक माह की ईश्वरीय सेवा एवं उपचार के बाद प्रभु जी ने अपना नाम राजेश पिता का नाम स्व• श्री बाबूलाल जी निवासी शांति नगर भोपाल बतलाया, उपरोक्त पते की पुष्टि भोपाल टीम द्वारा पूर्ण कर परिजनों से संपर्क किया गया और तुरंत ही परिजन राजेश बाबू को लेने अपना घर आश्रम भोपाल में आ गए। प्रभु जी की बहन द्वारा बतलाया गया कि एक माह पूर्व यह घर से बिना बतलाएं निकल गया हमने इसे काफी ढूंढा लेकिन नही पता लगा और आपके माध्यम से जानकारी मिलने पर मैं तुरंत ही अपने भाई राजेश करोसिया को लेने अपना घर आश्रम भोपाल में आ गई हूं, और मैं अपने भाई को अपने साथ घर ले जाना चाहती हूं,कृपया राजेश को मेरे साथ घर जाने की स्वीकृति प्रदान करें।

अपना घर आश्रम भोपाल द्वारा संपूर्ण कागजी कार्रवाई एवं पूर्ण पहचान पुष्टि उपरांत श्री राजेश करोसिया प्रभु जी को इनकी बहन श्रीमती रंजना जी w/o श्री नरेंद्र डागोर निवासी पीपल चौक मकान नंबर 6 शांति नगर कॉलोनी करोंद भोपाल मध्य प्रदेश के साथ कुशल अवस्था में सुपुर्द कर घर भेज दिए गए हैं।

Sabhyata Foundation: Preserving Our Rich Heritage

HEG partnered with Sabhyata Foundation, which is entrusted with the upkeep and facility development of several heritage sites in India, including Red Fort, Bhimbetka ancient rock caves, amongst others

Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director and CEO
DIN: 00060972

Riju Jhunjhunwala
Vice Chairman, Non Executive Director
DIN: 00061060

Manish Gulati
Executive Director
DIN: 08697512

Dr. Kamal Gupta
Independent Director
DIN: 00038490

Vinita Singhania
Non Executive Director
DIN: 00042983

Satish Chand Mehta
Independent Director
DIN: 02460558

Davinder Kumar Chugh
Independent Director
DIN: 09020244
Resigned wef 22nd May'24

Shekhar Agarwal
Non Executive Director
DIN: 00066113

Jayant Davar
Independent Director
DIN: 00100801

Ramni Nirula
Independent Director
DIN: 00015330

Statutory Reports

HEG LIMITED

Board's Report

Dear Members,

Your Directors have the pleasure of presenting their 52nd Annual Report together with Audited Financial Statements for the financial year ended 31st March, 2024.

1. Financial Results

(₹ in Crores)

Particulars	2023-24	2022-23
Net sales	2,379.82	2,435.32
Other operating income	15.08	31.92
Total income from operations (Net)	2,394.90	2,467.24
Other income	141.67	109.14
Total income	**2,536.57**	**2,576.38**
Profit before finance cost, depreciation and amortization	**525.63**	**728.79**
Finance cost	35.74	26.01
Profit before depreciation and amortization	**489.89**	**702.78**
Depreciation and amortization	174.65	102.30
Profit/(Loss) before tax	315.24	**600.48**
Provision for taxation:		
Current tax	74.58	154.25
Deferred tax	9.12	(9.29)
Net Profit/(Loss) for the period	**231.54**	**455.51**
EPS (Basic) ₹	**59.99**	**118.02**

Note: No amount transferred to reserves.

2. Overall Performance

The Company recorded net sales of ₹2,379.82 Crore during the financial year 2023-24 as compared to ₹2,435.32 Crore in the previous financial year. The Net Profit during the financial year 2023- 24 was at ₹231.54 Crore as compared to a net profit of ₹455.51 Crore in financial year 2022-23 translating to Basic Earnings Per Share at ₹59.99 for the financial year 2023-24 as against ₹118.02 in financial year 2022-23.

3. State of Company's Affairs

The analytical review of the Company's performance and its businesses, including initiatives in the areas of Human Resources and Corporate Social Responsibility have been presented in the section of Management Discussion and Analysis of this Annual Report.

Electrode Sector

As per World Steel Association's data, total world steel production did not register any growth in CY2023 compared to CY2022 and remained more or less at the same level of 1888 million mt.

World Steel production outside China also remained at around 868 mmt – similar to 870 mmt in CY2022.

Chinese steel production while growing in the first half of 2023, dropped significantly in the second half and the full-year production of 1020 mmt was again in the same region as 2022 due to demand erosion.

However, persistent low domestic demand within China has resulted in increased Chinese steel exports which increased by 34% from 67 mmt in 2022 to 97 mmt in 2023 putting pressure on steel production in the rest of the world.

Amongst some of the large Steel producing regions - US stood at the same level in 2023 at 80.7 mmt as in 2022 while production in EU declined by 7 percent.

India ranked as the second-largest global steel producer, recorded a notable 11.8% increase in production, reaching 140.2 mmt on the back of healthy domestic demand from the infrastructure and real estate sectors. Here we need to remember that in India, steel production is predominantly thru blast furnace route and a significant portion of Steel is also produced from induction furnaces which is not our customer segment.

Due to weak industrial and manufacturing activities, steel prices remained subdued through the year in most steel-consuming markets.

Despite the pricing pressure on graphite electrodes, the Company operated at 81% utilization, the highest utilization rate among all Western graphite electrode companies.

During the third quarter of FY24, the Company commercialized its brownfield expansion project to increase the existing capacity from 80,000 TPA to 1,00,000 TPA. Due to the long duration of the production cycle of our products commercial production from our expanded capacity will be in the market during FY24-25.

The Needle coke prices keep correcting due to difficult market conditions but there is always a time lag between needle coke procurement time and sales of finished electrodes.

While the short-term prospects for graphite electrodes appear dismal owing primarily to geopolitical instability that has impacted industrial activity in developed nations, the long-term demand for graphite electrodes looks promising, considering a global thrust on adopting the EAF route for manufacturing steel.

Till date, as per company information, more than 90 mmt of new Greenfield capacities have already been announced and we keep seeing such announcements regularly.

Out of this, about 10 mmt is already in operation and another 30 mmt is expected to be in operation btw now and end of 2025.

We expect GE demand to increase gradually by around 150,000 to 200,000 mt by 2030, which is a significant increase over the current demand of around 500,000 - 600,000 tons UHP ex China.

We remain one of the most cost-competitive and quality producers of graphite electrodes in the world fully ready to capture any available opportunities.

Power Generation

The Company has captive power generation capacity of 76.5MW (comprising two thermal power plants and a hydroelectric power facility).

Company currently buys its power needs from MP state electricity board and excess power generated is sold in the market through IEX and bi-partite power purchase agreement with open access to consumers.

The turnover of the Power Segment marginally decreased to ₹33.83 Crore in FY 2023-24 (after inter-segmental sales) from ₹47.10 Crore in FY 2022-23.

4. **Change in Share Capital**

During the Financial Year 2023-24, there was no change in the Share Capital of the Company.

5. **Material Changes and Commitments**

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

6. **Change in the Nature of Business**

There is no change in the nature of business during the financial year 2023-24.

7. **Subsidiary, Associate Companies or Joint Ventures**

(i) **Subsidiary Company**

The Company has 1 (One) Wholly Owned Subsidiary ("Subsidiary or WOS") namely TACC Limited incorporated on 26th December, 2022.

TACC Limited had no business operations during the financial year 2023-24 and Net Loss was ₹152.62 Lakh.

In terms of provisions of Section 136(1) of the Companies Act, 2013, the audited financial statements of TACC Limited, WOS of HEG Limited, have been placed on the website of the Company and are not being annexed in this Annual Report.

The financial statements of the subsidiary are kept for inspection by the shareholders at the registered office of the Company. The Company shall provide, the copy of the financial statements of its subsidiary to the shareholders free of cost upon their request.

The Managing Director of the Company does not receive any remuneration or commission from its subsidiary except the sitting fee.

(ii) **Associate Companies or Joint Ventures**

There are two Associates of the Company namely Bhilwara Infotechnology Limited and Bhilwara Energy Limited.

Bhilwara Infotechnology Limited had a turnover (Revenue from Operations) of ₹27.77 crore and Profit After Tax was ₹5.36 crore in the financial year 2023-24.

Bhilwara Energy Limited had a consolidated turnover (Revenue from Operations) of ₹475.10 crore and Net Profit (attributable to owners of the parent) was ₹162.40 crore as per their audited consolidated financial statements for the financial year ended 31st March, 2024.

The Company has no Joint Ventures.

No Company has become/ceased to be an Associate or Joint Venture during the financial year 2023-24.

Performance of Associate Companies & Subsidiary and their contribution to overall performance of the Company has been mentioned in the Notes to Accounts to the consolidated financial statements.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of financial statements of subsidiary and associate companies is annexed in the Form AOC-1 to the consolidated financial statements and hence not repeated here for the sake of brevity.

8. **Consolidated Financial Statements**

The Consolidated Financial Statements have been prepared by the Company in accordance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remarks.

9. **Dividend**

Your Directors are pleased to recommend a final dividend at the rate of ₹22.50 per equity share on 3,85,95,506 equity shares of face value of ₹10 each for the financial year ended 31st March, 2024 subject to the approval of the Shareholders at the ensuing 52nd Annual General Meeting (AGM) of the Company. The dividend, if declared by the Shareholders in the AGM will be subject to deduction of tax at source at applicable rates.

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy is attached as Annexure IV, which form part of this report and is also available on the website of the Company.

10. **Corporate Governance**

A report on Corporate Governance forms part of this Report along with the Auditors' Certificate on Corporate Governance as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Auditors' Certificate for the financial year 2023-24 does not contain any qualifications, reservations or adverse remarks.

11. **Management Discussion and Analysis**

Management Discussion and Analysis Report as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of Annual Report.

12. **Business Responsibility & Sustainability Report (BRSR)**

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility & Sustainability Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as part of the Annual Report.

13. **Internal Control / Internal Financial Control Systems and Adequacy Thereof**

The Company has an adequate internal control system commensurate with the size and nature of its business. An internal audit programme covers various activities and periodical reports are submitted to the top management. The Company has a well-defined organisational structure, authority levels and internal rules and guidelines for conducting business transactions.

Further, the Internal Financial Control framework is under consistent supervision of Audit Committee, Board of Directors and also Independent Statutory Auditors. During the year, no reportable material weakness in the design or operations was observed.

14. **Personnel**

a) **Industrial relations**

The industrial relations during the period under review generally remained cordial at all the plants of the Company.

b) **Particulars of employees**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **Annexure-I.**

15. **Public Deposits**

Your Company has not invited any deposits from public/ shareholders in accordance with Chapter V of the Companies Act, 2013.

16. **Significant and Material Orders Passed By The Regulators Or Courts Or Tribunals**

There were no significant material orders passed by the Regulators/Courts/Tribunals during the financial year 2023-24 which would impact the going concern status of the Company and its future operations.

17. **Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo**

The information with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given as **Annexure-II** forming part of this Report.

18. **Directors and Key Managerial Personnel**

i. **DIRECTORS**

Shri Ravi Jhunjhunwala (DIN: 00060972) was re-appointed as Managing Director of the Company in the 51st Annual General Meeting ("AGM") held on 31st August, 2023. The Re-appointment of Shri Ravi Jhunjhunwala, as Managing Director was approved in the said AGM for the period of five years with effect from 13th February, 2024 upto 12th February, 2029. He will continue to act as Chairman and Chief Executive officer of the Company in accordance with the Articles of Association and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Smt. Ramni Nirula (DIN: 00015330) was re-appointed as an Independent Director in 51st AGM held on 31st August, 2023. The Re-appointment of Smt. Ramni Nirula, as an Independent Director was approved for the second term of five consecutive years with effect from 31st October, 2023 upto 30th October, 2028.

The first term of office of Shri Jayant Davar (DIN: 00100801), as an Independent Director is expiring on 13th August, 2024. The Board has recommended the re-appointment of Shri Jayant Davar as an Independent Director upon the recommendation of Nomination and Remuneration Committee, for a second term of five consecutive years with effect from 14th August, 2024 upto 13th August, 2029, subject to approval of Shareholders at the ensuing Annual General Meeting.

Shri Manish Gulati (DIN: 08697512) and Smt. Vinita Singhania (DIN: 00042983) shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board hereby recommends their re-appointment for approval of shareholders in the ensuing Annual General Meeting.

Shri Davinder Kumar Chugh, Independent Director, resigned from the Board with effect from 22nd May, 2024. The Board places on record its appreciation for the valuable guidance and contribution provided by Shri Davinder Kumar Chugh in the deliberations of the Board during his tenure as Independent Director.

The Board confirms that independent director appointed during the year possess the desired integrity, expertise and experience. The Independent Directors of the Company stated that they are in compliance with the Section 150 of the Companies Act, 2013 read with Rule 6 (1) & (2) of the Companies (Appointment & Qualification of Directors) Rules, 2014.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They have also complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

In the opinion of Board, Independent Directors fulfil the conditions specified in the Companies Act, 2013 read with schedules and rules thereto as well as the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Independent Directors are independent of management.

The Company has a Code of Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Directors and members of the Senior Management. A copy of the Code has been put on the Company's website www.hegltd.com.

The brief profile, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2, of the Directors eligible for appointment/re-appointment forms part of the Notice of Annual General Meeting and Corporate Governance Report.

ii. KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company as on 31st March, 2024:

a) Shri Ravi Jhunjhunwala, Chairman, Managing Director & CEO

b) Shri Manish Gulati, Executive Director

c) Shri Gulshan Kumar Sakhuja, Chief Financial Officer

d) Shri Vivek Chaudhary, Company Secretary

19. Board Evaluation

The Board has carried out an annual evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees, in the manner as enumerated in the Nomination and Remuneration Policy, in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The evaluation exercise covered various aspects of the Board's functioning such as composition of the Board & Committee(s), their functioning & effectiveness, contribution of all the Directors and the decision making process by the Board.

Your Directors express their satisfaction with the evaluation process and inform that the performance of the Board as a whole, its Committees and its member individually were adjudged satisfactory.

20. Nomination and Remuneration Policy

The Nomination & Remuneration Policy of the Company is in place and is attached as Annexure-III to this Report.

21. Meetings of the Board

The Board of Directors met six times in the financial year 2023-2024 through Physical Meeting / Video Conferencing as permitted by relevant MCA circulars & SEBI Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of the Companies Act, 2013. The intervening period between any two consecutive Board Meetings was within the maximum time gap prescribed under the Companies Act, 2013, Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-1 issued by ICSI. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

22. Contracts and Arrangements with Related Parties

The Board of Directors of the Company, acting upon the recommendation of its Audit Committee of Directors, has approved the policy and procedures with regard to Related Party Transactions for reviewing, approving and ratifying Related Party transactions and in providing disclosures with respect to the above transactions, as required under the Companies Act, 2013, SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time and other applicable provisions, rules and regulations made thereunder.

All related party contracts/arrangements/ transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of a foreseen and repetitive nature. The statement of transactions entered into pursuant to the omnibus approval so granted is placed before the Audit Committee for approval on a quarterly basis. The statement is also supported by a Certificate from the Internal Auditor and Chief Financial Officer.

The updated policy on Related Party Transactions as approved by the Board is uploaded on the Company's website, the weblink of which is as under:

https://hegltd.com/wp-content/uploads/2022/05/HEG_RPT-Policy_09.02.2022.pdf

There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company that have a potential conflict with the interests of the Company.

In terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has submitted the half yearly disclosure of related party transactions on a consolidated basis to the BSE Ltd. and National Stock Exchange of India Ltd.

Since No material Related Party Transactions were entered during the financial year of the Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

23. Committees of the Board

The Board has following statutory committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

Details of all the committees, along with their charters, composition and meetings held during the year, are provided in the Report on Corporate Governance, as part of this Annual Report.

All the recommendations of the Committees were accepted by the Board during the financial year 2023-24.

24. Auditors

M/s SCV & Co LLP having (Firm Registration No-000235N/N500089), Chartered Accountants, the Statutory Auditors of the Company had been re-appointed as the Statutory Auditors for a second term of 5 consecutive years from the conclusion of 50th Annual General Meeting (AGM) held on 1st September, 2022 till conclusion of 55th AGM of the Company, on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.

Further the Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 read with rules made thereunder.

The Auditors' Report read along with Notes to Accounts is self explanatory and therefore does not call for any further comments.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

No fraud has been reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

25. Cost Auditors

In terms of sub-section (1) of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to maintain the cost records. Accordingly, such accounts and records have been maintained by the Company.

The Cost Audit for financial year ended 31st March, 2023 was conducted by M/s. N.D. Birla & Co. (M. No. 7907). The said Cost Audit Report was filed on 6th September, 2023.

No fraud has been reported by the Cost Auditors under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

Based on the recommendation of Audit Committee at its meeting held on 22nd May, 2024, the Board has approved the re-appointment of M/s. N.D. Birla & Co. (M. No. 7907), as the Cost Auditors of the Company for the financial year 2024-2025 on a remuneration of ₹3,00,000/- plus applicable taxes and out of pocket expenses that may be incurred by them during the course of audit.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s. N.D. Birla & Co., Cost Auditors is included in the Notice convening the ensuing Annual General Meeting.

26. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had appointed M/s. GSK & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report is annexed herewith as Annexure-V.

No fraud has been reported by the Secretarial Auditors under Section 143 (12) of the Companies Act, 2013 and the rules made thereunder.

The Board upon the recommendation of Audit Committee has re-appointed M/s. GSK & Associates, Company Secretaries in practice as Secretarial Auditor of the Company for the financial year 2024-25.

27. Qualification, Reservation or Adverse Remark in the Audit Reports

There is no qualification, reservation or adverse remark made by the Statutory or Cost or Secretarial Auditors in their Audit Reports issued by them.

28. Business Risk Management

The objective of risk management at the Company is to protect shareholders value by minimizing threats or losses, and identifying and maximizing opportunities. An enterprise-wide risk management framework is applied so that effective management of risk is an integral part of every employee's job.

The Risk Management Policy of the Company is in place. The Company's risk management strategy is integrated with the overall business strategies of the organization and is communicated throughout the organization. Risk management capabilities aide in establishing competitive advantage and allow management to develop reasonable assurance regarding the achievement of the Company's objectives.

The annual strategic planning process provides the platform for identification, analysis, treatment and documentation of key risks. It is through this annual planning process that key risks and risk management strategies are communicated to the Board. The effectiveness of risk management strategies is monitored both formally and informally by management and process owners. There is no major risk which may threaten the existence of the Company.

The Company has duly constituted Risk Management Committee inter-alia to oversee Risk Management framework of the Company. The details pertaining to the composition, meetings and terms of reference of the Risk Management Committee are included in the Report on Corporate Governance which forms part of the Annual Report.

29. Corporate Social Responsibility (CSR)

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken CSR projects directly and/or through implementation agencies in the areas of promotion of education, eradicating hunger & poverty, initiatives towards Community Service and Rural Development, Healthcare, Plantation & Environment Development, Protection of National heritage, Art, Culture etc. These projects were in accordance with the CSR Policy of the Company and Schedule VII of the Companies Act, 2013.

The Company has a policy on CSR and has constituted a CSR Committee for undertaking CSR activities. The Composition of Committees & other details are provided in the Corporate Governance Report which forms part of the Annual Report.

The CSR policy may be accessed on the Company's website at the link mentioned below:

https://hegltd.com/wp-content/uploads/2021/06/amended-csr-policy.pdf

The various CSR projects inter-alia undertaken will bring qualitative changes in the lives of the community around the plant location. One of the key project is the empowerment of farmers by fruiting cycle under Project Global Raisen (Rural Economic Transformation) which will result in improvement in their income resulting into their higher familial and societal status. The Company has established first mega kitchen "Akshaya Patra" in Bhopal. The Kitchen has started serving meals to 900 schools feeding 50,000 children everyday. The Company also runs Graphite school at Mandideep, Bhopal, which is CBSE affiliated and run by the Company for last 22 years. The new school building has started from 5th April, 2023 with the academic session of 2023-24 taking the total capacity of the school to 2,700 students.

The Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as Annexure-VI, forming part of this report.

30. Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and based on the recommendation of Audit Committee, the Board has approved the re-appointment of M/s. S.L. Chhajed & Co. LLP, as the Internal Auditors of the Company for the financial year 2024-2025.

31. Directors Responsibility Statement

The Directors confirm that:

i) In preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;

ii) They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2023-24 and of the profit of the Company for the year under review;

iii) They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities;

iv) They have prepared the annual accounts on a going concern basis;

v) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

32. Vigil Mechanism /Whistle Blower Policy

The Company has a vigil mechanism named "Whistle Blower Policy", which is overseen by the Audit Committee. The Policy inter-alia provides safeguards against victimization of the Whistle Blower. Employees and other stakeholders have direct access to the Chairperson of the Audit Committee for lodging concerns if any, for review. The policy is posted on the website of the Company, the web link of which is as under:

https://hegltd.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-08.05.2018.pdf

33. Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in the Annual Report.

34. Investor Education and Protection Fund (IEPF)

There was no dividend declared for the financial year 2015-16 in the Annual General Meeting held on 28th September, 2016, hence no amount of unclaimed dividend and shares were required to be transferred to IEPF/IEPFA during financial year 2023-24.

The details of same are given in Corporate Governance Report under head Shareholder Information.

35. Insider Trading

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Regulations), your Company has adopted the following-

i) Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders- The said Code lays down guidelines, which advise Insiders on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances.

ii) Code of Practices and Procedures of Fair Disclosures of Unpublished Price Sensitive Information- The Code ensures fair disclosure of events and occurrences that could impact price discovery in the market.

iii) Policy for dealing with Unpublished Price Sensitive Information (UPSI) and Whistle Blower Policy for employees to report any leak or suspected leak of UPSI- The policy aims to enable the employees of the Company to report any leak or suspected leak of UPSI, procedures for inquiry in case of leak of UPSI or suspected leak of UPSI and initiate appropriate action and informing the SEBI promptly of such leaks, inquiries and results of such inquiries.

iv) Internal Control Mechanism to prevent Insider Trading- The Internal Control Mechanism is adopted to ensure compliances with the requirements given in the regulations and to prevent Insider Trading. The Audit Committee also review compliance with the provision of regulations periodically.

36. Annual Return

In terms of the Section 92 (3) of Companies Act, 2013 as amended, the Annual Return of the Company is placed on the website of the Company

https://hegltd.com/annual-general-meeting

37. General Disclosure

a) The Company has maintained Cost Records in accordance with Section 148(1) of the Companies Act, 2013.

b) The Company has a group policy in place against Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The Company has complied with the provisions of above said act. The Company has undertaken 20 workshops or awareness programmes against sexual harassment of women at the workplace. No complaint of Sexual Harassment was received during the financial year 2023-24.

c) The Company is in compliance of all applicable secretarial standards issued by The Institute of Company Secretaries of India from time to time.

d) The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof: Not Applicable.

e) The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year: Not Applicable.

38. Key Initiatives with respect to Stakeholder relationship, Customer relationship, Environment, Sustainability, Health and Safety

The Company has duly constituted Stakeholders Relationship Committee with broad terms of reference, the details of which is provided in the Corporate Governance Report which forms part of the Annual Report.

As a responsible corporate citizen, the Company supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report etc. to shareholders at their e-mail address registered with the Depository Participants and Registrar & Transfer Agent.

To support the 'Green Initiative' and in compliance of Rule 18 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Members who have not yet registered their email addresses or want to update a fresh email id are requested to register the same with their Depository Participant in case the shares are held by them in electronic form and with Company's Registrar & Transfer Agents (RTA) in case the shares are held by them in physical form for receiving all communications, including Annual Report, Notices, Circulars, etc., from the Company electronically. The Company has also sent the communication to the concerned shareholders with regard to registration of their email address etc. with the Registrar and Share Transfer Agent/ Depository Participants in connection with service of documents through electronic mode.

Further, as permitted by MCA Circulars and SEBI Circulars issued from time to time, the Notice of the 52nd AGM and the Annual Report of the Company for the financial year ended 31st March, 2024 including therein the Audited Financial Statements for the year 2023-24, are being sent only by email to the Members.

The Company remained agile to emerging market opportunities by remaining connected with all its customers across the lean period. This effort allowed it to improve its capacity utilisation better than most peers in this space. A higher utilisation helped in better absorption of costs which improved cash flow. The Company stays in contact with its customers on a regular basis. The IT department is developing solutions for increased transparency in business operations and better connectivity with customers.

The Company is committed to protecting the environment. The R&D team works closely with some reputable research institutes to develop environment friendly approaches for sustainable growth which involves identifying alternative/ regenerative carbon feedstock.

The Company supports the principles of inclusive growth and equitable development through not just its corporate social responsibility initiates but through its core business as well. The Company's social upliftment initiatives focus around healthcare, education, removing hunger, community development and environmental conservation, which facilitates in bettering lives and improving livelihood, amongst others.

39. Acknowledgements

Your Directors wish to place on record, their appreciation for the valuable assistance and support received by your Company from banks, financial institutions, the Central Government, the Government of Madhya Pradesh, the Government of Uttar Pradesh and their departments. The Board also thanks the employees at all levels, for the dedication, commitment and hard work put in by them. The Directors appreciate and value the contribution made by every member of the HEG family.

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN: 00060972

Date: 22nd May, 2024
Place: Noida (U.P.)

Annexure–I to the Board's Report

I. The information required pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

a) Remuneration paid to Chairman, Managing Director & CEO, Whole-Time Director and Key Managerial Personnel

Sl. No.	Name of Director/ KMP and Designation	% increase in Remuneration in the financial year 2023-24	Ratio of Remuneration of each Director/ to median Remuneration of employees
1	Ravi Jhunjhunwala (Chairman, Managing Director & CEO)	15	341.36
2	Manish Gulati (Executive Director)	15	67.36
3	Gulshan Kumar Sakhuja (Chief Financial Officer)	12	NA
4	Vivek Chaudhary (Company Secretary)	15	NA

b) Remuneration paid to Non-Executive and Independent Directors*

Sl. No.	Name of Director	% increase in Remuneration in the financial year 2023-24	Ratio of Remuneration of each Director/ to median Remuneration of employees
1	Riju Jhunjhunwala (Non-Executive Director)	57.26	2.46
2	Shekhar Agarwal (Non-Executive Director)	25.00	1.89
3	Kamal Gupta (Non-Executive & Independent Director)	28.91	6.24
4	Vinita Singhania (Non-Executive Director)	100.00	1.13
5	Satish Chand Mehta (Non-Executive & Independent Director)	44.44	2.46
6	Ramni Nirula (Non-Executive & Independent Director)	78.90	2.46
7	Jayant Davar (Non-Executive & Independent Director)	30.10	3.21
8	Davinder Kumar Chugh (Non- Executive & Independent Director)	Nil	2.84

* The Non-Executive and Independent Directors of the Company are entitled to sitting fees as per the statutory provisions and within the limits approved by the Board of Directors and Shareholders.

c) The median remuneration of the employees of the Company for the financial year is ₹3,96,588/- per annum.

d) Percentage increase in the median remuneration of employees in the financial year was nil.

e) Number of permanent employees on payroll of the Company were 1075 as on 31st March, 2024.

f) The average increase of employee's salary for the FY 2023-24 (Other than Shri Ravi Jhunjhunwala, Chairman, Managing Director & CEO and Shri Manish Gulati, Executive Director) was at a rate of 10% per annum. The percentile increase in remuneration of employees is in accordance with policy of the Company.

g) It is affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

II. Statement pursuant to rule 5(2) and rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the year ended 31st March, 2024.

a) Details of top ten employees in terms of remuneration drawn is as under

Sl. No.	Name of Employee	Designation	Remuneration (₹ in Lakhs)	Qualification	Experience	Age	Date of Commencement of Employment	Last Employment held, Organisation, Designation & Duration
1	Ravi Jhunjhunwala	Chairman, Managing Director & CEO	1353.78 *	B.Com (Hons.), MBA	44	68	08.09.1979	-
2	Manish Gulati	Executive Director	267.14 **	MBA (Marketing & Finance), BE (Electronics), BSc (Statistics)	31	55	10.05.1993	J.N.Marshal Ltd., Pune, Senior Executive,0.5 Yr.
3	Jasvinder Singh Khosla	Vice President – Operations (Nipple Plant) / Specialties	93.08	BE (Mech)	32	55	25.11.2020	GIL Nasik, AVP(Works), 3.5 Yrs
4	Atul Laxman Moghe	Vice President – Maintenance & Power	92.87	BE (Electronics)	31	54	17.05.1999	MP Iron & Steel Co. Pvt. Ltd., Malanpur, Engineer, 6.3 Yrs.
5	Virendra Srivastava	Vice President - Operations	81.58	B.Sc. (PCM), BE-Mechanical	33	57	14.05.1991	Hindustan Enterprises, Telearganj, Allahabad, Production Engineer, 0.6 Yr.
6	Prashant Kumar Jha	General Manager - Commercial	74.61	ICWA, PGDBM	24	51	15.07.2011	M/s. Timex Group Ind. Limited, Noida, Manager, 2.9 Yrs.
7	Gulshan Kumar Sakhuja	Chief Financial Officer	69.27	CA, B.Com (Hons.), Delhi University	20	45	14.09.2009	Caparo Engineering India Pvt Ltd. Senior Manager Finance, 3.10 Yrs
8	Manoj Kumar Gupta	General Manager – Design	60.75	BE (MECH), M.TECH (MECH)	33	55	07.02.2011	Hindalco Industries, Bharuch, Manager Maintenance, 5.6 Yrs
9	Ravi Kant Tripathi	General Manager - Finance	60.71	B.Com (Taxation), ICWA, LLB	33	54	11.07.1994	Bharat Zinc Ltd. Bhopal, Accountant, 1 Yrs
10	Rajesh Jetha	General Manager – IT	59.73	MCA	28	54	17.11.1997	NSMG Pvt Ltd, New Delhi, S/w Engineer, 2 Yrs

* includes commission of ₹977 Lakhs

** includes commission of ₹100 Lakhs

b) **Statement related to employee employed throughout the year and in receipt of remuneration aggregating ₹1.02 Crores or more during the FY 2023-24**

Sl. No.	Name of Employee	Designation	Remu-neration (₹ in Lakhs)	Qualification	Expe-rience	Age	Date of Com-mencement of Employment	Last Employment held, Organisa-tion, Designation & Duration
1	Ravi Jhunjhunwala	Chairman, Managing Director & CEO	1353.78 *	B.Com (Hons.), MBA	44	68	08.09.1979	-
2	Manish Gulati	Executive Director	267.14 **	MBA (Marketing & Finance), BE (Electronics), BSc (Statistics)	31	55	10.05.1993	J.N.Marshal Ltd., Pune, Senior Executive,0.5 Yr.

* includes commission of ₹977 Lakhs

** includes commission of ₹100 Lakhs

c) **Statement related to employee employed for part of the year and in receipt of remuneration aggregating ₹8.50 Lakhs or more per month:**

Sl. No.	Name of Employee	Designation	Remu-neration (₹ in Lakhs)	Qualification	Expe-rience	Age	Date of Com-mencement of Employment	Last Employment held, Organisa-tion, Designation & Duration
-	-	-	-	-	-	-	-	-

Notes:

-Shri Ravi Jhunjhunwala is a relative of Shri Riju Jhunjhunwala.

-As per records of the Company, no employee is holding more than 2% of the Paid-Up Share Capital of the Company.

-All appointments are contractual in nature and terminate by notice on either side.

-No employee drew remuneration at a rate in excess of that drawn by the Chairman, Managing Director & CEO.

Annexure–II to the Board's Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

(A) CONSERVATION OF ENERGY

(a)	the steps taken or impact on conservation of energy;	
	Replacement of conventional lights of ratings–132 KW with LED lights of ratings–64 KW with the improvement of illumination level in various locations of plant and saved-803 KWH per day by using LED lights. This has resulted a annual saving of ₹15.86 Lakh.	
(b)	the steps taken by the Company for utilising alternate sources of energy;	-
(c)	the capital investment on energy conservation equipment;	-

(B) TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	-
(ii)	the benefits derived like product improvement, cost reduction, product, development or import substitution:	-
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)–	-
	(a) The details of technology imported	
	(b) The year of import	
	(c) Whether technology been fully absorbed	
	(d) If not fully absorbed, areas where absorption has not taken place and the reason thereof; and	
(iv)	the expenditure incurred on Research and Development	-

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to export, initiatives to increase exports, developments of new export markets for Products and Services and Export Plan. The Company has continued to maintain focus and avail of export opportunities based on economic considerations.

(₹ in Lakhs)

2	Total foreign exchange used and earned	2023-24	2022-23
i)	Foreign Exchange Earned	1,52,754.12	1,49,959.19
ii)	Foreign Exchange Used	67,906.91	1,13,527.77

Annexure-III to the Board's Report

NOMINATION AND REMUNERATION POLICY

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and in accordance of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Key Objectives of the Committee would be:

a) to advise the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b) to specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee and review its implementation and compliance.

c) to recommend to the Board on Remuneration in whatever form payable to the Directors, Key Managerial Personnel and Senior Management.

2. DEFINITIONS

(a) "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

(b) "Board" means Board of Directors of the Company.

(c) "Key Managerial Personnel" (KMP) means—

(i) Chief Executive Officer or the Managing Director or the Manager;

(ii) Company Secretary;

(iii) Whole-time director;

(iv) Chief Financial Officer;

(v) such other officer not more than one level below the directors who is in whole- time employment, designated as Key Managerial Personnel by the Board; and

(vi) such other officer as may be prescribed.

d) Senior management shall mean officers/ personnel of the Company who are members of its core management team excluding Board of Directors. This would also include all members of management one level below chief executive officer/managing director/ whole time director/manager (including CEO/manager, in case they are not part of the Board) and including functional heads and shall specifically include Company Secretary & Chief Financial Officer.

3. ROLE OF COMMITTEE

The role of the Committee inter-alia will be the following:

a) To formulate of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

b) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;

c) to recommend to the Board the appointment and removal of Director or KMP or Senior Management Personnel;

d) Formulate the criteria for effective evaluation of performance of Independent Directors, Board, its Committees and Individual Directors to be carried our either by the Board, by the Committee itself or by an independent external agency and review its implementation and compliance;

e) to carry out evaluation of Director's performance;

f) assessing the independence of independent directors;

g) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

h) making recommendations to the Board on the remuneration, in whatever form/fee payable to the Directors/KMPs/Senior Management so appointed/ re-appointed;

i) ensure that level and composition of remuneration of Directors, KMP's and Senior Management is reasonable and sufficient. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

j) the Committee is to assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board;

k) to develop a succession plan for the Board and Senior Management and to regularly review the plan;

l) to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

m) such other key issues/matters as may be referred by the Board or as may be necessary in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provision of the Companies Act, 2013 & Rules thereunder.

4. MEMBERSHIP

a) The Committee shall consist of a minimum 3 non-executive directors, two third of them being independent.

However, the Chairperson of the Company (whether executive or non—executive) may be appointed as a member of the Nomination and Remuneration Committee, but shall not chair such Committee.

b) Membership of the Committee shall be disclosed in the Annual Report.

c) Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRMAN

a) Chairman/Chairperson of the Committee shall be an Independent Director.

b) In the absence of the Chairman/Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

c) The Chairman of Nomination and Remuneration Committee shall attend the General Meeting or in his absence any member of the Committee authorized by him in this behalf shall attend the General Meeting of the Company to answer the shareholder's queries.

6. QUORUM

Either two (2) members or one third of the members of the Committee whichever is greater, with atleast one independent director shall constitute a quorum for the Committee meeting.

7. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held atleast once in a year or at such regular intervals as may be required.

8. COMMITTEE MEMBERS' INTERESTS

a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

9. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

10. VOTING

a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

11. POLICY ON BOARD DIVERSITY

The Nomination and Remuneration Committee shall ensure that Board of Directors have the combination of Directors from different areas / fields or as may be considered appropriate in the best interest of the Company. The Board shall have at atleast one Board member who has accounting/ financial management expertise.

12. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

a) For appointment of any Directors/KMPs/ Senior Management, the Committee shall:

i) assess the appointee against a range of criteria which includes but not limited to qualifications, skills, experience, integrity, background and other qualities required to operate successfully;

ii) the extent to which the appointee is likely to contribute to the overall effectiveness, work constructively and enhance the efficiencies of the Company;

b) Ensuring that there is an appropriate induction & training programme in place for new Directors, Key Managerial Personnel's and members of Senior Management and reviewing its effectiveness;

c) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;

d) Determining the appropriate size and composition of the Board;

e) Follow a formal and transparent procedure for selecting new Directors for appointment to the Board, Key Managerial Personnel's and Senior Management Personnel;

f) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

i. use the services of an external agencies, if required;

ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and

iii. consider the time commitments of the candidates.

g) Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

h) Evaluating the performance of the Board members in the context of the Company's performance from business and compliance perspective;

i) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

j) Delegating any of its powers to one or more of its members or the Secretary of the Committee;

k) Considering any other matters as may be requested by the Board.

13. TERM / TENURE

A. Appointment of Managing Director / Whole-time Director

The terms and conditions of appointment and remuneration payable to a Managing Director and Whole-time Director(s) shall be recommended by the Nomination and Remuneration Committee to the Board for its approval which shall be subject to approval by shareholders of the Company as per the applicable provisions of the Companies Act, 2013 and rules made thereunder and in compliance of the Listing Regulation, 2015 as amended time to time.

B. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for a period upto five years or such other period as may be stipulated on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

C. Removal/Retirement

Due to any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations. The Directors, KMP and Senior Management shall retire as may be recommended by the NRC and approved by the Board as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company.

D. Letter of Appointment

Each Independent/KMP/Senior Management, Director is required to sign the duplicate copy of the letter of appointment issued by the Company, which contains the terms and conditions of his/her appointment.

14. REMUNERATION DUTIES

The Committee will recommend the remuneration in whatever form/fee to be paid to the Managing Director, Whole-time Director, other Directors, Key Managerial Personnel and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration/ fee so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration/fee to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

A. DIRECTOR/ MANAGING DIRECTOR

Besides the above Criteria, the Remuneration/ compensation/commission/fee/incentives to be paid to Director/Managing Director/ Whole Time Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. If any director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit prescribed by this section or without approval of members by way of Special Resolution, where required, he shall refund such sums to the company, within two years or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the company.

B. NON EXECUTIVE DIRECTORS INCLUDING INDEPENDENT DIRECTORS

The Non-Executive Directors (including Independent Directors) may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

A Company has profits in a financial year may pay remuneration to its Non-Executive Directors (including Independent Directors) within the limits as specified under Section 197 of the Companies Act, 2013 & rules thereto.

A company has no profits or its profits are inadequate, a Non-Executive Director (Including Independent Director) may receive remuneration, exclusive of any fees payable under sub-section (5) of section 197, in accordance with the provisions of Schedule V.

Except with the approval of the Company in the general meeting by a special resolution the overall Commission to the Non-Executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013 & rules thereto.

C. KEY MANAGERIAL PERSONNEL'S /SENIOR MANAGEMENT PERSONNEL ETC

The Remuneration to be paid to Key Managerial Personnel's/Senior Management Personnel shall be based on the experience, qualification, performance and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and/or in accordance with HR Policy of the Company, wherever applicable.

D. DIRECTORS AND OFFICERS' INSURANCE

Where any insurance is taken by the Company on behalf of its Directors, Key Managerial Personnel's/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

15(A). EVALUATION/ ASSESSMENT OF DIRECTORS OF THE COMPANY

The evaluation/assessment of the Directors, of the Company is to be conducted on an annual basis.

The following criteria may assist in determining how effective the performances of the Directors have been:

- Contributing to clearly defined corporate objectives & plans
- Obtain adequate, relevant & timely information from external sources
- Review of strategic and operational plans, objectives and budgets

- Regular monitoring of corporate results against projections
- Identify, monitor & take steps for mitigation of significant corporate risks
- Assess policies, structures & procedures
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of Committee
- Review of ethical conduct.

Additionally, for the evaluation/assessment of the performances of Managing Director(s)/ Whole Time Director(s) of the Company, following criteria may also be considered:

- Leadership abilities
- Communication of expectations & concerns clearly with subordinates
- Direct, monitor & evaluate KMPs, senior officials

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/ Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors shall evaluate/ assess each of the Independent Directors on the aforesaid parameters which shall also include the following:

(a) Performance of the Directors; and

(b) Fulfillment of the independence criteria as specified in LODR Regulations, 2015, as amended from time to time and their independence from the management.

Only the Director being evaluated shall not participate in the said evaluation discussion.

15(B). MANNER FOR EFFECTIVE EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS.

a) The Performance Evaluation of Directors, the Board as a whole, its Committees be carried out on Annual Basis.

b) The Performance Evaluation be carried out in the manner as enumerated in the Nomination and Remuneration Policy of the Company.

c) Nomination and Remuneration Committee should carry out the performance evaluation of all Directors and Key Managerial Personnel.

d) The Board should carry out the Performance Evaluation of Independent Directors, Board as a whole and its Committees and individual Directors.

e) Only the Director being evaluated will not participate in evaluation discussions.

f) Review of implementation and monitoring of the above manner of Performance Evaluation be done as and when required.

16. PERFORMANCE EVALUATION OF KMPs/ SENIOR MANAGEMENT

The performance evaluation of KMPs/ Senior Management is measured with regard to the goals and objectives set for the year and increase in compensation & reward by way of variable bonus is linked to the evaluation of individual's performance. Additionally, industry benchmarks are also used to determine the appropriate level of remuneration, from time to time.

17. DISCLOSURE

The Remuneration policy and the evaluation criteria shall be disclosed in the Board's Report.

18. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case. However this shall be subject to the approval of Board of Directors on the recommendation of Nomination and Remuneration Committee of the Company.

19. POLICY REVIEW

a. This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the subject as may be notified from time to time.

b. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/or the Board of Directors.

Annexure-IV to the Board's Report

DIVIDEND DISTRIBUTION POLICY

A. Definitions:

i) 'Company' shall mean HEG Limited.

ii) 'Board' shall mean Board of Directors of the Company

iii) 'Members' shall mean shareholders of the Company who hold shares of the Company.

iv) 'Policy' shall mean Dividend Distribution Policy

B. Objective:

The objective of this document is to frame a policy for dividend distribution criteria of the Company.

C. Background:

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), the Company is required to formulate a Dividend

Distribution Policy which shall be disclosed in the annual report and on the Company's website.

D. Policy:

The Board of the Company has approved this Dividend Distribution Policy to comply with these requirements.

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

The circumstances under which Members may expect dividend are based on the following factors:

- Current year profits and outlook in line with internal and external environment.
- Operating cash flows.
- Funding growth needs including working capital, capital expenditure, repayment of debt, etc.
- Dividend payout trends (the dividend payout ratio will be calculated as a percentage of dividend (including dividend tax) recommended for the year to the net profit for that year).
- Tax implications if any, on distribution of dividends.
- Providing for unforeseen events and contingencies with financial implications.
- Any other relevant factor that the Board may deem fit to consider.

The Board may declare interim dividend(s) as and when they consider it fit and recommend the final dividend to the Members for their approval in the general meeting of the Company.

In case the Board proposes not to distribute the profit; the fact shall be disclosed in the Annual Report of the Company.

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this policy.

THIS DOCUMENT DOES NOT SOLICIT INVESTMENTS IN THE COMPANY'S SECURITIES. NOR IS IT AN ASSURANCE OF GUARANTEED RETURNS (IN ANY FORM), FOR INVESTMENTS IN THE COMPANY'S EQUITY SHARES.

Annexure –V to the Board's Report

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31ST MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
HEG Limited Mandideep,
Near Bhopal, Distt Raisen
Madhya Pradesh-462046

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by HEG LIMITED (CIN: L23109MP1972PLC008290) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended on 31st March, 2024 according to the provisions of:

I.

- The Companies Act, 2013 (the Act) and the rules made thereunder.
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder.
- Foreign Exchange Management Act, 1999 and rules and regulations made thereunder to the extent of External Commercial Borrowings.
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;

  b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; as amended from time to time;

  c. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

  d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time;

  e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;(Not applicable to the Company during the audit period);

  f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity)Regulations, 2021;(Not applicable to the Company during the audit period);

  g. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;(Not applicable to the Company during the audit period);

  h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;(Not applicable to the Company during the audit period); and

  i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period);

  During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, etc. mentioned above.

II.

- The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder
- The Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder
- The Environment (Protection Act 1986 and amended upto 1991) and The Environment (Protection) Rules 1986 & Amendment Rules, 2006
- The Hazardous Waste (Management Handling and Transboundary Movement) Rules, 2008 and amendment up to 2010
- Indian Boiler Act No. V of 1923 & amended 1960
- The Indian Electricity Act 2003, amendment up to 2007 and The Indian Electricity rule 1956 amended up to 2000
- Entry Tax Act, 1976 (Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976)
- Factories Act 1948 as amended in 1987 along with Madhya Pradesh Factories Rules, 1962
- Workmen's Compensation Act, 1923 and Workmen's Compensation (Madhya Pradesh) Rules, 1962 and Madhya Pradesh Workmen's Compensation (Occupational Diseases) Rules, 1963
- Employees' Provident Funds And Miscellaneous Provisions Act, 1952 as amended from time to time and rules made thereunder
- Employees' State Insurance Act, 1948 as amended from time to time and rules made thereunder
- Contract Labour (Regulation and Abolition) Act, 1970 as amended from time to time and rules made thereunder
- The Maternity Benefit Act, 1961 as amended from time to time and rules made thereunder
- The Code on Wages, 2019
- Manufacture, Storage and Import of Hazardous Chemicals Rules 1989 and Amendment Rules, 2000
- Public Liability Insurance Act, 1991 amended upto 1992 & Rules 1991 amended upto 2003
- Sexual harassment of women at the workplace (Prevention, Prohibition, Redressal) Act, 2013
- Private Security Agencies (Regulation) Act, 2009
- Goods and Services Tax Act, 2017

During the year under review, the Company has filed periodical return and has not received any show cause notice and has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have relied on the representation made by the Company and its officers on systems and mechanism formed by the Company for compliance under other Act, Laws and Regulations to the Company.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Central Government
- The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while there has been no member dissenting from the decisions arrived.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, Shri Ravi Jhunjhunwala was re-appointed as Managing Director of the Company for a period of five years w.e.f 13th February, 2024 to 12th February, 2029 by the Board of Directors in their meeting dated 22nd May, 2023 subject to the Shareholder's approval, which was duly obtained at the Annual General Meeting held on 31st August, 2023.

We further report that, Smt. Ramni Nirula was re-appointed as an Independent Director of the Company for another term of five years w.e.f 31st October, 2023 to 30th October, 2028 by the Board of Directors in their meeting dated 22nd May, 2023 subject to the Shareholder's approval, which was duly obtained at the Annual General Meeting held on 31st August, 2023.

We further report that, the Board of Directors at their meeting held on 22nd May, 2023 has approved the investment by way of subscribing to the equity shares upto ₹90 Crore (Rupees Ninety Crore only) in one or more tranches of TACC Limited ("Wholly Owned Subsidiary").

We further report that, the Company had a total investment of ₹80 Crore (Rupees Eighty Crore only) as on 31st March, 2024 in the form of Equity Shares of TACC Limited ("Wholly Owned Subsidiary").

For **GSK & Associates**
(Company Secretaries)
FRN: P2014UP036000

Saket Sharma
Partner
(Membership No.: F4229)
(CP No.: 2565)
UDIN: F004229F000425804
PR No.: 2072/2022

Date: 22nd May, 2024
Place: Kanpur

Annexure – VI to the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

(Pursuant to Annexure II of the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. **Brief outline on CSR Policy of the Company:** Refer to Point no. 29 of Board's Report
2. **Composition of CSR Committee:**

Sl No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Ravi Jhunjhunwala	Chairman, Managing Director & CEO	4	3
2.	Shri Satish Chand Mehta	Non-Executive (Independent Director)	4	4
3.	Smt. Vinita Singhania	Non- Executive Director	4	4

3. **Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company.**

The Web-links are as under:

Composition of CSR committee	:	https://hegltd.com/wp-content/uploads/2021/06/Composition-of-CSR-Committee.pdf
CSR Policy	:	https://hegltd.com/wp-content/uploads/2021/06/amended-csr-policy.pdf
CSR projects approved by the board are disclosed on the website of the company	:	https://hegltd.com/wp-content/uploads/2024/05/Annual-Action-Plan_FY-2024-2025.pdf

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.**

The Company has been conducting internal impact assessments to monitor and evaluate its all CSR programmes. The report on Impact assessment along with executive summary of its applicable CSR projects by Independent Agencies in terms of above rules are available on Company's website at link i.e. https://hegltd.com/impact-assessment/

5.	(a)	**Average net profit of the company as per sub-section (5) of section 135.**	:	₹3,29,58,50,797
	(b)	**Two percent of average net profit of the company as per sub-section (5) of section 135.**	:	₹6,59,17,016
	(c)	**Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.**	:	NIL
	(d)	**Amount required to be set-off for the financial year, if any.**	:	NIL
	(e)	**Total CSR obligation for the financial year [(b)+(c)-(d)].**	:	₹6,59,17,016

6.	(a)	**Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)** # ₹9,51,13,505 and ₹88,25,052 was spent during financial year on ongoing projects from Unspent CSR Account for FY 2021-22 and FY 2022-23 respectively. For details please refer point no. 7 below.	:	₹16,37,13,165 #
	(b)	**Amount spent in Administrative overheads.**	:	₹6,26,723
	(c)	**Amount spent on Impact Assessment, if applicable.**	:	NIL
	(d)	**Total amount spent for the Financial Year [(a)+(b)+(c)].**	:	₹16,43,39,888

(e) **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year. (in ₹.)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹6,04,01,331	₹55,15,685	30th April, 2024	-	-	-

(f) **Excess amount for set-off, if any: NIL**

Sl No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹6,59,17,016
(ii)	Total amount: Spent for the Financial Year : ₹6,04,01,331 Transferred to Unspent CSR Account as per Section 135(6) for ongoing projects : ₹55,15,685	₹6,59,17,016
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2022-23	1,09,59,101	1,09,59,101	88,25,052	-	-	21,34,049	-
2	2021-22	15,83,38,160	8,83,38,160	9,51,13,505*	-	-	-	-
3	2020-21	-	-	-	-	-	-	-

* Figure includes interest accumulated & spent from Unspent CSR Account of FY 2021-22.

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

~~Yes~~/No

If Yes, enter the number of Capital assets created/acquired: NA

Furnish the details relating to such assets(s) so created or acquired through Corporate Social Responsibility amount spend in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.**

The Company has identified few CSR Projects undertaken by the Company as an ongoing projects, for which requisite amount have been transferred to Unspent CSR Account as per Section 135(6) of the Companies Act, 2013 read with relevant rules & Schedule VII.

For and on behalf of the Board of Directors
Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN: 00060972

Date: 22nd May, 2024
Place: Noida (U.P.)

Corporate Governance Report

1. **Company's Philosophy on Corporate Governance**

The Company's Philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and all its interactions with the stakeholders including shareholders, employees, customers, government, suppliers and lenders and to build the confidence of the society in general. The Company believes in adopting the philosophy of professionalism, transparency and accountability in all areas and is committed to pursue growth by adhering to the highest national and international standards of Corporate Governance.

2. **Board of Directors**

(i) Composition

The Board has an appropriate composition of Executive, Non-Executive and Independent Directors. The composition of the Board satisfies the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Section 149 of the Companies Act, 2013, (hereinafter referred to as "the Act").

The Independent Directors on the Board are experienced, competent and reputed names in their respective fields. The Independent Directors take active part at the Board and Committee Meetings which adds value in the decision-making process of the Board of Directors. The Independent Directors constitute half of the total strength of Board as on 31st March, 2024, the details are as under:

Category of Directors	No. of Directors	% of total Directors
Independent Directors	5	50
Non Independent Non Executive Directors	3	30
Executive Directors	2	20
Total	**10**	**100**

As on 31st March, 2024, the details of composition of the Board, number of other Directorship, Chairmanship/ Membership of Committee of each Director in other Companies, attendance of Directors at the Board Meetings and last Annual General Meeting are given below:

Name of Director	Category of Directorship	No. of other Directorships* in Public Ltd. Companies	Number of Membership(s)/Chairmanship(s)** of Board Committees in other Companies as on 31.03.2024	No. of Board Meetings Attended/ Held	Whether attended the last AGM (Yes/ No)
Shri Ravi Jhunjhunwala	Chairman, Managing Director & CEO -Promoter Executive	9	4 (including 2 as Chairman)	4/6	Yes
Shri Riju Jhunjhunwala	Vice-Chairman Promoter Non-Executive	7	1	6/6	Yes
Shri Shekhar Agarwal	Promoter Non-executive	4	3	5/6	Yes
Shri Manish Gulati	Executive Director	0	0	6/6	Yes
Dr. Kamal Gupta	Independent	5	7 (including 4 as Chairman)	5/6	Yes
Shri Davinder Kumar Chugh***	Independent	2	0	5/6	No
Shri Satish Chand Mehta	Independent	0	0	6/6	Yes
Smt. Ramni Nirula	Independent	3	2	6/6	Yes
Shri Jayant Davar	Independent	3	2	5/6	Yes
Smt. Vinita Singhania	Non-Executive	5	0	6/6	Yes

Notes:

* Excludes Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.

** Only Audit Committee and Stakeholders Relationship Committee have been considered in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("Listing Regulations"). Membership includes Chairmanship.

*** Resigned w.e.f. 22nd May, 2024.

All Directors are in compliance with the limit on Directorships as prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors are related to each other except Shri Ravi Jhunjhunwala and Shri Riju Jhunjhunwala, being relatives.

Independent Director means Director as mandated in Listing Regulations and Section 149(6) of the Companies Act, 2013. All the Independent Directors have given the declaration of their independence at the beginning of the financial year.

None of the Directors on the Board:

- is a member of more than 10 Board level committees and Chairman of 5 such committees across all the Public Companies in which he or she is a Director;
- holds directorships in more than ten public Companies;
- serves as Director or as Independent Director (ID) in more than seven listed entities; and
- who are the Executive Directors serves as ID in more than three listed entities.

All the Directors of the Company are appointed/ re-appointed by the Shareholders on the basis of recommendations of the Board and Nomination and Remuneration Committee.

The Board Meetings / Committee Meetings in financial year 2023-24 were held through Video Conferencing/ Physical and information as mentioned in Schedule II Part A of the SEBI Listing Regulations have been placed before the Board for its consideration. The process followed for holding the meeting through Video Conferencing was in compliance with the Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time.

The Company also has a Risk Management Policy in place, procedures to inform Members of the Board about the risk assessment and minimization.

ii) Directorship in other listed entities including category of Directorship

Name of Director	Category of Directorship	Listed Entities
Shri Ravi Jhunjhunwala	Promoter-Non-Executive Promoter-Non-Executive Independent Promoter-Non-executive Independent	RSWM Limited Maral Overseas Limited India Glycols Limited BSL Limited JK Lakshmi Cement Limited
Shri Shekhar Agarwal	Promoter-Non-Executive Chairman, Managing Director & CEO-Promoter- Executive Chairman, Managing Director & CEO-Promoter-Executive Promoter-Non-Executive	RSWM Limited Maral Overseas Limited Bhilwara Technical Textiles Limited BSL Limited
Dr. Kamal Gupta	Independent Independent	Maral Overseas Limited RSWM Limited
Shri Davinder Kumar Chugh	Non-Executive-Nominee Director Non-Executive-Non-Independent	Jayaswal Neco Industries Limited WAISL Limited (Debt listed company)
Smt. Vinita Singhania	Vice Chairman, Managing Director Non-Executive Non-Executive Non-Executive	JK Lakshmi Cement Limited JK Paper Limited Bengal & Assam Company Limited Udaipur Cement Works Limited
Shri Riju Jhunjhunwala	Chairman, Managing Director & CEO–Promoter-Executive Promoter–Non-Executive	RSWM Limited Bhilwara Technical Textiles Limited
Shri Satish Chand Mehta	-	-
Smt. Ramni Nirula	Independent Independent Independent	DCM Shriram Limited Usha Martin Limited Kirloskar Brothers Limited
Shri Jayant Davar	Independent Managing Director	Jagran Prakashan Limited Sandhar Technologies Limited
Shri Manish Gulati	-	-

iii) Matrix of Core Skills/ Expertise/ Competencies of Directors in context of business of the Company.

The Matrix setting out the skills, expertise and competencies of Directors as on 31st March 2024, in context of business of the Company is as under:

		Skills/Expertise/Competence					
Sl. No.	Name of Director	Knowledge on Company's businesses, Policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities, the industry in which the Company operates and advising on domestic market and overseas market.	Behavioral skills – Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.	Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.	Financial and Management Skills.	Technical / Professional Skills and specialized knowledge in relation to Company's business.	Environment, Health and Safety and Sustainability- Knowledge of working on environment, health and safety and sustainability activities.
1	Shri Ravi Jhunjhunwala	✓	✓	✓	✓	✓	✓
2	Shri Riju Jhunjhunwala	✓	✓	✓	✓	✓	✓
3	Shri Shekhar Agarwal	✓	✓	✓	✓		✓
4	Dr. Kamal Gupta	✓	✓	✓	✓		✓
5	Shri Davinder Kumar Chugh	✓	✓	✓	✓	✓	✓
6	Shri Satish Chand Mehta	✓	✓	✓	✓		✓
7	Smt. Ramni Nirula	✓	✓		✓		✓
8	Smt. Vinita Singhania	✓	✓	✓			✓
9	Shri Jayant Davar	✓	✓	✓	✓		✓
10	Shri Manish Gulati	✓	✓	✓	✓	✓	✓

iv) Shareholding of Non-Executive Directors

The number of Equity Shares of the Company held by Non- Executive Directors of the Company are as under:

Name of Director	No. of Equity Shares held
Dr. Kamal Gupta (Jointly with his wife Mrs. Usha Gupta)	473
Shri Riju Jhunjhunwala	1,356
Shri Jayant Davar	4

v) Board Meetings

The Board meets at least once in every quarter to review quarterly results and other items on the agenda. Additional meetings are held when necessary. Six Board Meetings were held during the financial year ended the 31st March, 2024 through Physical mode and/ or Video Conferencing as permitted by relevant SEBI Circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013. These were held on 22nd May, 2023, 11th August, 2023, 14th September, 2023, 8th November, 2023, 23rd January, 2024 and 12th February, 2024. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law which is noted and confirmed in the subsequent Board Meeting. One resolution was passed by circulation on 4th May, 2023.

Keeping in view the underlying objective of Green Initiatives, the Company has adopted a practice of making electronic presentation of the Agenda of Board Meeting and other Committee Meetings in the form of a power point presentation, wherever required. Adequate notice was given to all Directors w.r.t. the Board/ Committee Meetings held during the year. Agenda and detailed notes on agenda were sent well in advance so as to enable the Directors to become aware of all the facts on timely basis.

3. Audit Committee

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

(i) Broad Terms of Reference

1. The Audit Committee at its discretion shall invite the Finance Director or Head of the Finance Function, Head of Internal Audit and a representative of the Statutory Auditor and any other such executives to be present at the meetings of the committee;

   Provided that occasionally the Audit Committee may meet without the presence of any of the executives of the Company.

2. The Audit Committee shall have the power to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if considered necessary;
3. The chairperson of the Audit Committee shall be an Independent Director and shall be present at Annual General Meeting to answer the shareholder's queries;
4. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
5. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
6. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
7. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013.
   b) Changes, if any, in accounting policies and practices and reasons for the same.
   c) Major accounting entries involving estimates based on the exercise of judgement by management.
   d) Significant adjustments made in the financial statements arising out of audit findings.
   e) Compliance with listing and other legal requirements relating to financial statements.
   f) Disclosure of any related party transactions.
   g) Modified opinion(s) in the draft Audit Report.
8. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
9. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
10. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
11. Approval or any subsequent modification of transaction of the Company with related party;
12. Scrutiny of inter-corporate loans and investments;
13. Valuation of undertakings or assets of the Company, wherever it is necessary;

    Where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a Company or its liabilities under the provision of the Companies Act, 2013, it shall be valued by a person having such a qualifications and experience and registered as a valuer in such a manner, on such terms and conditions as may be prescribed and appointed by the Audit Committee or in its absence by the Board of Directors of the Company.

14. Evaluation of internal financial controls and risk management systems;
15. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
16. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audits;
17. Discussion with Internal Auditors of any significant findings and follow up thereon;
18. Reviewing the findings of any internal investigations by the Internal Auditors into matter where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
19. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors;
21. To review the functioning of the Whistle Blower mechanism;
22. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate; and
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
24. The Audit Committee of the Company shall mandatorily review the following information:
    i. Management Discussion and Analysis of financial condition and results of operations.
    ii. Statement of Significant Related Party Transactions (as defined by the Audit Committee), submitted by management;
    iii. Management Letters/ Letters of Internal Control Weaknesses issued by the Statutory Auditors;
    iv. Internal Audit Reports relating to internal control weaknesses; and
    v. The appointment, removal and terms of remuneration of the Chief Internal Auditors shall be subject to review by the Audit Committee.
    vi statement of deviations:
       a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

25. The Internal Auditors may report directly to the Audit Committee;

26. The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary;

27. All related party transactions shall require approval of the Audit Committee and the Committee may make omnibus approval for related party transactions proposed to be entered into by the Company on yearly basis;

28. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval;

29. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given;

30. The Audit Committee shall consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

31. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

ii) Composition of the Committee

The composition of the Audit Committee is as under:

Sl. No.	Name of Director	Designation	Category
1	Shri Satish Chand Mehta	Chairman	Independent Director
2	Shri Shekhar Agarwal	Member	Non-Executive Promoter Director
3	Dr. Kamal Gupta	Member	Independent Director
4	Shri Davinder Kumar Chugh#	Member	Independent Director

w.e.f. 16th May, 2024, the Audit Committee has been reconstituted and Smt. Ramni Nirula, Independent Director was inducted in the said committee in place of Shri Davinder Kumar Chugh.

All these Directors possess knowledge of corporate finance, accounts and corporate laws. The Statutory Auditors, Cost Auditors, Secretarial Auditor, Internal Auditors and Senior Executives of the Company are invited to attend the meetings of the Committee, whenever necessary. The Company Secretary acts as the Secretary of the Committee.

iii) Meetings and Attendance

During the financial year ended the 31st March, 2024, Five meetings were held through Physical Mode and/ or Video Conferencing as permitted by relevant SEBI Circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013 on 22nd May, 2023, 11th August, 2023, 8th November, 2023, 23rd January, 2024 and 12th February, 2024. The attendance at the above Meetings was as under:

Sl. No.	Name of Director	No. of meetings attended
1	Shri Satish Chand Mehta	5
2	Shri Shekhar Agarwal	5
3	Dr. Kamal Gupta	4
4	Shri Davinder Kumar Chugh	4

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

i) Broad Terms of Reference

The terms of reference of the Committee as per the Nomination and Remuneration Policy of the Company inter-alia includes the following:

a) To formulate of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

b) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;

c) to recommend to the Board the appointment and removal of Director or KMP or Senior Management Personnel;

d) Formulate the criteria for effective evaluation of performance of Independent Directors, Board, its Committees and Individual Directors to be carried out either by the Board, by the Committee itself or by an independent external agency and review its implementation and compliance;

e) to carry out evaluation of Director's performance;

f) assessing the independence of independent directors;

g) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

h) making recommendations to the Board on the remuneration, in whatever form/fee payable to the Directors/ KMPs/Senior Management so appointed/re-appointed;

i) ensure that level and composition of remuneration of Directors, KMP's and Senior Management is reasonable and sufficient. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

j) the Committee is to assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board;

k) to develop a succession plan for the Board and Senior Management and to regularly review the plan;

l) to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

m) such other key issues/matters as may be referred by the Board or as may be necessary in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provision of the Companies Act, 2013 & Rules thereunder.

ii. Composition of the Committee

The composition of the Nomination and Remuneration Committee is as under:

Sl. No.	Name of Director	Designation	Category
1	Dr. Kamal Gupta	Chairman	Independent Director
2	Smt. Ramni Nirula	Member	Independent Director
3	Shri Davinder Kumar Chugh#	Member	Independent Director

w.e.f. 16th May, 2024, the Nomination and Remuneration Committee has been reconstituted and Shri Satish Chand Mehta was inducted in the said committee in place of Shri Davinder Kumar Chugh.

The Company Secretary acts as Secretary of the Committee.

iii. Meetings and Attendance

During the financial year ended 31st March, 2024, two meetings were held through Physical Mode and/ or Video Conferencing as permitted by relevant SEBI Circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013 on 22nd May, 2023 and 12th February, 2024.

The attendance at the above Meetings was as under:

Sl. No.	Name of Director	No. of meetings attended
1	Dr. Kamal Gupta	2
2	Smt. Ramni Nirula	2
3	Shri Davinder Kumar Chugh	2

5. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee has been constituted by the Board in compliance with the requirements of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

i) Broad Terms of Reference

(1) Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants, annual reports, statutory notices by the shareholders of the Company.

ii) Composition of the Committee

The composition of the Committee is as under:

Sl. No.	Name of Director	Designation	Category
1	Shri Riju Jhunjhunwala	Chairman	Non-Executive Promoter Director
2	Shri Ravi Jhunjhunwala	Member	Executive-Promoter Director
3	Dr. Kamal Gupta	Member	Independent Director
4	Shri Davinder Kumar Chugh#	Member	Independent Director

w.e.f. 16th May, 2024, the Stakeholders Relationship Committee has been reconstited and Shri Jayant Davar was inducted in the said committee in place of Shri Davinder Kumar Chugh.

Shri Vivek Chaudhary, Company Secretary is the Compliance Officer of the Company.

iii) Meetings and Attendance

During the financial year ended 31st March, 2024, four meetings were held on 6th May, 2023, 8th August, 2023, 7th October, 2023 and 17th January, 2024.

The attendance at the above Meetings was as under: -

Sl. No.	Name of Director	No. of Meetings attended
1	Shri Riju Jhunjhunwala	4
2	Shri Ravi Jhunjhunwala	4
3	Dr. Kamal Gupta	4
4	Shri Davender Kumar Chugh	1

The Company received 40 complaints from Shareholders during the financial year 2023-24 and all were resolved to the satisfaction of the shareholders.

6. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Companies Act, 2013.

i) Broad Terms of Reference

a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject specified in Schedule VII of the Companies Act, 2013;

b) Recommend and monitor the amount of expenditure to be incurred on the activities referred to in clause (a);

c) Monitor the Corporate Social Responsibility Policy of the Company from time to time; and

d) Any other functions as may deem fit by the CSR Committee/Board or as may be necessitated by any regulatory framework as amended from time to time.

ii. Composition of the Committee

The composition of the Corporate Social Responsibility Committee is as under:

Sl. No.	Name of Director	Designation	Category
1	Shri Ravi Jhunjhunwala	Chairman	Executive-Promoter Director
2	Smt. Vinita Singhania	Member	Non-Executive Director
3	Shri Satish Chand Mehta	Member	Independent Director

iii. Meetings and Attendance

During the financial year ended 31st March, 2024, four meetings were held through Physical Mode and/ or Video Conferencing as permitted by relevant SEBI Circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013 on 22nd May, 2023, 11th August, 2023, 8th November, 2023 and 12th February, 2024.

The attendance at the above Meetings was as under: -

Sl. No.	Name of Director	No. of meetings attended
1	Shri Ravi Jhunjhunwala	3
2	Smt. Vinita Singhania	4
3	Shri Satish Chand Mehta	4

7. Risk Management Committee

The Risk Management Committee has been constituted by the Board in compliance with the requirements of Regulation 21 of the Listing Regulations.

i. **Broad Terms of Reference**

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

(7) Revision/updation/implementation of SOPs relating to Cyber Security;

(8) Any other functions as may deem fit by the Risk Management Committee/Board or as may be necessitated by any regulatory framework as amended from time to time in connection with the risk management of the Company.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

ii. **Composition of the Committee**

Sl. No.	Name of Director	Designation	Category
1	Shri Ravi Jhunjhunwala	Chairman	Executive- Promoter Director
2	Dr. Kamal Gupta	Member	Independent Director
3	Smt. Ramni Nirula	Member	Independent Director

iii. **Meetings and Attendance**

During the financial year ended 31st March, 2024, three meetings were held through Physical Mode and/ or Video Conferencing as permitted by relevant SEBI Circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013 on 6th April, 2023, 11th August, 2023 and 3rd January, 2024.

The attendance at the above Meeting was as under: -

Sl. No.	Name of Director	No. of meeting attended
1	Shri Ravi Jhunjhunwala	3
2	Dr. Kamal Gupta	3
3	Smt. Ramni Nirula	3

8. Independent Directors' Meeting

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and also as per the Regulation 25 of Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 12th February, 2024 to review the performance of Non-Independent Directors (including the Chairman, Managing Director & CEO) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board & its Committees which is necessary to effectively and reasonably perform and discharge their duties. Further, the Independent Directors have included their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

9. Particulars of Senior Management Personnel and changes since the close of previous financial year:

Sl. No.	Name of Senior Management Personnel ("SMP")	Designation	Changes if any, during the F.Y 2023-24 (Yes / No)	Nature of change and Effective date
1	Mr. Jasvinder Singh Khosla	Vice President - Operations (Nipple Plant)/Specialties	No	-
2	Mr. Atul Laxman Moghe	Vice President - Maintenance & Power	No	-
3	Mr. Virendra Srivastava	Vice President - Operations	No	-
4	Mr. Prashant Kumar Jha	General Manager - Commercial	No	-
5	Mr. Gulshan Kumar Sakhuja	Chief Financial Officer	No	-
6	Mr. Ravi Kant Tripathi	General Manager - Finance	No	-
7	Mr. Rajesh Jetha	General Manager - IT	No	-
8	Mr. Axay Saxena	Deputy General Manager- HR & IR	No	-
9	Mr. Vivek Chaudhary	Company Secretary	No	-
10	Mr. Nagrajan T	Assistant General Manager - Technical	No	-
11	Mr. Madhur Sharma	Assistant General Manager - Marketing	No	-
12	Mr. Tajender Bhatia	Deputy General Manager - CPP	No	-
13	Mr. Ashish Gaur	Deputy General Manager - Marketing	No	-
14	Mr. Devendra Singh Lodhi	Deputy General Manager - SCM	No	-

10. Performance Evaluation Criteria of Independent Directors

Pursuant to Regulation 17 of the Listing Regulations, evaluation of Independent Directors was carried out by the entire Board. Only the Independent Director being evaluated did not participate in the said evaluation discussion. All Independent Directors satisfies the independence criteria and are independent of management.

The Evaluation criteria for Independent Directors forms part of the Nomination and Remuneration Policy of the Company which is annexed in the Board's Report.

11. Familiarisation Programme

Pursuant to the Code of Conduct for Independent Directors specified under the Act and the SEBI Listing Regulations, the Company has in place a familiarization programme for all its Independent Directors. Such familiarization programmes help the Independent Directors to understand the Company's strategy, business model, operations, markets, organization structure, risk management etc. and such other areas as may arise from time to time. The Familiarization Programmes imparted to Independent Directors of the Company has been disclosed on its website and a weblink thereto is as under:

https://hegltd.com/wp-content/uploads/2024/04/Familiarization-Programme_FY-2023-24.pdf

12. Remuneration of Directors

i. **Details of Remuneration paid to the Directors for the financial year ended 31st March, 2024.**

(₹ in Lakhs)

Name of Director	Salary	Benefits	Commission	Bonuses	Stock Option & Pension	Sitting Fee	Total
Shri Ravi Jhunjhunwala	292.01	84.77	977.00	-	-	-	1,353.78
Shri Shekhar Agarwal	-	-	-	-	-	7.50	7.50
Dr. Kamal Gupta	-	-	-	-	-	24.75	24.75
Smt. Vinita Singhania	-	-	-	-	-	4.50	4.50
Shri Riju Jhunjhunwala	-	-	-	-	-	9.75	9.75
Shri Satish Chand Mehta	-	-	-	-	-	9.75	9.75
Smt. Ramni Nirula	-	-	-	-	-	9.75	9.75
Shri Jayant Davar	-	-	-	-	-	12.75	12.75
Shri Manish Gulati	130.36	36.78	100.00	-	-	-	267.14
Shri Davinder Kumar Chugh	-	-	-	-	-	11.25	11.25

During the year under review, the Company had paid the sitting fees and reimbursed out of pocket expenses incurred for attending the meeting of the Board/Committees to the Non-Executive Directors including Independent Directors of the Company.

The appointment of Executive Directors, Key Managerial Personnel and other employees is by virtue of their employment with the Company, therefore, their terms of employment vis-a-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies at the relevant point in time.

ii. **Criteria of making payments to Non-Executive/ Independent Director(s)**

The criteria of making payments to Non-Executive Director/Independent Director(s) is available on the website of the Company and the weblink of the same is as under:

https://hegltd.com/wp-content/uploads/2018/08/Criteria-of-making-payments-to-Non-Executive-Directors.pdf

iii. **Pecuniary Transactions**

There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company that have a potential conflict with the interests of the Company.

13. Code of Conduct

The Company has a Code of Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Directors and members of the Senior Management. A copy of the Code has been put on the Company's website www.hegltd.com.

The Code has been circulated to all the Members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration signed by the Chairman, Managing Director & CEO in this regard is given below:

"I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2023-24."

14. Vigil Mechanism/Whistle Blower Policy

The Company is committed to pursue its business objectives in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour and has put in place a mechanism for reporting unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees or any other person are free to report. The Whistle-blower policy is available on the Company's website and a weblink thereto is as under:

https://hegltd.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-08.05.2018.pdf

During the year, no personnel has been denied access to the audit committee and no complaints were received.

15. Prevention of Sexual Harassment of Women at Workplace

The protection against sexual harassment and right to work with dignity are universally recognized human rights. To provide safe working environment to women the LNJ Bhilwara Group has in place Policy on Prevention, Prohibition and Redressal against sexual harassment of Women Employees. The purpose of this policy is to communicate that LNJ Bhilwara Group has a "zero tolerance" approach towards sexual harassment to women at workplace. The disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are as under:

(a) Number of complaints filed during the Year: NIL

(b) Number of complaints disposed off during the Year : NA

(c) Number of complaints pending as on end of the Year: NA

16. Disclosures

a) There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with Company's interest. The transactions with related parties are in the ordinary course of business and on arm's length basis. Suitable disclosure as required by the applicable Accounting Standards, has been made in the Annual Report. A web link for policy on dealing with related party transactions is as under:

https://hegltd.com/wp-content/uploads/2022/05/HEG_RPT-Policy_09.02.2022.pdf

b) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during last three years.

c) The Company has complied with the requirements of the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d) The Senior Management Personnel of the Company have confirmed to the Board of Directors that they do not have any personal interest relating to material, financial and commercial transactions entered into with the Company that may have a potential conflict with the interests of the Company at large.

e) **Commodity Price Risks and Commodity Hedging Activities:**

In the recent times, sale and purchase of Graphite Electrodes have more or less commoditised, with customers preferring price as a key driver. The key raw material for the same is a petroleum based By- product. There is a clear relationship in the price movement of both, though with a small lead and lag effect. Both sourcing and sale contracts are short term these days and therefore offer ample opportunities for matching the Price movement on either side.

The Risk Management Framework includes inter-alia risk identification of raw material availability and cost, the markets for its products, foreign exchange etc. The functional heads / location heads are responsible for managing risk on various parameters and ensure implementation of appropriate and timely risk mitigation measures. Risks affecting the entire Company are discussed at Head Office. Risk perception and mitigation plan is presented to the Board on half yearly basis. With the constitution of the Risk Management Committee, the same would also be discussed at the committee level and then placed before the Board.

There is no hedging mechanism for Company's material inputs as well as finished products in terms of price. The suppliers of Calcined Petroleum Needle coke (which is the key input) usually resort to annual quantity contract which is subject to the pricing to be discussed and mutually agreed on quarterly / half yearly basis. Therefore, it is not practically possible to provide data in the format as prescribed by SEBI circular dated 15th November, 2018. The pricing of electrodes (which is the key finished product) is usually fixed at the time of procuring order. In any case, the market conditions for Calcined Petroleum Needle coke and for finished electrodes are similar, such that changes in the prices of Calcined Petroleum Needle coke tend to remain in tandem (except for short transitional periods) with the price of the relevant finished electrodes. Therefore, there are no hedging arrangements with regard to future prices of Calcined Petroleum Needle coke. In view of the above factors, the price risk exposure is not material.

Company usually has foreign exchange exposure in the form of export receivables and payables for import, foreign currency loans and certain expenditure. The foreign currency risk exposures usually gets balanced and the resultant net asset / liability is not material. The position of unhedged currency wise foreign exchange risk exposure as on 31st March, 2024 is incorporated in note no. 46 to the Standalone Financial Statements.

f) The Company has a policy for determining Material Subsidiaries and the same is available on the Company's website and a weblink thereto is as under:

https://hegltd.com/wp-content/uploads/2020/07/Material-subsidary.pdf

At present the Company have 1 (One) Wholly Owned Subsidiary Company (i.e. TACC Limited) incorporated on 26th December, 2022.

As on financial year ended 31st March, 2024, there is no material subsidiary of the Company.

g) The Company has complied with all the applicable Accounting Standards.

h) The Chairman, Managing Director & CEO and Chief Financial Officer have certified to the Board, inter- alia the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March, 2024. The Annual Certificate given by the Chairman, Managing Director & CEO and the Chief Financial Officer is published in this report.

i) The Company also strives to adhere and comply with the following discretionary requirements specified under Regulation 27(1) and part E of the schedule II of the SEBI Listing Regulations, to the extent applicable:

   a) Modified opinion(s) in Audit Report: Company's financial statements have unmodified audit opinions.

   b) Reporting of Internal Auditor: Internal auditor of the Company directly reports to the Audit Committee. The Internal Auditor makes presentations and reports to the Audit Committee of the Company on a quarterly basis pertaining to the key internal audit findings and the action plan agreed with the Management.

j) The Audit Report contains unmodified audit opinion.

k) The total fees for all services paid by the Company on a consolidated basis to the Statutory Auditors are detailed in the notes to the Financial Statements.

l) No funds have been raised through preferential allotment or qualified institutions placement.

m) During the financial year 2023-24, the Board of Directors have accepted all the recommendations of its Committees.

n) The Company has obtained Directors & Officer insurance (D & O) policy for all the Directors including Independent Directors of the Company and details of same have been placed quarterly in the Audit Committee Meeting.

o) The Company has complied with the Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub- regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

p) Disclosure of certain types of agreements binding listed entities

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

q) There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V to the SEBI Listing Regulations.

r) There is no instance of Cyber security incident or breach or loss of data during the year.

17. Certificates

1. Certificate from JAIN VINEY & ASSOCIATES, Practicing Company Secretaries has been obtained that none of the Directors on Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI or Ministry of Corporate Affairs or any such authority. The certificate is reproduced as under:

CERTIFICATE UNDER REGULATION 34(3) OF SEBI (LODR) REGULATIONS, 2015

We JAIN VINEY & ASSOCIATES, Practicing Company Secretaries, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of HEG Limited (CIN: L23109MP1972PLC008290) having registered office at MANDIDEEP, NEAR BHOPAL, DIST RAISEN, MADHYA PRADESH-462046 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sl. No.	Name of Directors	DIN	Date of Appointment
1	RAVI JHUNJHUNWALA	00060972	08/09/1979
2	RIJU JHUNJHUNWALA	00061060	30/04/2009
3	SHEKHAR AGARWAL	00066113	15/07/1996
4	VINITA SINGHANIA	00042983	31/10/2018
5	KAMAL GUPTA	00038490	30/08/2014
6	SATISH CHAND MEHTA	02460558	23/06/2016
7	JAYANT DAVAR	00100801	14/08/2019
8	RAMNI NIRULA	00015330	31/10/2018
9	MANISH GULATI	08697512	01/03/2020
10	DAVINDER KUMAR CHUGH	09020244	11/08/2021

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **JAIN VINEY & ASSOCIATES**
Company Secretaries

Sd/-
Viney Kumar Jain
Company Secretary In Practice
M.No.: F 5376
CP. No.: 4614
PR Cert. No. 1234/2021
UDIN: F005376F00422430

Place: New Delhi
Date: 22nd May, 2024

HEG LIMITED

2. **CEO/CFO Certificate Under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is reproduced as under:**

CEO/CFO Certificate

Under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
HEG Limited

a) We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March, 2024 and that to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee:

   i) Significant changes in internal control over financial reporting during the financial year;

   ii) Significant changes in accounting policies during the financial year and the same have been disclosed in the notes to the financial statements; and

   iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Ravi Jhunjhunwala	**Gulshan Kumar Sakhuja**
Chairman, Managing Director & CEO	Chief Financial Officer
DIN: 00060972	M.No. 504626

Place : Noida (U.P.)
Date : 22nd May, 2024

3. **Independent Auditor's Report on compliance with the conditions of Corporate Governance**

To,
The Members,
HEG Limited,
Mandideep, Near Bhopal,
Dist Raisen, Madhya Pradesh,
India, 462046

1. This certificate is issued in accordance with our terms of engagement letter dated May 10, 2024.

2. We have examined the compliance of conditions of Corporate Governance by HEG Limited (hereinafter the "Company"), for the year ended 31st March 2024, as specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C and D of schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 as amended from time to time (the "listing regulations").

Management Responsibility

3. The Compliance with the terms and conditions of Corporate Governance is the responsibility of the Management of the company including the preparation and maintenance of all relevant supporting records and documents. This Responsibility includes design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of corporate governance as stipulated in the listing regulations.

Auditors Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March 2024.

6. We have carried out an examination of the relevant records of the Company in accordance with the guidance note on certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2024.

Other Matter and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **M/s SCV & Co. LLP**
Chartered Accountants
ICAI Firm Registration: 000235N/N500089

(Sanjiv Mohan)
Partner
Membership No. 086066
UDIN: 24086066BKDGAZ3339

Place: Noida
Date: 22nd May, 2024

18. General Body Meetings

The last three Annual General Meetings were held as per detail below:

Date of AGM	Relevant Financial Year	Venue/Location where held	Time of Meeting	Whether any special resolution was passed
28th July, 2021	2020-2021	Video conferencing (VC) and/or other audio- visual means (OAVM), without physical presence of members. The venue of the AGM was deemed to be the Registered Office of the Company at Mandideep (Near Bhopal), Distt. Raisen – 462 046, Madhya Pradesh.	11:00 A.M.	Yes
1st September, 2022	2021-2022	Video conferencing (VC) and/or other audio-visual means (OAVM), without physical presence of members. The venue of the AGM was deemed to be the Registered Office of the Company at Mandideep (Near Bhopal), Distt. Raisen – 462 046, Madhya Pradesh.	11:30 A.M.	Yes
31st August, 2023	2022-2023	Video conferencing (VC) and/or other audio-visual means (OAVM), without physical presence of members. The venue of the AGM was deemed to be the Registered Office of the Company at Mandideep (Near Bhopal), Distt. Raisen – 462 046, Madhya Pradesh.	11:30 A.M.	Yes

No Extra-ordinary General Meeting took place during the financial year 2023-24.

19. Postal Ballot

No special resolution was passed through postal ballot during the financial year 2023-24. Further, no Resolution has been proposed to be conducted through postal ballot.

20. Means of Communication

The Company publishes its quarterly results in leading national newspapers such as Business Standard in English language (all editions) and Nav Bharat in Hindi (Bhopal edition).

These results are displayed on the website of the Company along with other news releases and presentations, if any, made to institutional investors or to analysts among others. All other vital information is also placed on the website of the Company. The results are not sent individually to shareholders.

All price sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the investors section of the website of the Company at www.hegltd.com. As advised by the stock exchanges to all listed companies, your Company had Disseminate all disclosures, specified under Regulation 46, under a separate section on the website of the Company for easy reference of Shareholders/Investors.

21. Disclosures Regarding Appointment/Re-Appointment of Directors in the ensuing Annual General Meeting

Re-appointment/Appointment of the following Directors are placed for Shareholders approval in the ensuing Annual General Meeting of the Company.

- Shri Manish Gulati (DIN: 08697512), Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

- Smt. Vinita Singhania (DIN: 00042983), Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

- The first term of office of Shri Jayant Davar (DIN: 00100801), as an Independent Director is expiring on 13th August, 2024, who is eligible for re-appointment for a second term subject to approval of Shareholders. Upon the recommendation of Nomination and Remuneration Committee, the Board has recommended the re-appointment of Shri Jayant Davar (DIN: 00100801), as Independent Director for second term of 5 (five) consecutive years with effect from 14th August, 2024 upto 13th August, 2029 subject to approval of Shareholders at the ensuing Annual General Meeting.

All the above appointment/re-appointments have been recommended by Nomination and Remuneration Committee.

The Board hereby recommends all the above appointment/re-appointment for approval of shareholders in the ensuing Annual General Meeting.

The requisite disclosures in respect of the above is attached as an Annexure at page no. 90 of this report.

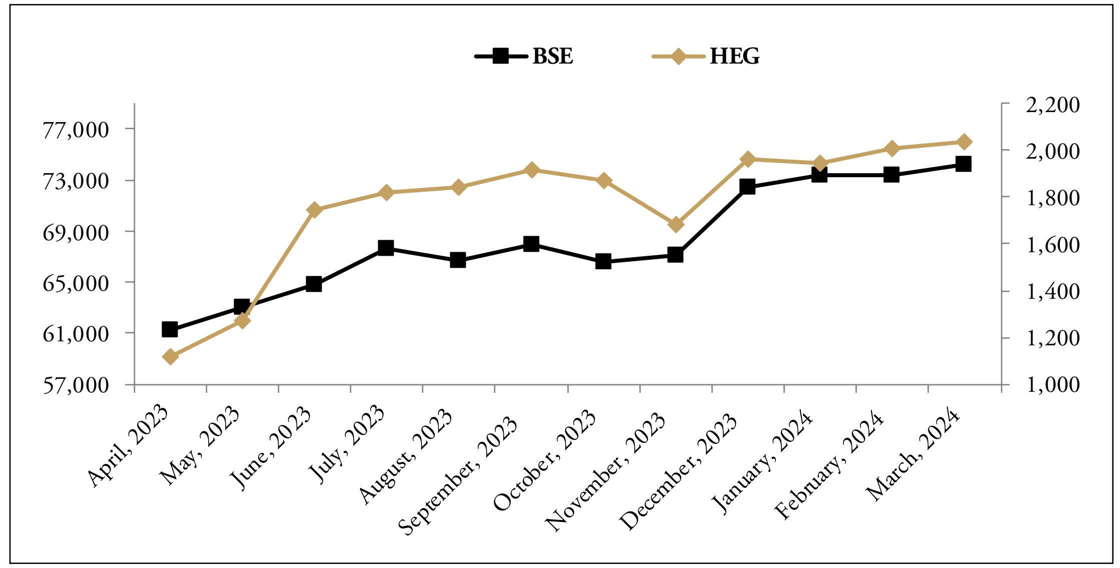
22. Shareholders' Information

a)	Annual General Meeting (AGM): Date, Time & Venue	Wednesday, 7th August 2024 at 02.30 pm through Video Conferencing / Other Audio Visual Means facility (Deemed Venue for Meeting: Registered Office at Mandideep (Near Bhopal), Distt. Raisen – 462046, Madhya Pradesh).
b)	Financial Year	Financial Year: 1st April, 2023 – 31st March, 2024.
c)	Date of Book Closure	Thursday, 1st August 2024 to Wednesday, 7th August 2024 (both days inclusive)
d)	Dividend payment date:	The Final Dividend, if declared will be paid within 30 days from the date of AGM. The same is subject to TDS. You may visit www.hegltd.com for details.
e)	Listing of Shares on Stock Exchanges	1. BSE Limited BSE- Corporate Office Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 Phones: (022) 22721233/4, (022) 66545695 (Hunting) Fax: (022) 22721919
		2. National Stock Exchange of India Limited NSE – Corporate Office Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Phones: (022) 26598100 – 8114 Fax No: (022) 26598120
f)	Payment of Listing Fees	Annual Listing fees as applicable have been duly paid.
g)	Stock Code / ISIN	Equity Shares : BSE: 509631 NSE : HEG ISIN : INE545A01016
h)	Whether S&P BSE 500 Index	Yes

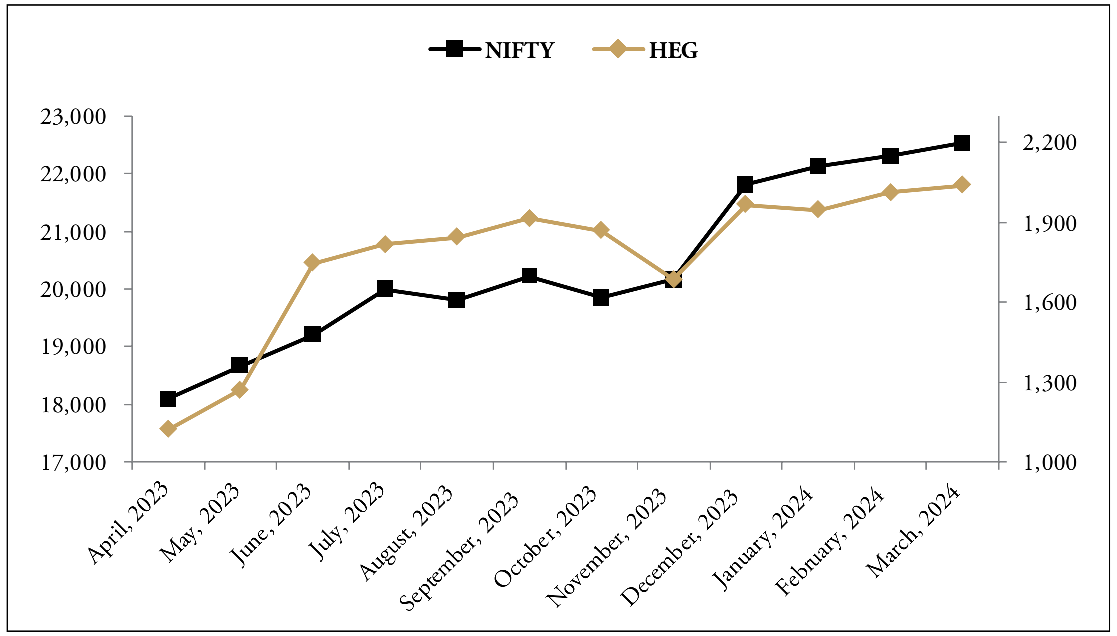
i) (a) **Market Price Data: Monthly High-Low values (in ₹) at NSE & BSE and comparison with BSE Sensex and Nifty:**

Month	NSE		BSE		BSE SENSEX		NIFTY	
	High	Low	High	Low	High	Low	High	Low
April, 2023	1,120.10	925.00	1,120.00	926.85	61,209.46	58,793.08	18,089.15	17,312.75
May, 2023	1,270.00	1,111.50	1,270.00	1,111.05	63,036.12	61,002.17	18,662.45	18,042.40
June, 2023	1,747.00	1,150.05	1,747.00	1,151.60	64,768.58	62,359.14	19,201.70	18,464.55
July, 2023	1,818.00	1,527.05	1,819.00	1,529.75	67,619.17	64,836.16	19,991.85	19,234.40
August, 2023	1,844.00	1,675.00	1,844.40	1,676.05	66,658.12	64,723.63	19,795.60	19,223.65
September, 2023	1,914.00	1,675.05	1,914.00	1,601.90	67,927.23	64,818.37	20,222.45	19,255.70
October, 2023	1,868.00	1,461.90	1,868.65	1,466.85	66,592.16	63,092.98	19,849.75	18,837.85
November, 2023	1,686.00	1,554.00	1,685.00	1,553.05	67,069.89	63,550.46	20,158.70	18,973.70
December, 2023	1,965.80	1,641.65	1,965.00	1,642.05	72,484.34	67,149.07	21,801.45	20,183.70
January, 2024	1,947.00	1,710.00	1,945.90	1,717.55	73,427.59	70,001.60	22,124.15	21,137.20
February, 2024	2,011.00	1,605.00	2,009.00	1,586.95	73,413.93	70,809.84	22,297.50	21,530.20
March, 2024	2,037.85	1,626.50	2,038.00	1,625.00	74,245.17	71,674.42	22,526.60	21,710.20

(b) **Comparative chart of Company's share price movement vis-a-vis the movement of BSE Sensex during FY 2023-2024:**



(c) Comparative chart of Company's share price movement vís-à-vís the movement of Nifty during FY2023-2024:



j) Registrar and Transfer Agent (RTA)

M/s. MCS Share Transfer Agent Limited
F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020
Phone: 011-41406149 – 52, Fax: 011-41709881
E-mail Id: helpdeskdelhi@mcsregistrars.com

k) Share Transfer System

SEBI had mandated that, effective from 1st April, 2019, securities of listed companies can only be transferred in dematerialized form except where the claim is lodged for transmission or transposition of shares. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Further pursuant to SEBI Circular dated January 25, 2022 on "Issuance of Securities in dematerialized form in case of Investor Service Requests" the Company/RTA has started issuing 'Letter(s) of Confirmation' in lieu of physical share certificate(s) to the concerned shareholder(s)/ claimant(s). During the year, the Company had obtained, a certificate, from a Company Secretary in practice, as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and filed copy of the same with the Stock Exchanges. The 'Letter of Confirmation' would valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant would have to make a request to the Depository Participant for dematerializing the said securities. In case the securities holder/claimant would fail to submit the demat request within 120 days, Company's RTA / Company would have to credit the securities to the Suspense Escrow Demat Account of the Company in accordance with the SEBI Circulars issued from time to time.

l) Distribution of shareholding as on 31st March, 2024:

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	1,27,929	98.48	45,83,005	11.87
501-1,000	1,048	0.81	7,80,862	2.02
1,001-2,000	476	0.37	6,92,762	1.80
2,001-3,000	154	0.12	3,86,184	1.01
3,001-4,000	62	0.04	2,17,401	0.56
4,001-5,000	56	0.04	2,55,461	0.66
5,001-10,000	76	0.06	5,64,513	1.46
10,001& above	104	0.08	3,11,15,318	80.62
Total	**1,29,905**	**100.00**	**3,85,95,506**	**100.00**

m) Category of Shareholders as on 31st March, 2024:

Category	No. of shares held	% of holding
Promoters and Promoter Group	2,15,27,974	55.78
Mutual Funds	25,31,895	6.56
Alternate Investment Funds	2,88,332	0.75
Financial Institutions / Banks / Central Govt. / NBFCs Registered with RBI	9,746	0.03
Insurance Companies	11,83,335	3.07
Foreign Portfolio Investors Category I	25,30,801	6.56
Foreign Portfolio Investors Category II	1,16,465	0.30
Foreign Portfolio Investors Category III	20,500	0.05
Bodies Corporate	12,63,404	3.27
Individuals	70,04,868	18.15
Others:		
I) Trusts	350	0.00
II) IEPF	2,48,694	0.64
III) NRI Individuals	2,73,543	0.71
IV) Overseas Corporate Body	12,57,619	3.26
V) HUFs	3,13,466	0.81
VI) Clearing Members	24,514	0.06
Total	**3,85,95,506**	**100.00**

Dematerialization of shares and liquidity.	3,82,81,377 equity shares were dematerialized till 31st March, 2024, which was 99.19 % of the total paid-up Equity Share Capital of the Company on that date. The Company has sent communication to the shareholders encouraging them to dematerialize their physical holding in the Company. During the year, requests for dematerialization of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within the statutory time limit from the date of receipt of share certificates and related documents. Trading in equity shares of the Company is permitted only in dematerialized form.

	Your attention is drawn to recent SEBI Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 on the Issuance of Securities in dematerialized form in case of Investor Service Requests, wherein it has been decided by the SEBI vide Gazette Notification no. SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022 that listed companies shall henceforth issue the securities in dematerialized form only while processing the service request relating to issuance of duplicate shares, transmission, endorsement etc. For more details, please refer to Investor Service Request head under Investors Section of website of the Company i.e. www.hegltd.com.
n) Commodity price risk or foreign exchange risk and hedging activities	Please refer point no. 16(e) above and the head Risks and its mitigation, which forms part of Management Discussion and Analysis.
o) Outstanding GDRs/ADRs/ warrants or any Convertible instruments, conversion date and likely impact on equity.	There are no such instruments outstanding as on 31st March, 2024.
p) Plant Locations	a) Mandideep (Near Bhopal), Distt. Raisen- 462046, Madhya Pradesh.
	b) Village Ranipur, Tawa Nagar, Distt. Hoshangabad – 461001 Madhya Pradesh.
q) Address for correspondence	HEG Limited, Secretarial Department Bhilwara Towers, A-12, Sector –1, Noida - 201301 Phone: 0120-4390300, 4390000 Fax: 0120- 4277841 E-mail: heg.investor@lnjbhilwara.com

r) Transfer of Shares to the Investor Education and Protection Fund (IEPF)

Attention to the members is drawn to the provisions of Section 124(6) of the Companies Act, 2013 ('the Act'), read with relevant Rules, the Company is required to transfer the shares for which dividend has not been paid or claimed for 7 consecutive years or more to Investor Education and Protection Fund (IEPF).

Since, no dividend declared for the financial year 2015-16, no share was required to be transferred to IEPF during the financial year 2023-24.

The details of unclaimed dividend amounts related to earlier years are available on website at www.hegltd.com and website of IEPF Authority at www. iepf.gov.in. No claim shall lie against the Company in respect of unclaimed dividend amounts and the corresponding shares transferred to IEPF, pursuant to relevant Rules. Members should note that both the unclaimed dividend and the shares transferred to IEPF can be claimed back by them from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website of the IEPF Authority (www.iepf.gov.in) and sending a duly signed physical copy of the same along with requisite documents enumerated in the Form No. IEPF-5 duly completed in all respect, to the Company.

Detail of Nodal Officer

The details of Nodal Officer of the Company is available at the website of the Company i.e www.hegltd.com and a weblink thereto is as under:

https://hegltd.com/management-team/

There was no dividend declared for the financial year 2015-16 in the Annual General Meeting held on 28-09-2016, hence no amount of unclaimed dividend and shares were required to be transferred to IEPF/IEPFA during financial year 2023-24.

Financial Year	Amount of unclaimed dividend transferred (₹ in Lakhs)	Number of shares transferred
2015-16	Nil	Nil

Tentative schedule for transfer to IEPF is as under:

Date of Declaration of Dividend	Financial Year	Tentative Schedule for transfer to IEPF
08-02-2018	2017-18 (Interim)	12-03-2025
23-07-2018	2017-18 (Final)	23-08-2025
31-10-2018	2018-19 (Interim)	05-12-2025
20-08-2019	2018-19 (Final)	24-09-2026
11-02-2020	2019-20 (Interim)	18-03-2027
27-07-2021	2020-21 (Final)	02-09-2028
01-09-2022	2021-22 (Final)	06-10-2029
31-08-2023	2022-23 (Final)	05-10-2030

s) Investor Service Requests -Furnishing of PAN, KYC details & Nomination

Your kind attention is drawn to various SEBI Circulars including latest Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated 17th November, 2023 read with SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated 17th May, 2023, clarified the norms for processing investor's service request by RTA and for furnishing PAN, KYC details & nomination by holders of physical securities, with a view to create awareness and to enhance the ease of doing business.

The Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated 17th November, 2023 is available at the website of the Company at https://hegltd.com/wp-content/uploads/2024/03/SEBI-Circular-dated-November-17-2023.pdf. The SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated 17th May, 2023 is available at SEBI website https://www.sebi.gov.in/legal/master-circulars/may-2023/master-circular-for-registrars-to-an-issue-and-share-transfer-agents_71271.html

The Company had also issued the reminder letter on 27th March, 2024 to all physical shareholders for Mandatory Furnishing of PAN, KYC and Nomination details etc.

Therefore, Shareholders who have yet not updated the above said information / KYC details are requested to download the necessary Forms from the website of the Company i.e. www.hegltd.com under head Investors > Investor Service Request > Updation of PAN, KYC, Nomination and Bank Account Details etc. and submit the same duly completed in all respect to our RTA at their address.

t) Credit Rating

HEG Limited's Long-Term Issuer Rating is 'IND AA-' issued by India Ratings and Research (Ind-Ra) vide its letter dated 11th July, 2023. The Outlook is Positive. All credit ratings obtained by the Company are disclosed on the website of the Company i.e. www.hegltd.com. No credit rating has been obtained for any fixed deposit programme during the financial year 2023-24.

u) Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

During the Financial Year 2023-24, the Company has not given any Loans and advances in the nature of loans to firms/companies in which directors are interested.

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN: 00060972

Date: 22nd May, 2024
Place: Noida (U.P.)

HEG LIMITED

ANNEXURE

Details of Directors eligible for appointment/re-appointment pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2.

Name of Director	Shri Manish Gulati	Smt. Vinita Singhania	Shri Jayant Davar
DIN	08697512	00042983	00100801
Category of Directorship	Executive	Non-Executive	Independent
Date of Birth	29.07.1969	12.03.1952	18.10.1961
Age	55 Years	72 years	63 Years
Date of First Appointment on the Board	1st March, 2020	31st October, 2018	14th August, 2019
Qualification	BSc (Statistics), BE (Electronics), and MBA (Marketing and Finance).	Graduate in Arts.	Bachelors' degree in mechanical engineering from the Punjab University, Patiala, and completed owner / president management programme from the Harvard Business School.
Experience	Shri Manish Gulati is BSc (Statistics) Agra University, BE Electronics, Pune University and MBA (Marketing and Finance), FMS Delhi University having professional experience of more than 31 years. He has been associated with our Company (HEG Limited) for more than 30 years. Starting his career from marketing, he developed an in-depth understanding of the customers, Product application, Quality, Customer service, Production planning etc. Over some past years, he has been spending more and more time at the plant and has accumulated tremendous knowledge of operations, technical processes, projects, power plant, HR , R&D etc besides his core strength of marketing and commercial. Prior to elevation on Board, he was Chief Operating Officer and Chief Marketing Officer of the Company.	Smt. Vinitia Singhania is an Industrialist with diversified and rich business experience. She is the Chairman and Managing Director of JK Lakshmi Cement Ltd and has a very long experience of managing cement business in particular. She was the first woman to get elected as President of the Cement Manufacturers' Association for 2 years consecutively. She also headed the National Council for Cement and Building Materials. She was also an active member of the Inner Wheel Club of Delhi Midtown, the FICCI Ladies Organization (she actively took part as a delegate to different countries like the USA, Germany, Iran, UK, Switzerland, etc.) and a host of social institutions. Smt. Singhania received numerous accolades for her exceptional contributions to the industry and the business world.	Shri Jayant Davar is the Founder, Co-Chairman & Managing Director of Sandhar Technologies Limited. Shri Davar is a Mechanical Engineer and also an alumni of Harvard Business School. He has been conferred with the distinguished alumnus award by his High School (Springdales School, New Delhi) and his Engineering College (Thapar Institute of Engineering and Technology, Patiala). He has been actively involved in several professional bodies including of Govt. of India & Govt. of Haryana. He is also Past President of ACMA & Past Chairman of CII Northern Region and is also a member of Advisory Committee of Fraunhofer Gesellschaft, Germany. He was also a nominated member of the Governing Council VLFM Program, National Committee for Public Policy and Affirmative Action & Trade Fairs. Presently, he is on the Boards of several reputed companies, Training Institutions and Non-Government (social) organisations. Shri Jayant Davar has also been active in the space of start-up eco system, both as an investor and a strategic advisor, for the last twenty years.

Name of Director	Shri Manish Gulati	Smt. Vinita Singhania	Shri Jayant Davar
No. of other Directorships in Public Limited Companies	Nil	1. JK Paper Limited 2. Udaipur Cement Works Limited 3. Bengal & Assam Company Limited 4. JK Lakshmi Cement Limited 5. JKLC Employees' Welfare Association Limited	1. Jagran Prakashan Limited 2. Sandhar Technologies Limited 3. Sandhar Intelli-Glass Solutions Limited
Chairman/Member of the Committees of the Board of Directors of the Companies. #			
Audit Committee	Nil	Nil	Nil
Stakeholders Relationship Committee	Nil	Nil	Nil
Chairman/Member of the Committees of the Board of Directors of the other Companies. #			
Audit Committee	Nil	Nil	Member - Jagaran Prakashan Limited
Stakeholders Relationship Committee	Nil	Member- JK Lakshmi Cement Limited	Member - Sandhar Technologies Limited
Listed Entities from which the Director has resigned in the past three years	Nil	Nil	Nil
No of Equity Shares held in the Company as on 31st March, 2024.	Nil	Nil	4
Number of Board Meetings attended/held during the year	6/6	6/6	5/6
Terms and conditions of appointment/ re-appointment	Executive Director, liable to retire by rotation.	Non-Executive Director, liable to retire by rotation.	Independent Director, not liable to retire by rotation.
Remuneration sought to be paid and the remuneration last Drawn	Mentioned in the item no. 5 of the Notice of AGM and explanatory statement thereto. The remuneration drawn was ₹275.08 Lakhs	See Note given below.	See Note given below
Relationship with other Directors, Manager and Key Managerial Personnel	No relationship with other Director, Manager and Key Managerial Personnel.	No relationship with other Director, Manager and Key Managerial Personnel.	No relationship with other Director, Manager and Key Managerial Personnel.
Justification for choosing the Independent Director	Not Applicable	Not Applicable	As per Explanatory Statement of Notice of AGM.
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Refer point no. 2 (iii) of Corporate Governance Report	Refer point no. 2 (iii) of Corporate Governance Report	Refer point no. 2 (iii) of Corporate Governance Report

#Audit Committee and Stakeholders Relationship Committee have been considered.

Note: The Non-Executive Directors (including Independent Directors) are paid sitting fee for attending meetings of Board of Directors, Independent Directors and various Committee of Directors etc. in accordance with Nomination and Remuneration Policy of the Company.

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L23109MP1972PLC008290
2. Name of the Listed Entity: HEG Limited
3. Year of incorporation: 1972
4. Registered office address: Mandideep, Near Bhopal Dist. Raisen MP- 462046
5. Corporate address: Bhilwara Towers, A-12, Sector-1, Noida - 201301
6. E-mail: heg.brsr@lnjbhilwara.com
7. Telephone: +91-120-4390300 (EPABX)
8. Website: www.hegltd.com
9. Financial year for which reporting is being done: 2023-24
10. Name of the Stock Exchange(s) where shares are listed: 1. BSE Limited 2. National Stock Exchange of India Limited.
11. Paid-up Capital: ₹38.60 Crores
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: Mr. Manish Gulati, Executive Director
Tel: 07480-405500, 233524 to 233527, E Mail: Manish.gulati@lnjbhilwara.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): The disclosures under this report are made on Standalone Basis.
14. Name of Assurance Provider: Since, HEG limited is not falling in the list of the top 150 listed companies based on the market capitalisation, therefore, it is not required to obtain assurance on BRSR, accordingly, this requirement would not be applicable.
15. Type of Assurance obtained: Not Applicable.

II. Products/services

16. Details of business activities (*accounting for 90% of the turnover*):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing of Graphite Electrodes	Manufacturing of Graphite Electrodes	90.76%

17. Products/Services sold by the entity (*accounting for 90% of the entity's Turnover*):

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacturing of Graphite Electrodes	23994	90.76%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	1	3
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	25
International (No. of Countries)	42

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The overall contribution of the exports to the total turnover is 67.95%.

c. A brief on types of customers.

HEG Limited is a leading manufacturer and exporter of graphite electrodes in India and operates world's largest single-site integrated graphite electrodes plant. The Company has a very renowned customer base. Some of them includes Jindal Steel & Power Limited (JSPL), Steel Authority of India Limited (SAIL), Arcelor Mittal, Qatar Steel, Emirates Steel, Tata Steel, CESLA Group, Jindal Stainless Limited, Acerinox Europia etc.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		EMPLOYEES				
1.	Permanent (D)	597	578	97%	19	3%
2.	Other than Permanent (E)	41	41	100%	0	0%
3.	**Total employees (D + E)**	**638**	**619**	**97%**	**19**	**3%**
		WORKERS				
4.	Permanent (F)	478	478	100%	0	0%
5.	Other than Permanent (G)*	16	16	100%	0	0%
6.	**Total workers (F + G)**	**494**	**494**	**100%**	**0**	**0%**

**Excludes job-based workers, which are the workers that do not work on fixed number of days, instead they work to finish the specified given task, hired through contractors.*

b. Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total differently abled employees (D + E)**	**0**	**0**	**0%**	**0**	**0%**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	0	0	0%	0	0%
6.	**Total differently abled workers (F + G)**	**0**	**0**	**0%**	**0**	**0%**

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	2	20%
Key Management Personnel*	4	0	0%

*Includes 2 Executive Directors which are also included in the Board of Directors.

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13%	12%	13%	9%	32%	10%	15%	25%	15%
Permanent Workers	3%	0%	3%	1%	0%	1%	4%	0%	4%

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

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	TACC Limited	Wholly Owned Subsidiary	100%	No
2.	Bhilwara Info technology Limited	Associate	38.59%	No
3.	Bhilwara Energy Limited	Associate	49.01%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹) : 2394.9 Crores

(iii) Net worth (in ₹): 4145.08 Crores

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (*If Yes, then provide web-link for grievance redress policy)**	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Not Applicable	-	Nil	Not Applicable	-
Investors (other than shareholders)	Yes	Nil	Not Applicable	-	Nil	Not Applicable	-
Shareholders	Yes	40	0	-	34	Nil	-
Employees and Workers	Yes	Nil	Not Applicable	-	Nil	Not Applicable	-
Customers	Yes	16	11	1. Improved material supplied and usage at Customer end and its feedback is awaited. 2. In some cases further Dispatch is planned. 3. In few cases, insufficient response from the customer.	25	20	Dispatch of new consignment awaited
Value chain partners	Yes	Nil	Not Applicable	-	Nil	Not Applicable	-
Others (please specify)	Not Applicable	Not Applicable	Not Applicable	-	Not Applicable	Not Applicable	-

**The Company has a well-defined Business Ethics Policy, Anti-Bribery and Anti-Corruption Policy for all of its employees and stakeholders to report suspected violations of the Company's Code of Conduct, Supplier's Code of Conduct, or any other applicable Laws. In addition to this, the Company also has a separate department namely, "Secretarial Department" to take care the shareholders' grievances and resolve them appropriately on timely basis.*

There is a specific email ID (heg.investor@lnjbhilwara.com) for addressing queries by any Investors and Shareholders. The Secretarial Department is responsible to monitor and resolve the queries and concerns raised through this email ID, taking inputs and resolutions from the relevant departments within the Company.

The Company also has detailed HR Policies, covering different aspects related to grievance redressal including but not limited to Policy on Prevention of Sexual Harassment (POSH), Whistle Blower Policy to safeguard the interest of the employees and workers (including females).

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Carbon Reduction	Opportunity	Businesses have substantial opportunities to reduce their carbon footprint through strategic substitution and efficiency improvements. By understanding and applying these approaches, the organization can make meaningful progress toward sustainability and compliance with increasing environmental regulations.	Various initiatives have been taken for improving energy efficiency and renewable energy utilisation like installation of solar power panels, revamping of furnace for better fuel efficiency, tree plantation, replacing diesel operated vehicles by Electric Vehicles etc, which has resulted in reduction of the Company's carbon footprints.	Positive
2.	Employee well-being	Opportunity	Productivity growth is recognized as the most important long-term source of sustainable gains in the business operations. When individuals experience higher levels of well-being, they are most likely to be engaged and satisfied in their work. This can lead to higher levels of productivity, as individuals are motivated, focused and committed to their tasks.	Several initiatives for employees and workers well-being have been started. Medical examinations for workers, wellness and mental health ongoing services, and health-related services at Occupational Health centres are some of the main programmes. This is also ensured through regular training programmes on Healthy life style, Stress management and Work-life balance etc.	Positive
3.	Occupational Health and Safety	Risk	By integrating a robust framework for workplace safety, businesses not only comply with the law but also lay the foundation for sustainable growth. For achieving this, businesses must conduct a risk assessment to identify the hazards and dangers present in their workplaces and put appropriate management mechanisms to address the associated risks.	The organization has identified, anticipated and assessed hazards and risks to safety and health arising from the work environment and also determines the adequacy of existing controls to eliminate hazards or control risks.	Negative
4.	Responsible Sourcing	Risk	Responsible and sustainable sourcing can help to improve business reputation and attracts new customers. Environmental and social issues in the supply chain can pose a significant risk to the business. Responsible sourcing can help to mitigate these risks and ensure long-term business continuity.	The organization has policies and procedures to ensure suppliers follow sustainable practises and to mainstream supply chain sustainability.	Negative
5.	Data Privacy and Cyber Security	Risk	Applying strong data protection measures and safeguards protects organization's data, therefore avoiding considerable problems, which may impact organization's confidential information.	Respecting the rights to personal data privacy is a top priority for the Company. To ensure a standardised and high degree of protection for Personal Data processed by the Company's Group Companies, the Company has embraced global data protection standards.	Negative
6.	Operations Environment	Opportunity	Effective business operations help companies minimize wastes and losses to retain more profit. Regular audit of processes and output ensures optimization of resources and managing risks.	A compliance tool is used to ensure that all environmental compliance requirements are satisfied, and operational changes are made to address critical Key Performance Indicator (KPI) for environmental compliance.	Positive
7.	Diversity and Inclusion	Opportunity	The organisation examines diversity and develops an inclusive workplace culture based on a core sense of belonging, fairness, and equity in order to fully realise the potential of human variety. Diversity widens access to best talent. Inclusion allows engagement with talent effectively. Together this leads to innovation, creativity, productivity, reputation and business results.	The business prioritises diversity and inclusion and has a workable plan to do so. The Company aims to have a comprehensive diversity and inclusion framework and to increase the proportion of its female employees to the minimum extent possible.	Positive
8.	Human Rights and Labour Management	Risk	In order to gauge human rights risks, the organization identifies and assesses any actual or potential adverse human rights impacts and considers it as a foundational step for effective management of human right risks.	The organization has established a human rights policy, a thorough process, and diligence procedures to assess human rights concerns at all operational levels.	Negative
9.	Ethics	Risk	Upholding ethical standards helps organization ensure transparency, reliability and integrity in their day-to-day operations. It leads to strong bonds with internal and external stakeholders like investors, customers, employees etc.	The Company has an Ethics Policy that is applicable to all stakeholders. The Policy offers stakeholders and employees a framework for applying business principles with the utmost integrity. Compliance is tracked, and violations are strictly dealt with.	Negative
10.	Stakeholder engagement	Opportunity	Considering engagement with stakeholders as crucial for success, the organization has a clear vision derived from a robust strategic planning process.	The organizations maintain ongoing stakeholder engagement procedures. Periodic training programmes and interaction sessions are being organized to ensure stakeholder engagement.	Positive

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11.	Business Resilience	Risk	Business resilience ensures continuity and stability in the face of disruptions, allowing the business to withstand and recover from various challenges. This resilience enables the organization to maintain operations, serve customers, and meet obligations even during adverse events.	The Company has protocols, tools, and procedures in place to confront and manage crisis, including disaster-related elements with serious repercussions.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? * (Yes/No) ** Except for certain operational policies, which have been approved by the Executive Director of the Company, rest of the policies have been approved by the Board.*	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	# Link for Policies **Code of Conduct for Directors and Senior Management** http://hegltd.com/wp-content/uploads/2017/02/CODE_OF_CONDUCT_HEG_05-02-2015.pdf **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information** https://hegltd.com/wp-content/uploads/2019/04/Code-of-Fair-Discloures-and-Conduct-final1-1.pdf **Dividend Distribution Policy** http://hegltd.com/wp-content/uploads/2018/04/Dividend-Distribution-Policy.pdf **Whistle Blower Policy** http://hegltd.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-08.05.2018.pdf **Policy on Related Party Transactions** https://hegltd.com/wp-content/uploads/2022/05/HEG_RPT-Policy_09.02.2022.pdf **Policy on Disclosure on Material Events and Information** https://hegltd.com/wp-content/uploads/2022/05/HEG_Determination-Materiality-of-Events_09.02.2022.pdf **Quality and Safety Policy** http://hegltd.com/quality-safety-policy/ **Prevention, Prohibition and Redressal Against Sexual Harassment of Women Employees** http://hegltd.com/wp-content/uploads/2020/01/Sexual-Harrassment-Policy_January-2020.pdf Rest of the Policies are available on Company's Intranet, accessible by all employees of the Company.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Our Supplier Code of Conduct, which is applicable to our upstream value chain partners, incorporates numerous ethical and business requirements (e.g. human rights, Environment, Health and Safety, working condition) also extends to them.								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	NEMA Standards are followed	ISO 45001	-	-	ISO 14001, ISO 9001	-	-	-
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	HEG Limited is aiming to be net zero by 2050 or sooner and strive to progress towards energy efficiency, renewable energy utilisation, recovery of waste heat for usage in production process, fuel switching, and more effective material use and recycling while addressing climate change.								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Several internal projects are in progress to concentrate on carbon reduction, improve efficiency, reduce emissions overall, and address climate change.								
Governance, leadership, and oversight									

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)

We at HEG Limited are committed to the inclusive growth goals, boosting our efforts to align with the 17 Sustainable Development Goals (SDGs) set forth by the 'United Nations'. HEG's sustainability platform is based on the 3P philosophy – People, Planet and Profit. These aspects have, over the years, emerged as key filter while formulating business strategies at the Company. HEG is committed to achieve growth by promoting integrity & ethics and co-prosperity to ensure that our success is mutually beneficial for our customer, employees and the community.

Businesses continuously face new risks and challenges in an environment that is becoming more complex and dynamic due to factors including climate change, environmental degradation, biodiversity loss, rising inequality, higher expectations of the local communities, and related regulatory changes.

As a socially and environmentally conscious corporate citizen, we always work to enhance our performance while keeping a strong Corporate Governance as our main priority. Further, the Company's ESG / Sustainability initiatives are supervised closely by all the operational heads under the close monitoring by the Company's Board of Directors.

As top league leading players of graphite electrodes, sustainability is somewhat at the center of all we do. As we constantly offer best-in-class goods that surpass customer expectations, which allows us to forge enduring relationships within the graphite electrodes business, we have our eyes set firmly on assisting in hastening the introduction of the future of mobility to global consumers.

In terms of Environment initiatives, our focus is on minimizing climate change, reducing Green House Gas emission, bringing energy efficiency, reducing water consumption, recycling the waste products, creating a sustainable supply chain through sustainable sourcing.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9

For Social initiatives, we place a strong emphasis on investing in growing our people by enhancing their skills and capabilities through various knowledge enhancing initiatives, a more positive Company's culture, and a balance between Diversity & Inclusion, Occupational Health & Safety, Human rights and Supplier diversity.

In terms of Governance, we work to improve Board diversity, Business integrity, Cyber security, and policy & reporting.

While the Company has always made an effort to embed and comply with our initiatives into ESG framework; we have started rebuilding and reworking most of our initiatives/activities to fit further better into particular ESG boundaries. This year, together with the ongoing ESG initiatives as reported in our this year's BRSR report, the Company is in the process of developing a detailed ESG Strategy, Roadmap and action plan for 3 years which inter-alia includes determining key stakeholders, calculating materiality assessment, conducting ESG due diligence for ensuring ESG Compliance. These would be soon implemented. This would help the Company in minimizing the negative environmental and social impacts of our operations and further strengthen the governance compliance.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Manish Gulati, Executive Director Tel: 07480-405500, 233524 to 233527 E Mail: Manish.gulati@lnjbhilwara.com
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Mr. Ravi Jhunjhunwala (DIN: 00060972) Chairman, Managing Director & CEO and Mr. Manish Gulati, Executive Director are responsible for decision making on sustainability related issues.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee*									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annually								
Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annually								

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company has carried out independent assessment/evaluation of the working of some of its polices, such as policies covered under ISO and Social audit, by an external agency Bureau Veritas.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4	**Topics:** Ethics, Transparency, Accountability, Environment Protection, Governance, Social Responsibility. **Impact:** The Company considers Governance as an integral part of good management. The Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operation and its interaction with various stakeholders.	100%
Key Managerial Personnel	4	**Topics:** Ethics, Transparency, Accountability, Environment Protection, Governance, Social Responsibility. **Impact:** The Company considers Governance as an integral part of good management. The Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operation and its interaction with various stakeholders.	100%
Employees other than BoD and KMPs	554	**Topics:** 1. Integrity and Governance Policy 2. Policy for handling Goods & Services and Product Safety 3. Human Rights Policy 4. Environmental Protection Policy 5. Public Care and Regulatory Policy 6. Code of Conduct 7. Business Ethics 8. POSH **Impact:** Overall grooming and increase in functional efficiency of the employees.	97.48%
Workers	554	**Topics:** 1. Integrity and Governance Policy 2. Policy for handling Goods & Services and Product Safety 3. Human Rights Policy 4. Environmental Protection Policy 5. Public Care and Regulatory Policy 6. Code of Conduct 7. Business Ethics 8. POSH **Impact:** Overall grooming and increase in functional efficiency of the workers.	67.57%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	No fines / penalties /punishment/ award/ compounding fees/ settlement amount were paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions during the current financial year.				
Settlement					
Compounding Fee					

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Punishment	Not Applicable	Not Applicable	Not Applicable	Not Applicable

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has an Anti-Corruption and Bribery Policy, which can be accessed at https://hegltd.com/Policies/Anti%20Bribery%20anti%20corruption.pdf.

We at HEG Limited are committed to apply the highest standards of ethical conduct and integrity in our business activities. HEG Limited does not stand any form of bribery by, or of, its employees or any persons or companies acting for it or on its behalf.

The Policy is mandatory for all our employees, other Business Partners working on the Company's behalf anywhere in the world.

The Policy sets out what we must all do to help prevent bribery in all its forms.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable, as there were no cases of corruption and conflicts of interest which were reported during the year.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	70	76

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.0038%	0.0022%
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	8.03%	1.51%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
61	2,5,6,7	11.80%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? **(Yes/No)** If Yes, provide details of the same.

   Yes, the Company have processes in place to avoid/manage conflict of interests involving members of the Board. HEG Limited has a detailed 'Code of Conduct for its Directors and Senior Management', which contains comprehensive guidelines and mechanism for avoiding the conflict of interest and for reporting any such situations that may trigger a potential conflict. Further, the Company also receives an annual declaration from its members of the Board and Key Managerial Personnel regarding the entities they are interested in, and before engaging in business with such entities or people, it makes sure that all necessary approvals are in place as required by law and the Company's policies.

   The Code of Conduct is available on the Company's website, which can be accessed at https://hegltd.com/wp-content/uploads/2017/02/CODE_OF_CONDUCT_HEG_05-02-2015.pdf.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	2023-24 Current Financial Year	2022-23 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Not Applicable
Capex	69%	11%	HEG Limited has undertaken various initiatives as mentioned below, which will help the Company in reducing its overall carbon footprint and to become more energy efficient: • Installation of solar power panels; • Revamping of furnace for better fuel efficiency; • Tree plantation; • Replacing diesel operated vehicles by Electric Vehicles . • Replacing existing/outdated machinery and equipment with energy-efficient alternatives.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   Yes, HEG Limited have procedures in place for sustainable sourcing, wherein, the Company assesses the sustainability parameters of its vendors before procurement of the major input material and maintain consistent sourcing from identified sources.

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

   56.6% of the input material was sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   We have a well-established procedure for the collection, segregation, storage and disposal of wastes, as per the legal requirements, to control their adverse impact on environment. For instance:

   1) Waste oil / used oil are collected and stored in Hazardous waste storage area, from where it is sold only to parties having valid authorization from State Pollution Control Board, as per the frequency mentioned in the internal Standard Operating Procedures (SOP) for waste management.

   2) All used Lead Acid Batteries are collected and stored in designated room/shed with cemented floor to prevent any possibility of land / water pollution, which are then disposed to supplier of batteries / parities authorized by the regulatory bodies.

   3) E-waste is gathered at the designated location and disposed of by authorised e-waste recyclers.

   In the same way, the procedure also defines the way for collection, storage, and disposal of all types of waste generated.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Not Applicable.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

   Last year, the Company had determined the respective life cycles of various products manufactured by the Company as per the details below:

Product Life Cycle Plan

Sl. No.	Contents in crate	Material	Nature of product	Action -1	Action -2
1	Graphite Electrode	Pure Carbon	100 % Consumable during use	Unpack the Electrodes with Nipple and keep all the packing items well segregated	Re-machine & use if possible / Reuse the broken pieces in process to maintain carbon percentage
2	Graphite Nipple	Pure Carbon	100 % Consumable during use		
3	Thermocol Cap	Expanded Polystерene	Recyclable		Handover only to authorised recyclers
4	Thermocol Plug	Expanded Polystyrene	Recyclable		Handover only to authorised recyclers
5	Steel Strip	Zinc Coated Steel	Recyclable		Handover to recyclers/Use as Input to EAF
6	Steel Clip	Zinc Coated Steel	Recyclable		Handover to recyclers/Use as Input to EAF
7	Steel Nails	Zinc Coated Steel	Recyclable		Handover to recyclers/Use as Input to EAF
8	Wood / Ply Board	Cellulose composite	Recyclable / Reusable		Handover to recyclers
9	Wrap Film	LDPE, Low Density Poly Ethylene	Recyclable		Handover only to authorised recyclers
10	Metwrapp (polypropylene)	Corrugated PP, Poly Propylene	Recyclable / Reusable		Handover only to authorised recyclers

However, the Company is in the process of doing the life cycle assessment for each of its products (i.e., an analytical procedure that involves assessment of the potential environment or social impacts of a product or service, throughout its life cycle). Therefore, following information is currently not available

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
-	-	-	-	-	-

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
As mentioned in point no. 1 above, since the Company is in the process of doing the life cycle assessment for each of its products, therefore, currently this information is not available.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Green Scrap	10%	10%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	208.14	-	-	332.97	-
E-waste	-	2.32	-	-	5.19	-
Hazardous waste	28.67	10.46	1.31	0.17	58.2	3.80
Other waste	7700.203	1111.851	353.45	2772.046	1739.24	464.27

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
None	Nil

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	578	578	100%	578	100%	Not Applicable	Not Applicable	-	-	-	-
Female	19	19	100%	19	100%	19	100%	-	-	-	-
Total	**597**	**597**	**100%**	**597**	**100%**	**19**	**100%**	-	-	-	-
Other than Permanent employees											
Male	41	41	100%	41	100%	-	-	-	-	-	-
Female	0	0	0	0	0%	-	-	-	-	-	-
Total	**41**	**41**	**100**	**41**	**100%**	-	-	-	-	-	-

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	478	478	100%	478	100%	-	-	-	-	-	-
Female	0	0	0%	0	0%	-	-	-	-	-	-
Total	**478**	**478**	**100%**	**478**	**100%**	-	-	-	-	-	-
Other than Permanent workers											
Male	16	16	100%	16	100%	-	-	-	-	-	-
Female	0	0	0%	0	0%	-	-	-	-	-	-
Total	**16**	**16**	**100%**	**16**	**100%**	-	-	-	-	-	-

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format-

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the Company*	0.0415%	0.0004%

**Expenditure incurred on Health Insurance and Accident Insurance have been considered for the purpose of the aforesaid disclosure.*

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

Benefits	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total Workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity*	100%	100%	Yes	100%	100%	Yes
ESI#	50%	5%	Yes	33%	8%	Yes
Others – please specify	-	-	-	-	-	-

*Employees who have successfully completed 5 years of tenure are entitled for Gratuity benefits.

Applicable to employees as per the threshold limit prescribed under the Employees State Insurance Act, 1948.

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Presently, majority of our premises / offices are accessible to differently abled employees and workers. However, the Company is attempting to make more improvements to the current system.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has an equal opportunity policy as per the Rights of Person with Disabilities Act, 2016. The said policy is available on the website of the Company and can be accessed at https://hegltd.com/wp-content/uploads/2023/05/EqualOpportunityPolicy.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male*	0%	0%	0%	0%
Female#	0%	0%	0%	0%
Total	**0%**	**0%**	**0%**	**0%**

**For males, return to work and retention rate is 0, because Company does not have the policy of paternity leave.*

 # For females, return to work and retention rate is 0, because none of the female employees have taken maternity leave in the current as well as previous financial year.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, HEG Limited is dedicated to offering a secure and encouraging workplace to its employees and workers, wherein the employees and workers are given access to multiple mechanism through which, they may discuss the grievances (if any), which they are facing at their work, such as: • There is a Grievance Register in place. • Grievance Boxes are being installed at various common places. • Union and its representative may raise their concerns via several committees. • Weekly meetings are being held at Shop Floor.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	597	0	0%	**410**	**0**	**0%**
Male	578	0	0%	396	0	0%
Female	19	0	0%	14	0	0%
Total Permanent Workers	478	478	100%	**493**	**493**	**100%**
Male	478	478	100%	493	493	100%
Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	578	486	84%	372	64%	396	216	54%	259	65%
Female	19	15	79%	4	21%	14	6	43%	8	57%
Total	**597**	**501**	**84%**	**376**	**63%**	**410**	**222**	**54%**	**267**	**65%**
Workers										
Male	478	333	70%	158	33%	493	360	73%	117	24%
Female	-	-	-	-	-	-	-	-	-	-
Total	**478**	**333**	**70%**	**158**	**33%**	**493**	**360**	**73%**	**117**	**24%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	578	511	88%	396	387	97%
Female	19	16	84%	14	14	100%
Total	**597**	**527**	**88%**	**410**	**401**	**98%**
Workers						
Male	478	478	100%	493	493	100%
Female	-	-	-	-	-	-
Total	**478**	**478**	**100%**	**493**	**493**	**100%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage such system?

We at HEG, are committed to being a safe and eco-friendly organisation. We believe that protection of our personnel and the environment is one of our prime responsibilities. Yes, the entire plant of HEG Limited is certified Occupational Health and Safety Management Systems as per ISO 45001.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

As per ISO 45001:2018, we have a defined method i.e., Hazard Identification and Risk Assessment (HIRA) to identify occupational health and safety hazards and their associated risk on the employees and workers. We also ensure that that the occupational health and safety hazards and risks are reviewed periodically and kept up to date. The main outline of the procedure is as follows:

1. Identification of processes / operation / maintenance / utility/ relevant to the functional area.
2. Defining occupations involved / highlight involvement of human force.
3. Identify all the occupational hazards i.e., biological, chemical, physical, electrical, mechanical, fire, ergonomically.

4. Identify all the Health and Safety risks.
5. Identify the number of employees and workers exposed to the risk.
6. Check any Emergency Situations.
7. Adopting additional Control from Hierarchy of controls.
8. Hazard Identification and risk assessment is reviewed once in year or as and when required.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has Incident Reporting and Investigation System (IRIS) and Accident Reporting and Investigation System (ARIS) which ensures that all work-related incidents are reported and closed after taking necessary corrective actions.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? ***(Yes/ No)***

Yes, the employees/workers of the Company have access to non-occupational medical and healthcare services.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2023-24 Current Financial Year	FY 2022-23# Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	9.71
	Workers	2.48	5.99
Total recordable work-related injuries	Employees	0	1
	Workers	1	3
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	1

* Including the contract workforce

 # The previous year's figures have been recalculated after considering the number of such incidents for the contractual workforce.

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

We at HEG Limited believe that the protection of our personnel and providing them a safe and healthy environment is one of our prime responsibilities. HEG Limited is taking the following measures to ensure a safe and healthy workplace:

1. Compliance of legal requirements for safety as outlined in the Factories Act, 1948 and maintenance of ISO 45001:2015 Management system.
2. Hazard Identification and Risk Assessment is performed on a regular basis in accordance with the internal SOP of HIRA.
3. A Detailed Safety Policy is in place.
4. Hierarchy of controls is being adopted to arrest the risks.
5. The Safety Committees are in place at various levels to review the adequacy of resources for safety and to provide support for safety management system deployment.
6. Periodic safety audits and inspections across all sites are being conducted to ensure Safe and Healthy system of work.
7. Regular mock drills for fire as well as other emergency conditions are also being organised at regular intervals within the Company's premises.
8. Regular training programs on occupational health & safety are being conducted to sensitize our employees on Occupational Health and Safety (OHS) aspects to inculcate a culture of safety.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

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

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable, as there were no significant risks/concerns which have arisen from assessments of health and safety practices and working conditions.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, at HEG Limited, there is a provision of Death Relief Fund (DRF) in which the Company provides financial assistance of ₹5 Lacs to family of deceased employees and workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company conducts Supplier/Customer survey to ensure that the statutory dues are being timely deducted and deposited by them.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? ***(Yes/ No)***

Yes, the Company provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. Through this program, the Company provides awareness sessions to the eligible candidates and selects them for this program on the basis of merits.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	12%
Working Conditions	12%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   Not Applicable, as there were no significant risks / concerns which have arisen from assessments of health and safety practices and working conditions of value chain partners.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   HEG is a globally reputed organisation, which deals with a sizeable number of stakeholder groups each with distinct priorities and diverse interests. The Company has a robust system for identification of key stakeholder groups, which includes understanding their concerns and incorporating their views in its sustainability strategy. The senior and middle management teams actively engage with all stakeholder groups throughout the year. Material matters arising from stakeholder engagements are managed as part of the risk management process.

   The Company has mapped its internal and external stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly/ others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	Email, Presentations, Notice Board, Website and one to one meeting	Frequently	Getting employee feedback and resolving their issues
Shareholders/ Investors	No	Email, Newspaper advertisement, notice board, website, annual general meeting, intimation to stock exchanges, annual/quarterly financials, and investor meeting/ conferences/transcript/audio call recording	Frequent and need based	Disseminating and sharing of information with the shareholders with respect to key developments, business performance, financial results, with a view to update and also to seek their approval, etc. as may be required
Customer	No	Multiple Channel-Physical and digital	Frequent and need based	- Business related discussions - Customer Satisfaction - Customer complaints
Suppliers and Service Providers	No	Multiple Channel-Physical and digital	Frequent and need based	Business related discussions, training and awareness programmes
Government/ Regulators	No	Plant Visit, Symposia and Advocacy Platforms	Need based	Discussion w.r.t various regulation and amendments, compliance, corporate governance, ethics etc.
Communities and NGO's others	Yes	Directly or through LNJ Bhilwara Lok Nyas trust	Frequent and need based	CSR Programmes and other initiatives

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   Stakeholder consultations are typically undertaken by respective groups, business heads and relevant Company officers on a regular basis. The feedbacks / identified issues of corporate concern are escalated to the Board-level either through direct channels or through various Board Committees like Audit Committee, CSR Committee, Risk Management Committee and Stakeholders Relationship Committee, wherever required. The Company has always maintained that a constant and proactive engagement through con calls with our key stakeholders enables it to better communicate its strategies and performance. A continuous engagement enables the Company to promote the idea of shared growth and a common prosperous future for the Company and society at large.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes, stakeholder consultation is used to support the identification and management of environmental, social and governance related topics. This is done through various means, including close group meetings, taking suggestions from them and considering to build future strategies around the triple bottom approach (i.e., E, S and G). The instances include strategies around minimising climate change, reducing carbon footprints, bringing energy efficiency, reducing water consumption, waste management, creating a sustainable chain through sustainable sourcing, investing in growing our people by enhancing their skills and capabilities through various knowledge enhancing initiatives, creating a balance between Diversity & Inclusion, Occupational Health & Safety, Human rights, and Supplier diversity etc.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   The Company identifies communities around its manufacturing facilities at Mandideep, Bhopal and Tawa Nagar. The Company offers the marginalized/vulnerable communities the help they need through its CSR initiatives. For further details of engagement with them, refer Annexure VI of Annual Report – 2023-24.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of / employees workers covered (B)	% (B / A)	Total (C)	No. of / employees workers covered (D)	% (D / C)
Employees						
Permanent	597	204	34%	410	182	44%
Other than permanent	41	3	7%	-	-	-
Total Employees	**638**	**207**	**32%**	**410**	**182**	**44%**
Workers						
Permanent	478	83	17%	493	32	6%
Other than permanent	16	3	19%	-	-	-
Total Workers	**494**	**86**	**17%**	**493**	**32**	**6%**

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

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% E / D)	No. (F)	% (F / D)
Employees										
Permanent	597	-	-	597	100%	**410**	-	-	**410**	**100%**
Male	578	-	-	578	100%	396	-	-	396	100%
Female	19	-	-	19	100%	14	-	-	14	100%
Other than Permanent	41	-	-	41	100%	**32**	-	-	**32**	**100%**
Male	41	-	-	41	100%	32	-	-	32	100%
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	478	-	-	478	100%	**493**	-	-	**493**	**100%**
Male	478	-	-	478	100%	493	-	-	493	100%
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent	16	-	-	16	100%	**734**	**734**	**100%**	-	-
Male	16	-	-	16	100%	719	719	100%	-	-
Female	-	-	-	-	-	15	15	100%	-	-

3. Details of remuneration/salary/wages

a. Median remuneration* / Wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In ₹)	Number	Median remuneration/ salary/ wages of respective category (In ₹)
Board of Directors (BoD)	8**	12,00,000	2	7,12,500
Key Managerial Personnel	2#	57,12,034	0	-
Employees other than BoD and KMP	575	3,03,612	19	4,11,840
Workers	478	4,14,240	0	0

**The aforesaid calculations have been provided on the basis of Cost to the Company.*

***Includes 2 Executive Directors who are paid compensation including Commission and 6 Non-Executive Directors (including Independent Directors) who are paid only sitting fee. Hence the median is calculated considering the same.*

#Only CS & CFO are considered as KMP for this calculation, as the median remuneration of 2 Executive Directors (KMPs) is covered as a part of Board of Directors, therefore not included in the median remuneration paid to KMPs.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages*	1.78%	1.49%

**The aforesaid calculations have been provided on the basis of Cost to the Company.*

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **(Yes/No)**

Yes. As per the clause no. 17 of the Code of Conduct Policy, HR Head is responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has the following internal mechanisms in place to redress grievances related to human rights issues:

- Code of Conduct for Employees
- POSH Policy
- Grievance Register in place
- Grievances Boxes are installed at various common places
- Union and its representative may raise their concerns via several committees
- Weekly meetings are being held at Shop Floor

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0%	0%
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We at HEG Limited assures that the complainants in discrimination and harassment cases are fully safeguarded against retaliation, punishments, or any other form of action for raising legitimate concerns in good faith. There are specific clauses w.r.t. confidentiality of complainant in the Company's Grievance Redressal Policy, Whistle Blower Policy, and POSH, which states that all the reports/records associated with complaints together with the information exchanged during a particular process/investigation would be considered as confidential and access of the same would be restricted by the Company as deemed fit.

9. Do human rights requirements form part of your business agreements and contracts?

No, currently, human rights requirements do not form part of our business agreements and contracts; however, the Company is in the process of implementing the same in the coming years.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100% of the plants and offices were assessed by third parties.
Forced/involuntary Labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Not Applicable, as no grievances/complaints were received with respect to human rights during the reporting period.

2. Details of the scope and coverage of any Human rights due diligence conducted.

During the current Financial Year, no such Human Rights Due-Diligence was conducted.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Presently, majority of our premises / offices are accessible to differently abled visitors. However, the Company is attempting to make more improvements to the current system.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	12%
Discrimination at workplace	12%
Child Labour	12%
Forced Labour/Involuntary Labour	12%
Wages	12%
Others- please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No significant risks/ concerns were identified from assessments of the value chain partners at Question 4 above.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From Renewable sources		
Total electricity consumption (A) (In Giga Joules)	14,310	15,133
Total fuel consumption (B) (In Giga Joules)	Nil	Nil
Energy consumption through other sources (C) (In Giga Joules)	Nil	Nil
Total energy consumption from renewable sources (A+B+C) (In Giga Joules)	**14,310**	**15,133**
From Non-Renewable sources		
Total electricity consumption (D) (In Giga Joules)	13,41,646	13,49,508
Total fuel consumption (E) (In Giga Joules)	6,23,304	6,71,803
Energy consumption through other sources (F) (In Giga Joules)	Nil	Nil
Total energy consumption from non- renewable sources (D+E+F) (In Giga Joules)	19,64,950	20,21,311
Total energy consumed (A+B+C+D+E+F) (In Giga Joules)	19,79,260	20,36,444
Energy intensity per rupee of turnover *(Total energy consumed (Giga Joules)/ Revenue from operations)*	0.000083	0.000083
Energy intensity per rupee of turnover adjusted for Purchasing power Parity (PPP) (Total energy consumed (Giga Joules) / Revenue from operations adjusted for PPP)*	0.001851243	0.001848882
Energy intensity in terms of physical output (Giga Joules/ Metric Tonnes)	28.9	28.8
Energy intensity (*optional*) – the relevant metric may be selected by the entity	-	-

** The source for Purchasing Power Parity (PPP) is International Monetary Fund (IMF). The PPP rates considered is 22.4 as per the 2024 update.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	77,180	69,470
(iii) Third party water	3,51,351	3,30,067
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**4,28,531**	**3,99,537**
Total volume of water consumption (in kilolitres)	**4,28,531**	**3,99,537**
Water intensity per rupee of turnover *(Total water consumption (kilolitres) /Revenue from Operations)*	0.00002	0.00002
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption (kilolitres) / Revenue from operations adjusted for PPP)	0.000400814	0.000448
Water intensity in terms of physical output (Kilolitres/Metric Tonnes)	6.3	5.6
Water intensity *(optional)* –the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Provide the following details related to water discharged:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water		
- No treatment	0	0
- With treatment -please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
Total water discharge (in kilolitres)	**0**	**0**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. HEG Limited recognises the need of efficient water resource management both within and outside of its operating sites. Effluent Treatment Plants (ETPs) have been installed at our manufacturing location for treating 100% wastewater/effluents. The treated water is re-used for gardening and other non-potable uses in the plant.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	MT	34.38	31.8
Sox	MT	112.92	108.2
Particulate matter (PM)	MT	160.36	140.75
Persistent organic pollutants (POP)	-	Not Applicable	Not Applicable
Volatile organic compounds (VOC)	-	Not Applicable	Not Applicable
Hazardous air pollutants (HAP)	-	Not Applicable	Not Applicable
Others – please specify	-	Not Applicable	Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23* (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	46,304.7	48,415.01
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2,66,838.54	2,68,385.85
Total Scope 1 and Scope 2 emissions intensity per rupee of Turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO2e/rupee turnover	0.000013	0.000013
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO2e/rupee turnover adjusted for PPP	0.000292889	0.000287623
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO2e/Metric Tonnes	4.6	4.5
Total Scope 1 and Scope 2 emission intensity *(optional)* – the relevant metric may be selected by the entity		-	-

** The previous year's figures have been recalculated as per the IPCC guidelines based on SEBI's directives.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, the Company has taken various measures to reduce GHG emission. The major projects undertaken by the Company during the FY 2023-24 are as below:

- 2 Nos diesel forklifts are replaced with battery operated forklifts of same capacity to eliminate CO2 emission due to fuel combustion.
- Installation of solar plant of 3 MW capacity to increase contribution of Green energy in the total plant energy consumption.
- 3 Nos passenger cars are replaced with Electric Vehicles to reduce CO2 emission due to fuel combustion.

- Replacement of mixer water metering system to reduce process fume emissions.
- Revamping of one of the baking furnaces for efficient fuel consumption and better emission control.
- Plantation of more than 12,500 trees was completed inside the plant during the year to offset part of our GHG emission.

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	208.14	332.97
E-waste **(B)**	2.32	5.19
Bio-medical waste **(C)**	0.003312	0.00572
Construction and demolition waste **(D)**	5	63.58
Battery waste **(E)**	0	2.82
Radioactive waste **(F)**	Nil	Nil
Other Hazardous waste. Please specify, if any. **(G)** (Oil waste, oil drums waste, cotton waste & Chemical waste)	40.44	59.34
Other Non-hazardous waste generated **(H)**. *Please specify, if any. (Garbage, paper waste, process waste, metallic scrap, electrical waste, old machinery, refractory waste, wood waste, horticulture waste.)*	9,160.504	4,911.976
Total (A+B + C + D + E + F + G + H)	**9,416.41**	**5,375.88**
Waste intensity per rupee of turnover *(Total waste generated (Metric Tonnes) / Revenue from operations)*	0.0000004	0.0000002
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) *(Total waste generated (Metric Tonnes) / Revenue from operations adjusted for PPP)*	0.00000881	0.00000488
Waste intensity in terms of physical output *(Metric Tonnes/ Metric Tonnes)*	0.14	0.08
Waste intensity *(optional) – the relevant metric may be selected by the entity*	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1,332.77	2,135.60
(ii) Re-used	7,728.87	2,772.22
(iii) Other recovery operations	0	2.82
Total	**9,061.64**	**4,910.64**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.003312	0.00572
(ii) Landfilling	349.76	401.66
(iii) Other disposal operations	5	63.58
Total	**354.76**	**465.25**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We at HEG Limited have a detailed Waste Management Policy, which demonstrates our commitment to the implementation of the widely accepted "waste hierarchy" as part of our efforts to achieve our sustainability vision:

- Preventing waste;
- Reusing waste;
- Recycling waste;
- Disposing of waste responsibly.

We have a well-established procedure for the collection, storage and disposal of wastes, as per the Legal requirement, so as to control their adverse impact on environment.

For instance:

1. Waste oil / used oil are collected and stored in Hazardous waste storage area, from where it is sold only to parties having valid authorization from State Pollution Control Board, as per the frequency mentioned in the internal SOP on Waste Management.
2. All used Lead Acid Batteries are collected and stored in designated room/shed with cemented floor to prevent any possibility of land / water pollution, which are then disposed to supplier of batteries / parities authorized by regulatory bodies.

In the same way, we have detailed procedures w.r.t. collection, storage and disposal of all other types of waste generated.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of Operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable, as the Company does not have any operations/offices in/around ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No environmental impact assessment of projects was undertaken by the Company during the current Financial Year. Hence, this requirement is not applicable.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, HEG Limited has complied with the applicable environmental laws/regulations/guidelines applicable in India.

Sl. No.	Specify the law / regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable, since there is no non-compliance with the applicable environmental laws/ regulations/ guidelines in India.				

Leadership Indicators

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

For each facility / plant located in areas of water stress, provide the following information:

(i) **Name of the area:**

(ii) **Nature of operations:**

(iii) **Water withdrawal, consumption, and discharge in the following format:**

Not Applicable, as we do not have any operations in areas of water stress.

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover *(Water consumed / turnover)*	-	-
Water intensity *(optional)* – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? Not Applicable.

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	Presently, the Company has not considered the details of Scope 3 emissions and its intensity for its GHG inventory, however the Company has started gathering the relevant data and has plans to include the same in the BRSR Report from the next financial year.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (*optional*) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not Applicable

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable, as the Company does not have any operations/offices in/around ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Replacement of diesel forklifts with battery operated forklifts.	2 Diesel Forklifts have been replaced with the battery-operated forklifts.	Reduction in annual diesel consumption by 22,200 Litres, which will indirectly help the Company in reduction of its carbon footprints.
2.	Installation of Solar Plants	Installation of 3 MW solar plant will help the Company to reduce its dependence on non-renewable sources which will further result in lower carbon footprints and reduced energy costs.	Generation of Annual Green Power of approximately- 36 Lacs kWh.
3.	Plantation of tress	Planted 12,500 trees.	Reduction of carbon footprints.
4.	Installation of LED lighting	Replaced conventional lights with LED lights, which will result in less energy consumption.	Estimated annual power saving of 2.93 Lacs kWh.
5.	Furnace Revamping	Revamped one of the baking furnace for efficient fuel consumption and better emission control.	Overall reduction of carbon footprints.
6.	Replacement of diesel vehicles with electric vehicles.	3 passenger cars have been replaced with the Electric Vehicles.	Reduction in annual diesel consumption by 15,600 Litres, which will indirectly help the Company in reduction of its carbon footprints.

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

We at HEG Limited have a Business Continuity Policy and Onsite Emergency Plan. The purpose of having such Policy and Plan is to make sure that, in the event of an occurrence that might disrupt or endanger the Company, all business operations can be maintained at normal or nearly normal performance levels.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The Company being into the manufacturing process has multiple layers of upstream and downstream value chain partners ranging from raw material suppliers, service providers, customers etc. Therefore, evidently entire life cycle of the product lines in which the Company deals in would have certain impacts on the environment at various levels. However, since the Company is in the process of doing the life cycle assessment of its products, therefore, disclosing significant adverse impact to the environment, arising from the value chain of the entity currently is not possible.

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

HEG Limited has assessed 56.6% of its Value Chain Partners for environmental impacts.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a Number of affiliations with trade and industry chambers/ associations.

4

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Export Organisations (FIEO)	National
2	Chemical and Allied Export Promotion Council (CAPEXIL)	National
3	PHD Chamber of Commerce and Industry (PHDCCI)	National
4	Federation of India Chambers of Commerce and Industry (FICCI)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable, as the Company has not received any adverse orders from regulatory authorities.		

Leadership Indicators

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

Sl. No.	Public Policy Advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others-please specify)	Web Link, if available
HEG Limited is a member of various industrial and trade bodies and is part of task forces and forums within these bodies, wherein the Company actively participates in these forums to promote and pursue numerous issues that are in the greater interests of its stakeholders, industry as a whole, economy, society and general public.					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable, as there were no projects that required SIA based on applicable laws in the current year.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable, as there were no projects requiring R&R.						

3. Describe the mechanisms to receive and redress grievances of the community.

Any complaints can be sent to heg.mbp@lnjbhilwara.com. Further, community complaints may also be directed to the HR team at any plant location.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directly sourced from MSMEs/ small producers	15.8%	14.6%*
Directly from within India	66.8%	58.6%

** The previous year's figures have been rectified and recalculated.*

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Rural	1.59%	1.61%
Semi-Urban	88.86%	88.58%
Urban	-	
Metropolitan	9.56%	9.81%

(Place to be categorized as per RBI classification system – rural / semi – urban / urban / metropolitan)

**The aforesaid calculations have been provided on the basis of Cost to the Company.*

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable, as there were no projects that required SIA based on applicable laws in the current year.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No.	State	Aspirational District	Amount Spent (In ₹)
The Company has not undertaken any CSR projects in designated aspirational districts as identified by the government bodies during the current financial year.			

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

No, as of now the Company does not have a preferential procurement policy where it gives preference to purchase from suppliers comprising marginalized/vulnerable groups.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable.

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

Not Applicable.

HEG LIMITED

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No.	Intellectual Property based on traditional knowledge	Owned Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

Sl. No.	CSR Projects	No. of persons benefitted from CSR Projects	%of beneficiaries from vulnerable and marginalized groups
1	Apna Ghar Ashram	425	100%
2	Akshay Patra Foundation	50,000	100%
3	Global Vikas Trust	21,000	100%
4	Graphite Higher Secondary School	1,814*	12%

*Note: Includes 66 as School staffs

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The consumer's complaints are handled in accordance with the established SOP for processing complaints, and each complaint receives a response within 48 hours. In addition to this, the Company collects customer satisfaction feedback on regular basis. To ensure customer grievances are redressed promptly and effectively, the Company has put in place a grievance redressal policy and has a special team, which is responsible for managing customer grievances. The team works closely with the management and provides regular feedback on process, policies and people related complaints. This leads to improvements and ensures complaints are reduced.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage of total turnover
Environmental and social parameters relevant to the product.	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

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

	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential Services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Others (Technical Complaints)	16	11	1. Improved material supplied and usage at Customer end and its feedback is awaited. 2. In some cases further Dispatch is planned. 3. In few cases, insufficient response from the customer.	25	20	Dispatch of new consignment awaited.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls	Nil	

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a Policy on Cyber Security and risks related to data privacy, which can be accessed at https://hegltd.com/wp-content/uploads/2023/06/Information-Security-Policy-Ver_3.8.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable, as neither any complaints with respect to advertising, delivery of essential services, cyber security and data privacy of customers, re-occurrence of instances of product recalls were received during the reporting period nor any penalties were paid to, or actions were taken by regulatory authorities on account of safety of products / services.

7. Provide the following information relating to data breaches:	
a. Number of instances of data breaches	No instances of data breaches were identified.
b. Percentage of data breaches involving personally identifiable information of customers	Not Applicable, as no instances of data breaches were identified.
c. Impact, if any, of the data breaches	Not Applicable, as no instances of data breaches were identified.

Leadership Indicators

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

   Information on products and services of the Company can be accessed at the Company's official website i.e., www.hegltd.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   The Company takes the following steps to inform and educate consumers about safe and responsible usage of products and/or services:

   - Customer Trainings – The Company educates its customers on how to utilise its products effectively and about optimum utilisation of energy.
   - Material safety data sheet – The material safety data sheet contains the information on how to handle the product safely.
   - Product marking – Through product marking, the Company provides the information about the mass, size, and location of the products.
   - Handling & packing instructions – Through these instructions, the Company offers safe methods for handling the product, packing, and unpacking.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   To deal with any kind of disruption/ discontinuation, the Company has a Business Continuity Plan. Customers are informed through various media channels, in case of disruption/discontinuation of essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable). If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes, each and every product is marked with unique identification number for its traceability up to the end use. The product packages are marked with adequate information related to safe handling and usages.

   Yes, we carry out surveys to assess consumer satisfaction for our products. The survey enables us to comprehensively understand the customer's expectations and needs and serves as one of the inputs for us to make investment decisions. The survey framework includes a structured questionnaire and customer the feedbacks are then analysed. The survey is designed to provide the following insights:

   - Product Quality,
   - Delivery,
   - Container Stuffing,
   - Packing, Technical Service (Material & Operation),
   - Documentation, Communication Response

Independent Auditors' Report

To the Members of

HEG Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of HEG Limited ('the Company'), which comprise the standalone Balance Sheet as at March 31, 2024, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity, the standalone Statement of Cash flows for the year then ended and notes to the standalone financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Sl. No.	Key audit matter	Auditor's Response
1.	**Assessment of Provisions and Contingent liabilities in respect of litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt** There is high level of judgement required in estimating the level of provisioning. Accordingly, unexpected adverse outcomes may significantly impact the company's reported profit and state of affairs presented in the Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.	Our audit procedures involved the following:: ➢ Obtaining an understanding of the process of identification of claims, litigations, arbitrations and contingent liabilities, and internal control relevant to the audit in order to design our audit procedures that are appropriate in the circumstances. ➢ Discussing and analysing material legal cases with the Company's legal department. ➢ Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon. ➢ Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of internal tax experts. ➢ Evaluating management's assumptions and estimates relating to the recognition of the provisions for disputes and disclosures of contingent liabilities in the financial statements. ➢ Assessing the adequacy of the disclosures with regard to facts and circumstances of the legal matters.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's Report including annexures to the Board's Report, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. (A) As required by Section 143(3) of the Act, based on our audit, we report, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   (c) The standalone Balance sheet, the standalone statement of profit and loss including other comprehensive income, standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) The reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the company.

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   (a) The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 38 to the standalone financial statements.

   (b) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   (d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (iii) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

   (e) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

   (f) Based on our examination, which included test checks and according to the information and explanations given to us, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, the same has been partly enabled and operated during the year.

   Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, wherever the same has been enabled in the software.

   As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

(C) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For **SCV & Co. LLP**
Chartered Accountants
Firm Reg. No.000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066
UDIN: 24086066BKDGAW4841

Place: Noida
Date : May 22, 2024

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HEG Limited of even date)

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has adopted a policy of physical verification of all the items of Property, Plant and Equipment so to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment except Property, Plant and Equipment of Graphite division were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification and have been properly dealt with in the books of accounts.

(c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the standalone financial statements included under Property, Plant and Equipment and investment properties are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) Based on the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the inventories have been physically verified by the management during the year, except stocks located outside India, lying with third parties and materials-in-transit, which have been verified with reference to correspondence of third parties or subsequent receipt of goods. In our opinion, the frequency of verification is reasonable. No discrepancies of 10% or more in the aggregate for each class of inventory have been noticed on physical verification of inventories when compared with books of account. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.

(b) The Company has been sanctioned working capital limits in excess of ₹5 Crore, in aggregate, during the year, from banks on the basis of security of current assets and based on our verification, quarterly returns or statements filed by the company with such banks are in agreement with the books of account.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has given unsecured loans to the employees and has made investments in companies and other parties during the year, in respect of which the requisite information is as below:

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to the employees as below:

Particulars	Amount (₹ in Lakhs)
Aggregate amount of loan given during the year	439.84
Balance outstanding as at 31st March, 2024	153.99

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made and the terms and conditions of the grant of loans are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the repayment of principal and payment of interest has been stipulated and the repayments /receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment

iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not provided any loan, guarantee or security as specified under Sections 185 and 186 of the Act. In respect of the investments made by the Company, in our opinion, the provisions of Section 186 of the Act have been complied with.

v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other applicable statutory dues as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Sl. No.	Name of Statute	Nature of Dues	Amount unpaid (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
1	Central Excise Act, 1944	Excise Duty	248.34	FY 2002-03, 2004-05, 2005-06, 2006-07	CESTAT, New Delhi
		Excise duty	1.42	FY 2004-05	Hon'ble High Court, Jabalpur
		Excise duty	17.77	FY 2005-06	Commissioner (Appeals), Bhopal
2	Income Tax Act, 1961	Income Tax	100.00	AY 2000-01	CIT (Appeals), Bhopal
		Income Tax	516.00	AY 2003-04, 2004-05	Hon'ble High Court, Jabalpur
		Tax deducted at source	279.43	AY 2015-16, 2016-17, 2017-18	CIT (Appeals), Ahmedabad
3	Central Sales Tax Act, 1956	Central Sales Tax	21.30	FY 2003-04	Hon'ble High Court, Jabalpur
		Central Sales Tax	292.99	FY 2016-17	Commissioner (Appeals), Bhopal
		Central Sales Tax	41.24	FY 2017-18	Appellate Tribunal, Bhopal
4	Madhya Pradesh Parvesh Kar Adhiniyam, 1976	Entry Tax	2.35	FY 2014-15	Commissioner (Appeal), Bhopal
		Entry Tax	67.67	FY 2009-10, 2010-11	Commissioner (Appeal), Bhopal
		Entry Tax	15.23	2012-13	Appellate Tribunal, Bhopal
		Entry Tax	28.98	FY 1997-98, 2003-04, 2007-08, 2008-09	Hon'ble High Court, Jabalpur

HEG LIMITED

Sl. No.	Name of Statute	Nature of Dues	Amount unpaid (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
5	Chhattisgarh Commercial Tax	VAT	3.04	FY 2006-07	Commissioner (Appeals), Raipur
		VAT	1.51	FY 1992-93	Appellate Tribunal, Raipur
		Entry Tax	9.79	FY 2005-06	Appellate Tribunal, Raipur
		Entry Tax	12.00	FY 2007-08	Commissioner (Appeals), Raipur
6	Goods and Service tax Act, 2017	Goods and Service tax	36.71	FY 2017-18	Commissioner (Appeals), Bhopal

viii. According to the information and explanations given to us and records of the company examined, there are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us, the Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and accordingly, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) Based on our overall examination of the standalone financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of subsidiary and associates. Further the Company does not hold investment in any joint venture during the year ended March 31, 2024.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary and associate companies. The Company does not hold investment in any joint venture during the year ended March 31, 2024.

x. (a) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3 (x)(a) of the Order is not applicable.

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

xi. (a) According to the information and explanations given to us and based on our examination of records, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) The company has not received any whistle blower complaint during the year.

xii. According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us and based on our examination of records, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with them.

xvi. (a) Based on the information and explanations given to us, in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) Based on information and explanation given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) Based on information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, and accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR), other than on-going projects, requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.

(b) In respect of on-going projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a special account within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial Statements. Accordingly, no comment in respect of the said clause has been included in report.

For **SCV & Co. LLP**
Chartered Accountants
Firm Reg. No.000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066
UDIN: 24086066BKDGAW4841

Place: Noida
Date : May 22, 2024

Annexure – "B" TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of HEG Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial control over financial reporting of HEG Limited ("the Company") as of March 31, 2024 in conjunction with our audit of standalone financial statements of company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SCV & Co. LLP**
Chartered Accountants
Firm Reg. No.000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066
UDIN: 24086066BKDGAW4841

Place: Noida
Date : May 22, 2024

Standalone Balance Sheet

as at March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	4	1,76,753.61	1,34,816.60
(b) Capital work-in-progress	5	19,440.46	47,200.80
(c) Right of use asset	6	689.28	700.00
(d) Investment property	7	690.69	724.80
(e) Other intangible assets	8	114.86	33.54
(f) Financial assets			
(i) Investments	9	67,249.50	54,060.58
(ii) Loans	11	88.08	77.31
(iii) Other financial assets	12	4,627.16	3,544.91
(g) Income tax assets (net)	25	10,507.56	14,692.15
(h) Other non-current assets	13	1,525.31	8,601.69
Total non-current assets		**2,81,686.51**	**2,64,452.38**
2. Current assets			
(a) Inventories	14	1,19,415.23	1,44,011.50
(b) Financial assets			
(i) Investments	9	32,360.76	12,369.50
(ii) Trade receivables	10	50,824.88	48,913.99
(iii) Cash and cash equivalents	15	11,015.43	2,445.36
(iv) Bank balances other than (iii) above	16	27,318.37	65,704.99
(v) Loans	11	65.91	60.46
(vi) Other financial assets	12	4,752.39	2,336.03
(c) Other current assets	13	14,246.03	8,520.81
Total current assets		**2,59,999.00**	**2,84,362.64**
Total assets		**5,41,685.51**	**5,48,815.02**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	3,859.59	3,859.59
(b) Other equity	18	4,10,648.70	4,03,862.65
Total equity		**4,14,508.29**	**4,07,722.24**
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	-	-
(ia) Lease liabilities	21 A	127.34	138.06
(ii) Other financial liabilities	21 B	-	-
(b) Provisions	22	489.03	305.82
(c) Deferred tax liabilities (net)	23	9,603.73	8,679.66
(d) Other non-current liabilities	24	418.42	369.60
Total non-current liabilities		**10,638.52**	**9,493.14**
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	61,937.81	74,090.73
(ia) Lease liabilities	21 A	51.07	28.19
(ii) Trade payable			
-Total outstanding dues of micro enterprises and small enterprises	20	846.72	2,565.16
-Total outstanding dues of creditors other than micro enterprises and small enterprises	20	41,681.71	38,629.71
(iii) Other financial liabilities	21 B	9,076.82	12,372.42
(b) Other current liabilities	24	1,351.28	1,963.80
(c) Provisions	22	421.25	507.03
(d) Current tax liabilities (net)	25	1,172.04	1,442.60
Total current liabilities		**1,16,538.70**	**1,31,599.64**
Total liabilities		**1,27,177.22**	**1,41,092.78**
Total equity and liabilities		**5,41,685.51**	**5,48,815.02**

See accompanying notes to the standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Date : May 22, 2024

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN : 00061060

Manish Gulati
Executive Director
DIN : 08697512

Shekhar Agarwal
Director
DIN : 00066113

Satish Chand Mehta
Director
DIN : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I.	Revenue from operations	26	2,39,490.36	2,46,723.73
II.	Other income	27	14,166.98	10,914.01
III.	**Total income (I + II)**		**2,53,657.34**	**2,57,637.74**
IV.	**Expenses:**			
	Cost of materials consumed	28	1,09,299.68	1,31,263.60
	Changes in inventories of finished goods and work-in-progress	29	5,839.04	(39,749.16)
	Employee benefit expenses	30	9,479.87	9,182.51
	Finance costs	31	3,573.86	2,600.84
	Depreciation and amortization expense	32	17,465.14	10,230.33
	Other expenses	33	76,475.73	84,062.12
	Total expenses (IV)		**2,22,133.32**	**1,97,590.24**
V.	**Profit before tax (III - IV)**		**31,524.02**	**60,047.50**
VI.	**Tax expense:**			
	(1) Current tax	34	7,564.12	15,541.51
	(2) Current tax adjustment related to earlier years	34	(106.76)	(116.33)
	(3) Deferred tax	34	912.35	(928.71)
	Total tax expense (VI)		**8,369.71**	**14,496.47**
VII.	**Profit for the year (V-VI)**		**23,154.31**	**45,551.03**
VIII.	**Other comprehensive income**			
	Items that will not be classified to profit or loss			
	(i) Remeasurement of defined employee benefit plan	35	46.57	(82.66)
	(ii) Tax expense relating to items that will not be reclassified to profit or loss	34	(11.72)	20.80
	Total other comprehensive income for the year		**34.85**	**(61.86)**
IX.	**Total comprehensive income for the year (VII+VIII) (Comprising profit and other comprehensive income for the year)**		**23,189.16**	**45,489.17**
	Earnings per equity share: (of ₹ 10/- each)			
	(1) Basic (₹)	36	59.99	118.02
	(2) Diluted (₹)	36	59.99	118.02

See accompanying notes to the standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Date : May 22, 2024

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN : 00061060

Manish Gulati
Executive Director
DIN : 08697512

Shekhar Agarwal
Director
DIN : 00066113

Satish Chand Mehta
Director
DIN : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

A) Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of reporting period	3,859.59	3,859.59
Changes in equity capital during the year	-	-
Balance at the end of reporting period	3,859.59	3,859.59

B) Other equity

Particulars	Reserves and surplus			Total other equity
	Capital reserve	Capital redemption reserve	Retained earnings	
Balance at the beginning of current reporting period i.e. April 1, 2023	**3,138.24**	**2,029.93**	**3,98,694.48**	**4,03,862.65**
Profit for the year			23,154.31	23,154.31
Other comprehensive income for the year				
-Remeasurement of defined employee benefit plan (net of tax expense)			34.85	34.85
Dividend distributed during the year	-	-		
-Final dividend for the year ended March 31, 2023 @ ₹42.50/- per share			(16,403.09)	(16,403.09)
Balance at the end of current reporting period i.e. March 31, 2024	**3,138.24**	**2,029.93**	**4,05,480.53**	**4,10,648.70**

Particulars	Reserves and surplus			Total Other equity
	Capital reserve	Capital redemption reserve	Retained earnings	
Balance at the beginning of the previous reporting period i.e. April 1, 2022	**3,138.24**	**2,029.93**	**3,68,643.50**	**3,73,811.67**
Profit for the year			45,551.03	45,551.03
Other comprehensive income for the year				
-Remeasurement of defined employee benefit plan (net of tax expense)			(61.86)	(61.86)
Dividend distributed during the year				
-Final dividend for the year ended March 31, 2022 @ ₹40/- per share			(15,438.19)	(15,438.19)
Balance at the end of previous reporting period i.e. March 31, 2023	**3,138.24**	**2,029.93**	**3,98,694.48**	**4,03,862.65**

See accompanying notes to the standalone financial statements

As per our report of even date attached

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Date : May 22, 2024

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN : 00061060

Manish Gulati
Executive Director
DIN : 08697512

Shekhar Agarwal
Director
DIN : 00066113

Satish Chand Mehta
Director
DIN : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Standalone Statement of Cash Flows

for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	**31,524.02**	**60,047.50**
	Adjustment for non operating and non cash transactions		
	Depreciation and amortisation expense	17,465.14	10,230.33
	Interest and other financial charges	3,573.86	2,600.84
	Net (profit)/loss on property plant and equipment sold / discarded	(128.60)	34.31
	Allowances for expected credit losses	270.42	(330.55)
	Liabilities / provisions written back	(5,499.65)	-
	Unrealized (gain)/loss due to effect of exchange rate changes in assets and liabilities	(53.22)	(33.28)
	Bad debts	-	155.94
	Net gain on sale/fair valuation of investments measured at fair value through profit or loss	(813.98)	(2,033.52)
	Dividend income	(236.49)	(197.63)
	Rent income	(144.89)	(143.15)
	Interest income	(4,319.93)	(5,080.58)
	Adjustments for changes in working capital		
	(Increase)/decrease in operating assets		
	(Increase)/decrease in inventories	24,596.27	(46,230.11)
	(Increase)/decrease in trade receivables	(2,077.39)	10,398.95
	(Increase)/decrease in other non-current financial assets	(1,093.03)	(234.30)
	(Increase)/decrease in other current financial assets	(2,865.55)	(252.05)
	(Increase)/decrease in other non-current assets	5,241.39	(5,300.75)
	(Increase)/decrease in other current assets	(5,678.64)	6,585.61
	(Increase/(decrease) in operating liabilities		
	Increase/(decrease) in trade payables	6,454.83	(3,782.01)
	Increase/(decrease) in other non-current financial liabilites	-	-
	Increase/(decrease) in other current financial liabilites	(829.79)	681.76
	Increase/(decrease) in non-current provisions	183.21	(75.23)
	Increase/(decrease) in current provisions	23.87	(9.29)
	Increase/(decrease) in other non-current liabilites	48.82	(263.93)
	Increase/(decrease) in other current liabilites	(612.52)	(519.62)
	Cash flows from/(used in) operating activities	**65,028.15**	**26,249.24**
	Income tax paid (net of refund, if any)	(3,543.33)	(14,801.10)
	Net cash flows from/(used in) operating activities (A)	**61,484.82**	**11,448.14**

Standalone Statement of Cash Flows (contd.)

for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Payment for purchase of property, plant and equipment, intangible assets (including capital work-in-progress) (after adjustment of advances and creditors for capital expenditure)	(32,220.74)	(47,973.84)
	Proceeds from sale of property, plant and equipments	251.90	89.71
	Investment in fixed/term deposits not considered as cash and cash equivalents	(28,334.90)	(80,306.35)
	Redemption/maturity of fixed/term deposits not considered as cash and cash equivalents	66,724.03	82,114.21
	Decrease/(increase) in other bank balances not considered as cash and cash equivalents	(2.51)	(980.79)
	Payment for investments in Subsidiary	(7,000.00)	(1,000.00)
	Payment for purchase of investments (other than Subsidiary)	(58,734.96)	(1,26,380.92)
	Proceeds from sale of investments	33,044.83	1,66,472.95
	Return of capital from INVIT	126.85	101.79
	Rent received	144.89	143.15
	Dividend received	236.49	197.63
	Interest received	5,261.69	4,411.59
	Net cash flows from/(used in) investing activities (B)	**(20,502.44)**	**(3,110.87)**
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceed/(repayment) of working capital borrowings (on net basis) (also Refer note no. 49)	(12,152.92)	7,750.68
	Interest and other financial charges paid	(3,848.76)	(2,301.87)
	Interest paid on lease liabilities	(16.84)	(11.82)
	Principal payment of lease liabilities	(44.17)	(48.93)
	Dividend paid on equity shares	(16,349.62)	(15,383.57)
	Net cash flows from/(used in) financing activities (C)	**(32,412.31)**	**(9,995.51)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**8,570.07**	**(1,658.24)**
	Cash and cash equivalents at the beginning of the period	2,445.36	4,103.52
	Cash and cash equivalents at the end of the period	11,015.43	2,445.36
	(Refer note 15 of financial statements for components of cash and cash equivalents)		

Note: The cash flows from operating activities include amount spent towards Corporate Social Responsibility amounting to ₹1644.49 lakhs (previous year ₹836.29 lakhs)

See accompanying notes to the standalone financial statements

As per our report of even date attached

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Date : May 22, 2024

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN : 00061060

Manish Gulati
Executive Director
DIN : 08697512

Shekhar Agarwal
Director
DIN : 00066113

Satish Chand Mehta
Director
DIN : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

1. Company information

HEG Limited (the "Company") is a public limited Company incorporated and domiciled in India, has its registered office at Mandideep, Bhopal, Madhya Pradesh and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is a leading manufacturer and exporter of graphite electrodes in India and operates world's largest single-site integrated graphite electrodes plant. The Company also operates thermal and hydro power generation facilities with a total capacity of about 76.5 MW.

The standalone financial statements for the year ended March 31, 2024 were approved for issue by the Company's Board of Directors in their meeting held on May 22, 2024.

2.1 Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

2.2 Basis of preparation and measurement

(i) The standalone financial statements have been prepared on historical cost convention and on accrual basis except for certain financial instruments (including derivative instruments) which are measured at fair value at the end of each reporting period as required under Ind AS.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these standalone financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(ii) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(iii) The functional and presentation currency of the Company is Indian Rupees (INR) and all amounts are rounded to the nearest ₹ lakhs and two decimals thereof, except otherwise stated.

2.3 Material accounting policies

(i) Revenue recognition

(a) Sale of products

The Company derives revenue primarily from sale of Graphite Electrodes.

Revenue from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer which is usually on dispatch/ delivery and the amount of revenue can be measured reliably and recovery of consideration is probable.

Revenue is measured based on the transaction price (net of variable consideration) which is adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Due to short nature of credit period given to customers, there is no financing component in the contract.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(b) Power

Revenue from power generation is recognized on transmission of electricity to State Electricity Board or third parties at rate stipulated by SEB's and/or IEX at market rate equivalent.

(c) Other operating revenues

(i) Entitlements to Renewal Energy Certificates owing to generation of power at Tawa hydel plant are recognized at actual rate of realization.

(ii) Export entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(d) Interest income

- Interest income from customers is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

- Interest income from financial asset is recognized when it is probable that economic benefits will flow to the Company and amount of income can be measured reliably. Interest income is accrued on time basis, by reference to principal outstanding and at effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of financial asset to that asset's net carrying amount on initial recognition.

(e) Other income

(i) Dividend income is recognized when the right to receive payment is established and the amount of dividend can be measured reliably.

(ii) Other income is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(ii) Inventories

Inventories are valued at cost or net realizable value, whichever is lower except by products which are valued at net realizable value. The raw materials and other supplies held for use in the production are valued at net realisable value only if the finished products in which they are to be incorporated are expected to be sold below cost. The cost in respect of the various items of inventory is computed as under:

(i) In case of finished goods and work-in-progress, cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

(ii) In case of stores, spares and raw material at weighted average cost. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

(iii) Obsolete stocks are identified at each reporting date on the basis of technical evaluation and are charged off to revenue.

Net realisable value is the estimated selling price in ordinary course of business less estimated cost of completion and estimated cost necessary to make the sales.

(iii) Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes its purchase price (net of taxes and duty recoverable), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent cost relating to property, plant and equipment are included in the assets carrying value or recognised as separate assets as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the costs of the item can be measured reliably. All other repairs and maintenance costs are charged to the standalone statement of profit and loss when incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is derecognized. Fully depreciated assets still in use are retained in financial statements.

Property, plant and equipment which are not ready for intended use at each balance sheet date are disclosed as "Capital work-in-progress" and advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under "other non-current assets". Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects under implementation are treated as pre-operative expenses and are included in capital work-in-progress.

(iv) Investment property

Investment properties comprises freehold land and building that are held for long-term rental yields or for capital appreciation and both are classified as investment property.

Investment properties are measured initially at cost, comprising the purchase price and directly attributable expenditure. Subsequently, investment property is carried at cost model, which is cost less accumulated depreciation and accumulated impairment losses, if any, in similar lines of Ind AS 16.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising on derecognition of investment property are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in standalone statement of profit and loss in the period of the retirement or disposal.

(v) Other intangible assets

An intangible asset is recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. The cost of intangible asset comprises of its purchase price, net of recoverable taxes and any directly attributable cost of preparing the asset for its intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in standalone statement of profit and loss as incurred.

The cost and related accumulated amortization are eliminated from standalone financial statements upon disposal or retirement of the assets and the resulted gain or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the standalone statement of profit and loss.

(vi) Depreciation

Depreciation is recognised to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, in a systematic manner.

(A) Property, plant and equipment

Based on internal assessment and independent technical evaluation carried out by external valuer, the management believes that the useful life of the assets as stated below best represents the life over which the management expects to use the assets. Hence the useful life for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The method of depreciation and useful life considered on different assets is as below:

(i) Depreciation on all the assets at Hydel Power Project at Tawa is provided on straight line method. The useful life of assets determined is as below:

Sl. No.	Description of asset	Useful life (Approx)
1	Factory building	33
2	Non factory building	33
3	Plant and machinery	
	i) Dams, spillways weirs, canals, reinforced concrete flumes and symphons	51
	ii) Hydraulic control valves and other hydraulic works	30
	iii) Transformers having a rating of 100 KVA and above	13
4	Electrical installation	
	i) Batteries	3
	ii) Lines on fabricated steel operating at normal voltages higher than 66 kv	19
	iii) Residual	13
5	Furniture and fixtures	8
6	Office equipment and other assets	8
7	Vehicles	3

(ii) On the assets other than those mentioned at (i) above, depreciation is provided on following basis:

In case of plant and machinery, depreciation is provided on straight line method and in case of other assets on written down method. The useful life of assets determined is as below:

Description of asset	Useful life
Building	20 - 60 Years
Plant and machinery	1-24 Years
Railway siding	9 Years
Office equipment (includes computers and data processing units)	5-20 Years
Electrical installation	5-20 Years
Furniture and fixtures	15 Years
Vehicle	5-10 Years

(iii) Assets costing upto ₹5,000 are fully depreciated in the year of purchase.

Depreciation methods estimated and useful lives are reviewed at the end of each reporting period and the effect of any changes in estimate accounted for on a prospective basis.

(B) Investment property

Depreciation on investment properties is provided on the written down value method over its useful life of 58 years which has been determined based on internal assessment and independent technical evaluation carried out by external valuer.

The depreciation charge for each period is recognised in the statement of profit and loss. The useful lives and method of depreciation are reviewed at the end of each financial year and the effect of any changes in estimate accounted for on a prospective basis.

(vii) Amortization

Other intangible assets

Other intangible assets are amortized over their respective individual useful lives on a straight line basis from date they are available. The estimated useful life is based on number of factors including effect of obsolescence and other economic factors and is as under:

Description of asset	Useful life
Computer software	05 years

Amortisation method and useful lives are reviewed at the end of each financial year and the effect of any changes in estimate accounted for on a prospective basis.

(viii) Impairment of non-financial assets

Property, plant and equipment and investment property are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the standalone statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the standalone statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation), had no impairment loss been recognized for the asset in prior years.

Impairment is reviewed periodically, including at each financial year end.

(ix) Foreign currency translations

Transactions in currencies other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Exchange differences arising on the settlement of monetary items or on re-translated monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in standalone statement of profit and loss in the period in which they arise.

Non-monetary items denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction, non-monetary items that are measured in term of historical cost in foreign currency are not reinstated.

(x) Employee benefits

(A) Post employment benefits

(a) Defined contribution plan

(i) Provident fund

The Company makes contribution to statutory Provident Fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(ii) Superannuation

The Company makes contribution in regard to superannuation to a separate trust and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(b) Defined benefit plan

Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation or termination of employee, based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability/asset is determined using projected unit credit method, through actuarial valuation carried out at the end of each annual reporting period.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such net interest cost along with the current service cost and, if applicable, the past service cost and settlement gain/loss, is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions, comprising actuarial gains/losses and return on plan assets (excluding the amount recognised in net interest on the net defined liability), are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(B) Short term employee benefits

Short term employee benefits including non-accumulated absences are charged to standalone statement of profit and loss on an undiscounted, accrual basis for the period during which services are rendered by the employee.

(C) Other long term employee benefits- Compensated absences

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method and is recognized in employee benefit expenses in the statement of profit and loss.

(xi) Leases

Company as a lessee

The Company's lease assets primarily consist of leases for land and building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time, in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and of low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a systematic basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the lessee's incremental borrowing rate.

Lease liability and right-of-use asset have been separately presented in the Balance Sheet. The interest expense on the lease liability has been separately presented as a component of finance costs in the statement of profit and loss. The payments of principal portion and interest portion of lease liability have been classified under financing activities in the statement of cash flows.

The payments for short-term leases and leases of low-value assets have been recognized in the statement of profit and loss have been classified under operating activities in the statement of cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, lease payments received are recognized on systematic basis over the term of the relevant lease as a part of other income.

(xii) Segment reporting

Segments are identified based on the manner in which the Company's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance.

(1) Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter- segment revenue.

(2) Expenses and incomes that are directly identifiable with/ allocable to the segments are considered for determining the segment result. Expenses and income not allocable to segments are included under unallocable category.

(3) Segment results includes margin on inter segment sales.

(4) Segment assets and liabilities include those directly identifiable with the respective segments. Assets and liabilities not allocable to any segment are classified under unallocable category.

(xiii) Tax expense

Tax expense comprises of current and deferred tax. Tax expense is recognised in statement of profit and loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, as the case may be.

(1) Current tax

Current tax is the tax payable/receivable on the taxable profit/loss for the year using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and any adjustment to taxes in respect of previous years. Interest expenses related to income tax are included in finance cost. Interest income related to income tax is included in other income.

The current tax assets and current tax liabilities have been set off to the extent (a) there is a legally enforceable right to set off the recognised amounts; and (b) the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(2) Deferred tax

Deferred tax assets and liabilities are recognized using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that are expected to apply to period in which the temporary differences are expected to be recovered or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income or expense in the period as and when there is change in tax rates.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that related tax benefits will be realized to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities have been set off as it relates to income taxes levied by the same taxation authority.

(xiv) Government grants

Government grants are not recognized until there is reasonable assurance that all attached conditions will be complied with and the grant will be received.

When the grants relates to an expense item, it is recognised in the statement of profit and loss by way of reduction from the related cost, which the grants are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving financial support to the Company with no related costs is recognised in the statement of profit or loss of the period in which it becomes receivable under 'Other operating income'/'other income' based on the nature of grant.

Government grants relating to the purchase of property, plant and equipment are deducted from its gross value and are recognised in profit or loss on a systematic basis over the expected useful lives of the related assets by way of reduced depreciation.

(xv) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of items of qualifying assets, which are the assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset until such time as the assets are not ready for their intended use. All other borrowing costs are charged to the standalone statement of profit and loss in the period in which they are incurred.

(xvi) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and are reliable estimate can be made of the amount of the obligation. As the timing of outflow of resources is uncertain, being dependent upon the outcome of the future proceedings, these provisions are not discounted to their present value.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the standalone financial statements since this may result in the recognition of income that may never be realised.

(xvii) Earnings per share

Basic earnings per equity share is computed by dividing the profit or loss for the period attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period, for the effects of all dilutive potential equity shares, if any.

(xviii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition

The Company recognises the financial assets and financial liabilities when it becomes party to the contractual provision of the instruments. All financial assets and liabilities are recognised at fair value on initial recognition except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets and or issue of financial liabilities that are not recognized at fair value through profit or loss, are added to or reduced from the fair value of the financial assets or financial liabilities, as appropriate. Transaction cost directly attributable to the acquisition of financial assets and financial liabilities recognized at fair value through profit or loss are recognised immediately in the statement of profit and loss.

(ii) Subsequent measurement

For the purposes of subsequent measurement, financial instruments are classified as follows:

A. Non-derivative financial instruments

(a) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income for such instruments is recognised in profit or loss using the Effective interest rate (EIR) method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount.

The carrying amounts of financial assets that are subsequently measured at amortised cost are determined based on the effective interest method less any impairment losses.

(b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income for such instruments is recognised in profit or loss using the Effective interest rate (EIR) method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount.

Fair value movements are recognised in the other comprehensive income (OCI) until the financial asset is derecognised. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the profit or loss.

(c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

Dividend and interest income from such instruments is recognized in the statement of profit and loss, when the right to receive the payment is established.

Fair value changes on such assets are recognised in the statement of profit and loss.

(d) Investment in Subsidiary and Associates

Investment in Subsidiary and Associates is carried at cost less provision for impairment, if any. Investment is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investment exceeds its recoverable amount.

(e) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination or is held for trading or it is designated as at FVTPL which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximates fair value due to the short maturity of these instruments.

All changes in fair value in respect of liabilities measured at fair value through profit and loss are recognised in the statement of profit and loss.

B. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are charged to statement of profit and loss.

C. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received. Incremental costs directly attributable to the issuance of equity instruments and buy back of equity instruments are recognized as a deduction from equity, net of any tax effects.

(iii) Impairment of financial assets

Financial assets that are carried at amortised cost and fair value through other comprehensive income (FVOCI) are assessed for possible impairments basis expected credit losses taking into account the past history of recovery, risk of default of the counterparty, existing market conditions etc. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

Expected credit losses are measured through a loss allowance at an amount equal to:

- 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments).

For trade receivables or any contractual right to receive cash or another financial asset that result from transaction that are within the scope of Ind AS 115 and Ind AS 116, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

(iv) Derecognition

A financial asset (or, a part of a financial asset) is primarily derecognized when:

(i) The contractual right to receive cash flows from the financial assets expire, or

(ii) The Company transfers the financial assets or its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received/receivable is recognised in the profit or loss.

A financial liability (or, a part of financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

On de-recognition of a financial liability, the difference between the carrying amount of the financial liability de-recognised and the consideration paid/payable is recognised in profit or loss.

(v) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

(vi) Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

(xix) Statement of cash flows

The statement of cash flows is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities whereby profit for the period is adjusted for the effects of transaction of a non-cash nature, and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(xx) Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise balance at banks and cash on hand and short-term deposits with original maturity period of three months or less from the acquisition date, which are subject to an insignificant risk of changes in value.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2024

(xxi) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) require management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amount of income, expenses, assets and liabilities and disclosure of contingent liabilities.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and the effect of revision to accounting estimates is recognized prospectively from the period in which the estimate is revised.

The following are the areas of critical judgements, estimates and assumptions that the management has made in the process of preparation of standalone financial statements and that have the significant effect on the amounts recognised in the standalone financial statements:

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

Defined benefit plans and other post-employment benefits

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Provisions/contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy. The Company annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary.

Fair value measurements

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, underlying asset model, comparable companies multiple method and comparable transaction method which involve various judgements and assumptions.

Current tax and deferred tax

Significant judgement is required in determination of provision for current tax and deferred tax e.g. determination of taxability of certain incomes and deductibility of certain expenses etc. The carrying amount of income tax assets/liabilities is reviewed at each reporting date. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in financial statements.

Inventories

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market driven changes.

2.5. Current – non-current classification

All assets and liabilities have been classified as current and non-current on the basis of the following criteria:

Assets

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within 12 months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or use to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of trading;

c) it is due to be settled within 12 months after the reporting date; or

d) There is no unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

Operating cycle

Operating cycle is the time between the acquisition of assets for processing/servicing and their realization in cash or cash equivalents. The normal operating cycle is considered as twelve months.

3. Applicability of new and revised Ind AS

Ministry of Corporate Affairs ("MCA") notifies new accounting standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As at March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

All amounts are in ₹ Lakhs unless otherwise stated

Note 4: Property, plant and equipment

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of		
Freehold land	317.81	317.81
Buildings	38,282.63	25,685.36
Plant and equipment	1,23,808.12	1,00,780.76
Furniture and fixtures	160.45	110.13
Vehicles	1,007.38	653.13
Office equipement	451.84	269.68
Electrical installation	12,561.77	6,806.89
Railway sidings	163.60	192.83
Total Property, plant and equipment	**1,76,753.61**	**1,34,816.60**

The change in the carrying amount of property, plant and equipments during the year are as follows:-

Particulars	Free-hold land	Buildings	Plant and equipment	Furni-ture and fixtures	Vehicles	Office equip-ment	Electrical installa-tion	Railway sidings	Total
Gross carrying amount as at April 1, 2022	**317.81**	**27,659.68**	**1,47,943.43**	**596.33**	**1,382.83**	**959.47**	**3,239.73**	**647.42**	**1,82,746.73**
Additions	-	15,333.56	48,090.27	31.54	232.01	163.89	6,383.46	-	70,234.73
Disposals/deletions	-	-	(611.42)	(3.14)	(194.96)	(179.15)	(81.03)	-	(1,069.70)
Gross carrying amount as at March 31, 2023 (A)	**317.81**	**42,993.24**	**1,95,422.28**	**624.73**	**1,419.87**	**944.21**	**9,542.17**	**647.42**	**2,51,911.76**
Additions	-	15,656.68	34,962.24	74.98	691.15	344.64	7,677.37	-	59,407.06
Disposals/deletions	-	(15.78)	(822.27)	(29.24)	(367.21)	(5.98)	(41.71)	-	(1,282.19)
Gross carrying amount as at March 31, 2024 (B)	**317.81**	**58,634.14**	**2,29,562.25**	**670.47**	**1,743.81**	**1,282.87**	**17,177.83**	**647.42**	**3,10,036.63**
Accumulated depreciation as at April 1, 2022	**-**	**16,011.95**	**87,118.30**	**498.06**	**712.72**	**779.41**	**2,360.70**	**425.37**	**1,07,906.53**
Depreciation for the year	-	1,295.93	8,085.05	18.75	196.14	66.98	442.38	29.21	10,134.45
Disposals/deletions	-	-	(561.82)	(2.22)	(142.11)	(171.87)	(67.79)	-	(945.81)
Accumulated depreciation as at March 31, 2023 (C)	**-**	**17,307.88**	**94,641.52**	**514.59**	**766.74**	**674.53**	**2,735.29**	**454.59**	**1,17,095.16**
Depreciation for the year	-	3,059.41	11,900.25	23.55	254.36	164.21	1,917.70	29.23	17,348.71
Disposals/deletions	-	(15.78)	(787.64)	(28.12)	(284.67)	(7.71)	(36.93)	-	(1,160.85)
Accumulated depreciation as at March 31, 2024 (D)	**-**	**20,351.51**	**1,05,754.13**	**510.02**	**736.43**	**831.03**	**4,616.06**	**483.82**	**1,33,283.02**
Net carrying amount as at March 31, 2023 (A)-(C)	**317.81**	**25,685.36**	**1,00,780.76**	**110.13**	**653.13**	**269.68**	**6,806.89**	**192.83**	**1,34,816.60**
Net carrying amount as at March 31, 2024 (B)-(D)	**317.81**	**38,282.63**	**1,23,808.12**	**160.45**	**1,007.38**	**451.84**	**12,561.77**	**163.60**	**1,76,753.61**

(i) One building situated at Delhi having gross carrying amount of ₹83.13 lakhs (previous year ₹83.13 lakhs) is owned jointly with RSWM Ltd.

(ii) Refer note 47 for information on property, plant and equipment pledged as security by the Company

(iii) The borrowing cost capitalized in property plant and equipment during the year is NIL (previous year NIL)

(iv) The aggregate depreciation has been included under depreciation and amortisation expense in the statement of profit and loss.

(v) Refer note 38 for detail of contractual commitment towards purchase of property, plant and equipment.

(vi) The Company has not revalued any of its property, plant and equipment during the year.

(vii) The title deeds of all the immovable properties are held in the name of the Company.

Note 5: Capital work in progress

Particulars	As at March 31, 2024	As at March 31, 2023
Building, plant and equipment under erection/installation (including project and pre-operative expense) (also Refer note-44)	19,440.46	47,200.80

The borrowing cost capitalized in capital work-in-progress during the year is NIL (Previous year NIL)

a) Capital work-in-progress ageing schedule is as follows:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital work in progress as at March 31, 2024					
Projects in progress	15,413.92	3,660.41	339.77	26.36	19,440.46
Project temporarily suspended	-	-	-	-	-
Total capital work in progress	**15,413.92**	**3,660.41**	**339.77**	**26.36**	**19,440.46**
Capital work in progress as at March 31, 2023					
Projects in progress	46,034.54	1,098.58	58.36	9.32	47,200.80
Project temporarily suspended	-	-	-	-	-
Total capital work in progress	**46,034.54**	**1,098.58**	**58.36**	**9.32**	**47,200.80**

b) For capital-work-in progress, whose completion is overdue, the completion schedule is as follows:

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital work in progress as at March 31, 2024					
Projects in progress	-	-	-	-	-
Capital work in progress as at March 31, 2023					
Projects in progress	34,687.62	-	-	-	34,687.62

Note:

(a) There is no such project in capital-work-in progress whose completion is overdue compared to its original plan as on March 31, 2024 and March 31, 2023

(b) There is no such project in capital-work-in progress whose cost has exceeded compared to its original plan as on March 31, 2024 and March 31, 2023

Note 6: Right-of-use-asset

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of		
Land	602.02	621.21
Building	87.27	78.79
Total	**689.28**	**700.00**

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Land	Building	Total
Gross carrying amount as at April 1, 2022	**889.90**	**156.12**	**1,046.02**
Additions	-	87.17	87.17
Adjustments	-	-	-
Gross carrying amount as at March 31, 2023 (A)	**889.90**	**243.29**	**1,133.20**
Gross carrying amount as at April 1, 2023	**889.90**	**243.29**	**1,133.20**
Additions	-	56.33	56.33
Adjustments	-	-	-
Gross carrying amount as at March 31, 2024 (B)	**889.90**	**299.63**	**1,189.53**
Accumulated depreciation as at April 1, 2022	**253.18**	**126.14**	**379.33**
Depreciation for the year	15.51	38.36	53.87
Other adjustments for the year	-	-	-
Accumulated depreciation as at March 31, 2023 (C)	**268.69**	**164.50**	**433.22**
Accumulated depreciation as at April 1, 2023	**268.69**	**164.50**	**433.22**
Depreciation for the year	19.19	47.85	67.04
Other adjustments for the year	-	-	-
Accumulated depreciation as at March 31, 2024 (D)	**287.88**	**212.35**	**500.25**
Net carrying amount as at March 31, 2023 (A)-(C)	**621.21**	**78.79**	**700.00**
Net carrying amount as at March 31, 2024 (B)-(D)	**602.02**	**87.27**	**689.29**

(i) Refer Note 41 for other disclosures related to leases.

(ii) The aggregate depreciation has been included under depreciation and amortisation expense in the statement of profit and loss.

Note 7: Investment property

Carrying amount of investment property

Particulars	As at March 31, 2024	As at March 31, 2023
Building	690.69	724.80

Particulars	Amount
Building	
Gross carrying amount	
As at April 1, 2022	1,001.31
Additions	-
Disposals	-
As at March 31, 2023 (a)	**1,001.31**
Additions	-
Disposals	-
As at March 31, 2024 (b)	**1,001.31**

Particulars	Amount
Accumulated depreciation	
At April 1, 2022	240.66
Charge for the year	35.85
Disposals	-
As at March 31, 2023 (c)	**276.51**
Charge for the year	34.11
Disposals	-
As at March 31, 2024 (d)	**310.62**
Net carrying Amount	
As at March 31, 2023 (a-c)	**724.80**
As at March 31, 2024 (b-d)	**690.69**

(i) Amounts recognised in profit or loss for investment properties

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rental income	140.06	138.23
Direct operating expenses from property that generated rental income	7.11	4.73
Total income from investment properties before depreciation	**132.95**	**133.50**
Depreciation	34.11	35.85
Net income from investment properties	**98.84**	**97.64**

(ii) Fair value of investment properties

Particulars	As at March 31, 2024	As at March 31,2023
Fair value of investment properties	5,415.06	5,781.32

(iii) Fair value technique used and its heirarchy

The Company has obtained independent valuations of its investment property from independent registered valuer as defined under rule 2 of the Companies (Registered valuers and valuation) Rules, 2017. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. The main inputs considered by the valuer are government rates, property location, market research & trends, contracted rentals, terminal yields, discount rates and comparable values, as appropriate.

(iv) The aggregate depreciation has been included under depreciation and amortisation expense in the statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 8: Other intangible assets

Carrying amount of intangible assets

Particulars	As at March 31, 2024	As at March 31, 2023
Software	114.86	33.54
	114.86	**33.54**

Particulars	Amount
Computer software	
Gross carrying amount	
As at April 1, 2022	**478.13**
Additions	29.84
Disposals	(18.01)
As at March 31, 2023 (a)	**489.96**
Additions	98.59
Disposals	-
As at March 31, 2024 (b)	**588.55**
Amortisation	
As at April 1, 2022	468.15
Charge for the year	6.15
Disposals	(17.88)
As at March 31, 2023 (c)	**456.42**
Charge for the year	15.30
Disposals	1.96
As at March 31, 2024 (d)	**473.69**
Net carrying amount	
As at March 31, 2023 (a-c)	**33.54**
As at March 31, 2024 (b-d)	**114.86**

(a) The Company has not internally developed computer softwares.

(b) The amount of amortisation has been included under depreciation and amortisation expense in the statement of profit and loss.

(c) Computer softwares are amortized over a period of five years.

(d) The Company has not capitalized any borrowing cost during the current year (previous year Nil)

All amounts are in ₹ Lakhs unless otherwise stated

Note 9: Investments

No of Units	Particulars	Face Value	Non-current As at March 31, 2024	Non-current As at March 31, 2023	Current As at March 31, 2024	Current As at March 31, 2023
A.	**Investments carried at cost**					
	Investments in equity instruments					
(a)	***Equity instruments in Associate Companies (unquoted)***					
81232560	(Previous year 81232560) fully paid up equity shares of Bhilwara Energy Ltd.	10	30,711.50	30,711.50	-	-
1262048	(Previous year 1262048) fully paid up equity shares of Bhilwara Infotechnology Ltd (erstwhile Bhilwara Infotech Ltd.)	10	419.00	419.00	-	-
(b)	***Equity instruments in Subsidiary (unquoted)***					
80000000	(Previous year 10000000) fully paid up equity shares of TACC Ltd.	10	8,000.00	1,000.00	-	-
B.	**Investments carried at fair value through profit or loss**					
(a)	**Investments in equity instruments (quoted)**					
18	(Previous year 18) fully paid up equity shares of Ballarpur Ind. Ltd.	2	0.01	0.01	-	-
4967221	(Previous year -Nil) fully paid up equity shares of Graftech International Ltd.	0.01$	5,673.28	-	-	-
(b)	**Investments in mutual funds (quoted)**					
30206.095	(Previous year-89236.812) units of Invesco India overnight/liquid fund	1000	-	-	1,001.28	1,010.85
NIL	(Previous year- 1662530.918) units of Reliance Nippon overnight fund	1000	-	-	-	2,001.10
161625.295	(Previous year- NIL) units of Axis money market fund direct growth	1000	-	-	2,120.50	-
63958.061	(Previous year-NIL) units of UTI liquid fund	1000	-	-	2,531.44	-
63287.711	(Previous year-NIL) units of DSP liquidity fund	1000	-	-	2,184.29	-
NIL	(Previous year-41792.179) units of SBI Overnight/ liquid mutual fund	1000	-	-	-	1,525.10
20522.700	(Previous year-NIL) units of Kotak Liquid Fund	1000	-	-	1,001.31	
109613.376	(Previous year-NIL) units of MIRAE Asset Liquid Fund	1000	-	-	2,795.46	
38329.278	(Previous year-NIL) units of Baroda BNP Paribas Liquid Fund	1000	-	-	1,067.39	
2879517.837	(Previous year-NIL) units of Kotak Equity Arbitrage Fund	10	-	-	1,047.75	-
16599077.153	(Previous year-NIL) units of AXIS Bank arbitrage fund	10	-	-	3,067.44	-
13490452.151	(Previous year-NIL) units of Invesco India Arbitrage Fund	10	-	-	4,232.10	
3013912.925	(Previous year-NIL) units of UTI arbitrage fund	10	-	-	1,022.52	
3929369.982	(Previous year-NIL) units of ABSL arbitrage fund	10	-	-	1,022.85	
5869399.349	(Previous year-NIL) units of NIPPON arbitrage fund	10	-	-	1,534.03	
8305370.542	(Previous year-NIL) units of EDELWEISS arbitrage fund	10	-	-	1,570.91	-
13111748.111	(Previous year-7001470.40) units of SBI arbitrage opportunities fund	10	-	-	4,291.97	2,115.82
13616737.412	(Previous year-NIL) units of TATA arbitrage fund	10	-	-	1,869.52	
(c)	**Investments in fixed maturity plans scheme(quoted)**					
46034272.808	(Previous year- 46034272.808) units of SBI CPSE Bond Plus SDL SEP 2026 50:50 index fund- Direct Growth Plan	10	5,140.88	4,794.61	-	-
13724503.583	(Previous year- 13724503.583) units of Edelweiss Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund -Direct Growth Plan	10	1,629.44	1,519.34	-	-
9835831.784	(Previous year- 9835831.784) units of Kotak Nifty SDL APR 2027 Top 12 Equal Weight Index Fund- Direct Growth Plan	10	1,092.26	1,019.76	-	-
9939347.719	(Previous year- 9939347.719) units of Nippon India Nifty AAA CPSE Bond Plus SDL - APR 2027 Maturity 60:40 Index Fund- Direct Growth Plan	10	1,097.83	1,023.21	-	-
(d)	**Investments in Bond Funds (Quoted)**					
108109.497	(Previous year-108109.497) units of Kotak Corporation Bond Fund	1000	3,821.87	3,541.92	-	-
NIL	(Previous year-8497123.601) units of BHARAT Bond FOF - April 2023 - Direct Growth Plan	10	-	-	-	1,038.37
2618367.638	(Previous year-2618367.638) units of ABSL Corporate Bond Fund - Direct Growth Plan	10	2,703.34	2,503.30	-	-
5430713.319	(Previous year-5430713.319) units of HDFC Corporate Bond Fund - Direct Growth Plan	10	1,622.89	1,499.93	-	-
(e)	**Investments in Infrastructure Trust (Quoted)**					
4400000	(Previous year-4400000) units of Oriental Infratrust	100	5,337.20	6,028.00	-	-
C.	**Investments carried at amortized cost**					
	Investments in bonds (unquoted)					
NIL	(Previous year-250) units of 7.2871% HDB Financial Services Limited 2023	1000000	-	-	-	2,627.77
NIL	(Previous year-200) unis of 5.50% Kotak Mahindra Prime Limited 2023	1000000	-	-	-	2,050.47
	Total		**67,249.50**	**54,060.58**	**32,360.76**	**12,369.50**
	Aggregate carrying value of quoted investments		28,119.00	21,930.08	32,360.76	7,691.25
	Market value of quoted investments		28,119.00	21,930.08	32,360.76	7,691.25
	Aggregate carrying value of unquoted investments		39,130.50	32,130.51	-	4,678.25
	Aggregate amount for impairment in value of investments		-	-	-	-

Note (i): Investments having maturity period of less than 12 months from balance sheet date have been reclassified as current investments, if any.

Note (ii): Refer Note 46B for classification of financial assets.

Note (iii): Refer Note 46C for information about credit risk and market risk in respect of investments.

All amounts are in ₹ Lakhs unless otherwise stated

Note 10: Trade receivables

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
a) Trade receivables considered good-secured	-	-
Less: allowance for expected credit loss		
b) Trade receivables considered good-unsecured	50,855.65	48,913.99
Less: allowance for expected credit loss	(150.29)	-
c) Trade receivables which have significant increase in credit risk; and	239.04	-
Less: allowance for expected credit loss	(119.52)	-
d) Trade receivables credit impaired	89.64	89.02
Less: allowance for credit impairment	(89.64)	(89.02)
	-	-
Total	**50,824.88**	**48,913.99**

There is no amount due from Directors or other Officers of the Company or any of them either severally or jointly with any other person or firms or private Company respectively in which any Director is a partner or a Director or a member.

Trade receivables ageing schedule for the year ended as on March 31, 2024 and March 31, 2023:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024							
(i) Undisputed trade receivables – considered good	31,831.04	17,668.57	1,356.05	-	-	-	50,855.65
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	239.04	-	-	239.04
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	9.50	80.14	89.64
(iv) Disputed trade receivables – considered good		-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
As at March 31, 2023							
(i) Undisputed trade receivables – considered good	32528.00	14347.04	2036.85	2.09	0.00	0.00	48913.99
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	8.89	2.15	77.99	89.02
(iv) Disputed trade receivables – considered good		-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired		-	-	-	-	-	-

Refer Note 46B for classification of financial assets

Refer Note 46C for credit risk and expected credit loss related to trade receivables

Refer Note 47 for information of trade receivables pledged as security by the Company.

Note 11: Loans

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial asset at amortised cost				
Loans to employees				
a) Loans considered good-secured	-	-	-	-
b) Loans considered good-unsecured	88.08	77.31	65.91	60.46
c) Loans which have significant increase in credit risk; and	-	-	-	-
d) Loans credit impaired	-	-	-	-
Total	**88.08**	**77.31**	**65.91**	**60.46**

Refer Note 46B for classification of financial assets

Refer Note 46C for information about credit risk and market risk in respect of financial assets.

Note (i) : The above figures includes loan to Chief Financial officer and Company Secretary (KMP) amounting to ₹26.50 lakhs (previous year ₹20.52 lakhs) which is repayable in accordance with the Company's policy applicable to all the employees. Such loan outstanding as at the end of the year amounts to 17.21% (previous year 68.4%) of total loans to employees outstanding as on that date. Such loans are neither repayable on demand nor without specifying any terms or period of repayment.

Note (ii) : There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and related parties (as defined under Companies Act, 2013), either severally or jointly with any other person except as mentioned in note (i) above.

Note 12: Other financial assets

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial assets at amortised cost				
Security deposits	4,607.16	3,524.91	-	-
Interest accrued but not due on fixed deposits	-	-	1,314.35	2,059.05
Bank deposits having maturity period of more than 12 months from reporting date (Refer note 16)	20.00	20.00	-	-
Interest subvention recoverable (on working capital loans)	-	-	286.95	2.93
Other recoverables				
-Related parties	-	-	128.52	-
-Others	-	-	2896.22	-
Financial assets at fair value through profit or loss				
*Derivative financial instruments	-	-	126.35	274.05
Total	**4,627.16**	**3,544.91**	**4,752.39**	**2,336.03**

* The Company enters into derivative financial instruments (usually foreign exchange forward contracts) to manage its exposure to foreign exchange rate risk. For details of derivative financial instruments, Refer note 46C.

Refer Note 46B for classification of financial assets

Refer Note 46C for information about credit risk and market risk in respect of other financial assets.

Note 13: Other assets

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good unless stated otherwise			-	-
Capital advances	932.09	2,767.08	-	-
Other advances (other than advances to related parties)	-	-	698.10	343.47
Advances to related parties	-	-	-	0.11
Prepaid expenses	191.94	269.65	1,402.26	1,626.79
Balances with Government authorities	-	-	5,197.61	2,934.91
GST refund receivable	-	-	483.50	1,518.08
Payments under protest (excluding direct taxes other than TDS) #	401.28	5,564.96	-	-
Export benefits receivable	-	-	126.74	579.93
Other employee advances			58.74	75.73
Gratuity fund receivable (Refer note 40)	-	-	669.72	570.47
Others			5,609.36	871.32
Total	**1,525.31**	**8,601.69**	**14,246.03**	**8,520.81**

There are no advances to the Directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies in which any Director is a partner or a Director or a member.

Detail of payments under protest(excluding direct taxes other than TDS) is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Entry tax	114.29	114.29
Central sales tax	144.63	126.95
Excise duty/service tax	79.89	79.62
MPST/MPCT	0.46	0.46
Tax deducted at source	62.01	62.01
Power legal cases	-	5,181.63
Total	**401.28**	**5,564.96**

Note: Based on legal advice, discussions with the solicitors, etc., the management believes that there are fair chances of decisions in Company's favour in respect of all the items listed above.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 14: Inventories (Valued at lower of cost or net realizable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	28,006.17	47,555.45
[Includes material in transit ₹11664.56 lakhs ; previous year: ₹9252.62 lakhs]		
Finished goods	50,558.61	55,986.80
Work-in-progress	35,182.52	35,593.37
Stores and spares	5,667.93	4,875.88
[Includes stores in transit ₹679.37 lakhs ; previous year: ₹570.41 lakhs]		
Total	**1,19,415.23**	**1,44,011.50**

(a) The cost of inventories recognised as an expense during the year was ₹1,28,911.33 lakhs (March 31, 2023 ₹1,24,457.77 lakhs)

(b) The cost of inventories recognised as an expense includes ₹790.91 lakhs (March 31, 2023 ₹592 lakhs) in respect of write down of inventories on account of slow moving items.

(c) Refer note 47 for information of inventory pledged as security by the Company.

(d) The method of valuation of inventories has been stated at Note 2.3(ii)

Note 15: Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at amortised cost		
Balances with banks		
In current accounts	436.39	1,381.28
In cash credit accounts	1,017.10	1,054.68
Cheques, drafts in hand	-	1.50
Cash on hand	12.54	7.90
Term/fixed deposits with banks/financial institutions having original maturity period of less than three months	9,549.40	-
Total cash and cash equivalent	**11,015.43**	**2,445.36**

Refer Note 46B for classification of financial assets

Refer Note 46C for information about credit risk and market risk in respect of cash and cash equivalents

Note 16: Other bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at amortised cost		
I. Earmarked deposits with banks		
a) Held as margin money against letter of credit for raw material and capital goods and against bank guarantees	1,554.02	3,193.21
b) Held for unpaid/unclaimed dividend	608.16	554.69
c) Held for unspent Corporate Social Responsibility expenditure on account of ongoing projets	25.18	926.16
II. Term/fixed deposits with banks/financial institutions having original maturity period of more than three months	25,151.01	61,050.93
Less: Bank deposits having maturity period after 12 months from the reporting date (Refer note 12)	20.00	20.00
Total	**27,318.37**	**65,704.99**

Refer Note 46B for classification of financial assets

Refer Note 46C for information about credit risk and market risk in respect of other bank balances.

Note 17: Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
5,50,00,000 (previous year 5,50,00,000) equity shares of ₹10/- each	5,500.00	5,500.00
15,00,000 (previous year 15,00,000) preference shares of ₹100/- each	1,500.00	1,500.00
	7,000.00	**7,000.00**
Issued, subscribed and fully paid-up		
3,85,95,506 (previous year 3,85,95,506) equity shares of ₹10/- each	3,859.55	3,859.55
1,150 (previous year 1,150) forfeited equity shares	0.04	0.04
Total	**3,859.59**	**3,859.59**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particulars	2023-24		2022-23	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the beginning of the year	3,85,95,506	3,859.55	3,85,95,506	3,859.55
Change during the year	-	-	-	-
Outstanding at the end of the year	**3,85,95,506**	**3,859.55**	**3,85,95,506**	**3,859.55**

b) Terms/rights attached to equity shares

Company has only one class of equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. The dividend(if any) proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Detail of shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Norbury Investments Limited	53,62,991	13.90	53,62,991	13.90
Microlight Investments Limited	46,65,579	12.09	46,65,579	12.09
Bharat Investments Growth Limited	27,34,913	7.09	27,34,913	7.09

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

d) Aggregate number of equity shares issued for consideration other than cash, allotted by way of bonus shares and shares bought back during the period of five years immediately preceding the reporting date.

Particulars	Aggregate no. of shares				
	2023-24	2022-23	2021-22	2020-21	2019-20
a) Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
b) Equity shares allotted as fully paid up by way of bonus shares	-	-	-	-	-
c) Equity shares bought back by the Company.	-	-	-	-	-

e) Details of shares held by holding Company or its ultimate holding Company or their Subsidiaries or Associates

There is no holding Company /ultimate holding Company of the Company.

f) Details of shareholdings by the promoters and promoter's Group of the Company

Sl. No.	Name	As at March 31, 2024		As at March 31, 2023		% change in the year
		No of shares	% of Total shares	No of shares	% of Total shares	
1	Ravi Jhunjhunwala	719	0.00%	719	0.00%	0.00%
2	Riju Jhunjhunwala	1,356	0.00%	1,356	0.00%	0.00%
3	Rita Jhunjhunwala	1,876	0.00%	1,876	0.00%	0.00%
4	Rishabh Jhunjhunwala	1,807	0.00%	1,807	0.00%	0.00%
5	RLJ Family Trusteeship Pvt Ltd	500	0.00%	500	0.00%	0.00%
6	Bharat Investments Growth Ltd	27,34,913	7.09%	27,34,913	7.09%	0.00%
7	Purvi Vanijya Niyojan Ltd	18,68,583	4.84%	18,68,583	4.84%	0.00%
8	LNJ Financial Services Ltd	16,48,323	4.27%	16,48,323	4.27%	0.00%
9	Raghav Commercial Ltd	14,48,163	3.75%	14,48,163	3.75%	0.00%
10	Jet (India) Pvt Ltd	10,05,599	2.61%	10,05,599	2.61%	0.00%
11	Giltedged Industrial Securities Ltd	8,87,689	2.30%	8,87,689	2.30%	0.00%
12	Shashi Commercial Company Ltd	6,75,536	1.75%	6,75,536	1.75%	0.00%
13	M.L. Finlease Pvt Ltd	3,46,461	0.90%	3,46,461	0.90%	0.00%
14	RSWM Ltd	3,18,391	0.82%	3,18,391	0.82%	0.00%
15	India Texfab Marketing Ltd	2,06,718	0.54%	2,06,718	0.54%	0.00%
16	Investors India Ltd	36,254	0.09%	36,254	0.09%	0.00%
17	Dreamon Commercial Pvt ltd *	3,16,516	0.82%	3,16,516	0.82%	0.00%
18	Norbury Investments Ltd	53,62,991	13.90%	53,62,991	13.90%	0.00%
19	Microlight Investments Ltd	46,65,579	12.09%	46,65,579	12.09%	0.00%
	Total	**2,15,27,974**	**55.78%**	**2,15,27,974**	**55.78%**	**0.00%**

Sl. No.	Name	As at March 31, 2023		As at March 31, 2022		% change in the year
		No of shares	% of Total shares	No of shares	% of Total shares	
1	Ravi Jhunjhunwala	719	0.00%	719	0.00%	0.00%
2	Riju Jhunjhunwala	1,356	0.00%	1,356	0.00%	0.00%
3	Rita Jhunjhunwala	1,876	0.00%	1,876	0.00%	0.00%
4	Rishabh Jhunjhunwala	1,807	0.00%	1,807	0.00%	0.00%
5	RLJ Family Trusteeship Pvt Ltd	500	0.00%	0	0.00%	0.00%
6	Bharat Investments Growth Ltd	27,34,913	7.09%	27,34,913	7.09%	0.00%
7	Purvi Vanijya Niyojan Ltd	18,68,583	4.84%	18,68,583	4.84%	0.00%
8	LNJ Financial Services Ltd	16,48,323	4.27%	16,48,323	4.27%	0.00%
9	Raghav Commercial Ltd	14,48,163	3.75%	14,48,163	3.75%	0.00%
10	Jet (India) Pvt Ltd	10,05,599	2.61%	10,05,599	2.61%	0.00%
11	Giltedged Industrial Securities Ltd	8,87,689	2.30%	8,87,689	2.30%	0.00%
12	Shashi Commercial Company Ltd	6,75,536	1.75%	6,75,536	1.75%	0.00%
13	M.L. Finlease Pvt Ltd	3,46,461	0.90%	3,46,461	0.90%	0.00%
14	RSWM Ltd	3,18,391	0.82%	3,18,391	0.82%	0.00%
15	India Texfab Marketing Ltd	2,06,718	0.54%	2,06,718	0.54%	0.00%
16	Nivedan Vanijya Niyojan Ltd *	0	0.00%	66,684	0.17%	-0.17%
17	Investors India Ltd	36,254	0.09%	36,254	0.09%	0.00%
18	Dreamon Commercial Pvt ltd *	3,16,516	0.82%	0	0.00%	0.82%
19	Norbury Investments Ltd	53,62,991	13.90%	53,62,991	13.90%	0.00%
20	Microlight Investments Ltd	46,65,579	12.09%	46,65,579	12.09%	0.00%
	Total	**2,15,27,974**	**55.78%**	**2,12,77,642**	**55.13%**	**0.65%**

* Nivedan Vanijya Niyojan Ltd. have been amalgamated with Dreamon Commercial Private Ltd. Pursuant to scheme of amalgamation duly approved by NCLT, Kolkata w.e.f. January 12, 2023

Note: The disclosure of shareholding of Promoter and Promoter Group is based on shareholding pattern filed with Stock Exchanges under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Note 18: Other equity

	Particulars	As at March 31, 2024	As at March 31, 2023
A.	**Capital reserve**		
	Balance as at the beginning of the year	3,138.24	3,138.24
	Movement during the year	-	-
	Balance as at the end of the year	**3,138.24**	**3,138.24**
B.	**Capital redemption reserve**		
	Balance as at the beginning of the year	2,029.93	2,029.93
	Movement during the year	-	-
	Balance as at the end of the year	**2,029.93**	**2,029.93**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	As at March 31, 2024	As at March 31, 2023
C.	**Retained earnings**		
	Balance as at the beginning of the year	3,98,694.47	3,68,643.50
	Amount transferred from statement of profit and loss		
	- Profit for the year	23,154.31	45,551.03
	- Other comprehensive income for the year (remeasurement of defined employee benefit plan) (net of tax expense)	34.85	(61.86)
	Dividend distributed on equity shares during the year	(16,403.09)	(15,438.19)
	Balance as at the end of the year	**4,05,480.53**	**3,98,694.47**
	Total	**4,10,648.70**	**4,03,862.65**

Nature and purpose of reserves

1) Capital reserve:

The Capital reserve has been created on account of warrant money forfeited and profit made on hived off of steel business.

2) Capital redemption reserve:

The capital redemption reserve has been created at the time of redemption of preference shares and buy back of own shares. The reserve can be utilised for issuing bonus shares.

3) Retained earnings

Retained earnings refer to net earnings not paid out as dividend but retained to be reinvested in the core business. The amount is available for distribution of dividend to the equity shareholders.

Note 19: Borrowings

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand from banks				
Working capital loans from banks				
-Secured	-	-	58,937.81	69,090.77
-Unsecured	-	-	3,000.00	4,999.96
Total	-	-	**61,937.81**	**74,090.73**

(i) Terms of repayment of loans

Particulars	Maturity date	Terms of repayment	Interest rate	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand	**Payable on demand**	**Payable on demand**	**At negotiated rates**		
Secured					
Working capital loans from banks				58,937.81	69,090.77
Unsecured					
Working capital loans from banks				3,000.00	4,999.96
Total				**61,937.81**	74,090.73

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

(ii) Nature of security against loans

a) Working capital borrowings from banks are secured by first charge against hypothecation of all stocks present and future, stores, spare parts, packing materials, raw materials, finished goods, goods in transit / process, book debts, outstanding monies receivable, claims, bills etc.

b) Pari-passu second charge over entire fixed assets (including land & building and plant & machineries) of the Company in respect of Graphite & Thermal Power Unit at Mandideep and Hydel Power unit at Tawa Nagar, Hoshangabad.

(iii) Refer Note 46B for classification of financial liabilities

(iv) Refer Note 47 for carrying amount of assets pledged as security for borrowings.

(v) Refer note 46C for information about liquidity risk and market risk in respect of borrowings.

Note 20: Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	846.72	2,565.16
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	41,681.71	38,629.71
Total	**42,528.43**	**41,194.87**

(i) Trade payables ageing schedule for the year ended as on March 31, 2024 and March 31, 2023:

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024						
(i) Micro enterprises and small enterprises	846.72	-	-	-	-	846.72
(ii) Others	39,329.30	319.45	2.04	1,874.33	156.59	41,681.71
(iii) Disputed dues – micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-
As at March 31, 2023						
(i) Micro enterprises and small enterprises	2,565.16	-	-	-	-	2,565.16
(ii) Others	30,014.34	1,385.74	2.15	1,888.12	157.73	33,448.08
(iii) Disputed dues – micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues - others	1,516.03		-	-	3,665.61	5,181.63

(ii) Refer Note 46B for classification of financial liabilities

(iii) Refer note 46C for information about liquidity risk and market risk in respect of trade payables.

(iv) The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified, on the basis of information and records available. The required information is as under :-

Particulars	As at March 31, 2024	As at March 31, 2023
a) The amount remaining unpaid to any supplier at the end of each accounting year.		
a) Principal		
-Related to trade payables	846.72	2,565.16
-Related to creditors for capital purchases	518.86	1,797.85
b) Interest	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note 21A: Lease liabilities

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Lease liabilities - land (Refer note - 41)	81.89	84.16	2.27	2.07
Lease liabilities - building (Refer note - 41)	45.45	53.90	48.80	26.12
Total	**127.34**	**138.06**	**51.07**	**28.19**

Refer Note 46B for classification of financial liabilities

Refer note 46C for information about liquidity risk and market risk in respect of lease liabilities.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 21B: Other financial liabilities

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	-	-	27.71	35.42
Security deposits	-	-	182.83	146.73
Unpaid/unclaimed dividend #	-	-	608.16	554.69
Creditors for capital purchases	-	-	-	-
Payable to micro enterprises and small enterprises	-	-	518.86	1,797.85
Payable to other than micro enterprises and small enterprises	-	-	3,915.12	4,946.62
Other payables	-	-		
Employees related	-	-	2,075.83	2,851.84
Others	-	-	1,748.31	2,039.27
Total	-	-	**9,076.82**	**12,372.42**

Unpaid dividend does not include any amount which is required to be transferred to the Investor's Education and Protection Fund.

Refer Note 46B for classification of financial liabilities

Refer note 46C for information about market risk and liquidity risk in respect of other financial liabilities.

Note 22: Provisions

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits				
Compensated absences (Refer note 40)	489.03	305.82	95.42	71.56
Other provisions				
Provision against pending litigations	-	-	325.83	435.47
Total	489.03	**305.82**	421.25	**507.03**

Movement of provision against pending litigations

Nature of provisions	Non-current		Current	
	2023-24	2022-23	2023-24	2022-23
Carrying amount at the beginning of the year	-	-	435.47	439.05
Amount provided made during the year	-	-	-	-
Amount reversed during the year	-	-	109.64	3.58
Carrying amount at the end of the year	-	-	325.83	435.47

Note: Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

The provisions for indirect taxes and legal matters comprises of separate cases that arise in the ordinary course of business. These provisions have not been discounted as it is not practicable to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

No reimbursements are expected in respect of the above provisions

Note 23: Deferred tax liabilities (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities (A)		
Difference between carrying value of property, plant and equipment as per books of account and income tax	9,621.18	8,481.60
Fair valuation of investments	111.15	282.38
Deferred tax assets (B)		
Expenses deductible on payment basis under income tax/ provision for employee benefits	60.54	61.91
Allowance for expected credit loss	68.06	22.41
Net deferred tax liability (A)-(B)	**9,603.73**	**8,679.66**

The following is the movement of the deferred tax liabilities and assets

Movement in deferred tax liabilities and assets for the year ended March 31, 2024

Particulars	As at April 1, 2023	Recognized in the profit or loss	Recognized in other comprehensive income	As at March 31, 2024
Deferred tax liabilities (A)				
Difference between carrying value of property plant and equipment as per books of account and tax base	8,481.60	1,139.58	-	9,621.18
Fair valuation of investments	282.38	(171.23)	-	111.15
Deferred tax assets (B)				
Expenses deductible on payment basis under income tax/ provision for employee benefits	61.91	10.35	(11.72)	60.54
Allowance for expected credit loss	22.41	45.65	-	68.06
Net deferred tax liabilities/(assets) (A)-(B)	**8,679.66**	**912.35**	**11.72**	**9,603.73**

Movement in deferred tax liabilities and assets for the year ended March 31, 2023

Particulars	As at April 1, 2022	Recognized in the profit or loss	Recognized in other comprehensive income	As at March 31, 2023
Deferred tax liabilities (A)				
Difference between carrying value of property plant and equipment as per books of account and tax base	8,150.00	331.60	-	8,481.60
Fair valuation of investments	1,656.64	(1,374.26)	-	282.38
Deferred tax assets (B)				
Expenses deductible on payment basis under income tax/ provision for employee benefits	71.87	(30.77)	20.80	61.91
Allowance for expected credit loss	105.60	(83.19)	-	22.41
Net deferred tax liabilities/(assets) (A)-(B)	**9,629.17**	**(928.71)**	**(20.80)**	**8,679.66**

There are no unrecognised deferred tax liabilities/assets as at March 31, 2024 and March 31, 2023 . Deferred tax assets and liabilities have been set off as they are governed by the same taxation laws.

Note 24: Other liabilities

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Deposits from employees against various schemes	418.42	369.60	138.79	122.52
Advance from customers	-	-	657.12	147.20
Statutory dues payable	-	-	214.07	284.47
Payable against unspent Corporate Social Responsibility expenditure (Refer note below)	-	-	80.34	1,029.63
Others payables	-	-	260.96	379.98
Total	**418.42**	**369.60**	**1,351.28**	**1,963.80**

Note: It represents Corporate Social Responsibility (CSR) expense related to ongoing projects. The same has been transferred to a special account within 30 days from end of the respective financial year as per the provisions of the Companies act.

Refer note 43 for more information about Corporate Social Responsibility expense.

Note 25: Current tax assets/(liabilities)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax assets (net of provision for taxation)	10,507.56	14,692.15
Income tax liabilities (net of advance tax)	(1,172.04)	(1,442.60)
Total	**9,335.52**	**13,249.56**

The current tax assets and current tax liabilities have been set off, to the extent, the Company :

(a) has a legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

Note 26: Revenue from operations

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
Sale of products				
Graphite electrodes (including by-products)	2,34,761.36		2,39,553.20	
Power	3,220.62	2,37,981.98	3,978.38	2,43,531.58
Other operating income				
REC sales	162.76		731.47	
Export incentives	1,345.62		2,460.68	
		1,508.38		3,192.15
		2,39,490.36		**2,46,723.73**

Refer note 48 for disclosures as per Ind AS 115 "revenue from contracts with customers"

All amounts are in ₹ Lakhs unless otherwise stated

Note 27: Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income from financial assets measured at amortized cost	4,017.29	4,713.06
Interest income from financial assets measured at fair value through profit or loss	302.64	367.51
Rental Income	144.89	143.15
Net gain on sale of investments measured at fair value through profit or loss	619.35	841.74
Net gain on fair valuation of investments measured at fair value through profit or loss	194.63	1,191.78
Net gain on sale of property plant and equipment	128.60	-
Dividend income from investments measured at fair value through profit or loss	236.49	197.63
Gain on foreign currency fluctuation (net)	161.50	694.24
Liabilities / provisions written back (including allowances for expected credit losses, if any) #	5,499.65	528.84
Miscellaneous	2,861.94	2,236.06
Total	**14,166.98**	**10,914.01**

Based on favourable order received from the Electricity Consumer Grievance Redressal Forum (ECGRF), Bhopal, Madhya Pradesh, the liability amounting to ₹5181.63 lakhs towards disputed TMM and wheeling charges levied by Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited , provided during the earlier years has been written back and has been recognized under the head 'Liabilities / provisions written back' during year ended March 31, 2024.

Note 28: Cost of materials consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw material consumed		
Opening stock	38,302.83	27,518.43
Add : purchases	87,338.45	1,42,047.99
	1,25,641.28	**1,69,566.43**
Less: closing stock	16,341.60	38,302.83
Cost of raw material consumed	**1,09,299.68**	**1,31,263.60**

Note 29: Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(1) Inventories at the beginning of the period		
Finished goods	55,986.80	24,134.77
Work-in-progress	35,593.37	27,696.24
Total	**91,580.17**	**51,831.01**
(2) Inventories at the end of the period		
Finished goods	50,558.61	55,986.80
Work-in-progress	35,182.52	35,593.37
Total	**85,741.13**	**91,580.17**
Net (increase)/decrease	**5,839.04**	**(39,749.16)**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 30: Employee benefit expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages (Refer note 40)	8,519.88	8,340.43
Contribution to provident and other funds (Refer note 40)	606.30	528.85
Staff welfare expenses	353.69	313.23
Total	**9,479.87**	**9,182.51**

Note 31: Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Interest on working capital borrowings	3,428.49	2,539.01
(ii) Foreign Exchange Fluctuation on Foreign Currency Loans to the extent regarded as an adjustment to interest costs	-	14.44
(iii) Others		
-Interest on lease liabilities	16.84	11.82
-Interest on direct taxes i.e. income tax/TDS	127.12	23.53
-Others	1.41	12.04
Total	**3,573.86**	**2,600.84**

Note 32: Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(1) Depreciation of property, plant and equipment (Refer note 4)	17,348.69	10,134.45
(2) Depreciation of right of use assets (Refer note 6)	67.04	53.87
(3) Depreciation on investment property (Refer note 7)	34.11	35.85
(4) Amortisation of intangible assets (Refer note 8)	15.30	6.15
Total	**17,465.14**	**10,230.33**

Note 33: Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spare parts (including refractory blocks)	15,362.15	17,818.86
Job/process charges	612.88	575.94
Power and fuel	31,008.46	31,590.28
Repairs and maintenance		
Plant and machinery	3,130.90	3,015.46
Building	280.61	415.53
Others	1,023.33	850.51
Insurance	1,547.96	1,363.88
Rent (Refer Note 41)	36.88	36.88
Rates and taxes	153.92	116.11
Directors' sitting fees and incidental expenses	93.84	70.28
Freight & forwarding	13,850.06	18,962.01
Packing expenses (including packing material consumption)	1,863.70	1,668.82
Commission	1,501.38	1,880.45
Claims and rebates	162.69	468.05
Donations	5.50	13.75
Contribution made to political parties #	1,440.00	-
Power generation charges	400.50	467.78
Travelling expenses	446.20	443.94
Postage and communication	63.56	66.90
Payment to auditors (Refer details below ##)	36.01	41.72
Contribution towards Corporate Social Responsibility (Refer note 43)	695.20	282.53
Legal and professional expenses	689.66	784.69
Vehicle running and maintenance	70.10	75.75
Allowances for expected credit losses/ credit impairment	270.42	-
Bad debts	-	155.94
Duties and taxes	80.80	41.47
Net loss on sale/discard of property, plant and equipments	-	34.31
Miscellaneous *	1,649.02	2,820.28
Total	**76,475.73**	**84,062.12**

Includes contributions through electoral trusts ₹940.00 lakhs and directly to the political parties ₹500.00 lakhs (31 March, 2023: Nil and Nil respectively).

Payments to auditors (excluding GST)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditor		
Statutory audit	30.00	30.00
Other services		
Tax audit	2.00	2.00
Certification fees	0.59	5.27
Reimbursement of out of pocket expense	3.42	4.45
Total	**36.01**	**41.72**

* Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 34: Tax expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A) Tax expense recognised in the statement of profit and loss		
1) Current tax	7,564.12	15,541.51
2) Current tax adjustment related to earlier years	(106.76)	(116.33)
3) Deferred tax	912.35	(928.71)
	8,369.71	**14,496.46**
B) Tax expense recognised in other comprehensive income		
1) Current tax	-	-
2) Deferred tax	11.72	(20.80)
	11.72	**(20.80)**
C) Tax expense/(income) relating to items that are charged or credited directly to equity		
1) Current tax	-	-
2) Deferred tax	-	-
	-	-

Reconciliation of tax expense applicable to profit before tax as per the latest statutory enacted tax rate in India to tax expense reported is as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before tax	31,524.02	60,047.50
At India's statutory income tax rate of 25.168%	25.168	25.168
Tax as per accounting profit (A)	**7,933.96**	**15,112.76**
Add/(less) :		
Effect of expenses that are not deductible in determining taxable profits	583.59	77.54
Effect of expenses that are deductible in determining taxable profits	(26.21)	(23.19)
Tax rate differential and other adjustments on gain on sale /fair valuation of investments	(175.95)	(544.59)
Others	(52.44)	(9.74)
Current tax adjustment related to earlier years	106.76	(116.33)
Total (B)	**435.75**	**(616.30)**
Income tax expense recognized for the year (A+B)	**8,369.71**	**14,496.46**

Disclosure in relation to undisclosed Income

During the year, the Company has not surrendered or undisclosed any income in the tax assessments under the Income Tax Act, 1961. There are no transactions which are not recorded in the books of account.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 35: Other comprehensive income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Items that will not be reclassified to profit or loss		
- Remeasurement of defined employee benefit plans	46.57	(82.66)
Total	**46.57**	**(82.66)**
(ii) Tax expense relating to items that will not be reclassified to profit or loss		
-Remeasurement of defined employee benefit plans	11.72	(20.80)
Total	**11.72**	**(20.80)**

Note 36: Earnings per share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit attributable to equity shareholders of the Company	23,154.31	45,551.03
Weighted average number of equity shares for basic/diluted earning per share	3,85,95,506	3,85,95,506
Basic / diluted earning per share(₹)	59.99	118.02

* There are no potential equity shares

Note 37: Segment information

The Company's Chief Operational Decision Makers consisting of Chief Executive Officer and Chief Finance Officer examines the Company's performance both from product and geographic perspective and has identified two segments, i.e., Graphite electrodes (including other carbon products) and power. The business segments are monitored separately for the purpose of making decisions about resource allocation and performance assessment.

The reportable segments are:

- Graphite Electrodes (including other carbon products)- The segment comprises of manufacturing of graphite electrodes
- Power Generation - The segment comprises of generation of power for captive consumption and sale.

Segment measurement

The measurement principles for segment reporting are based on Ind AS 108. Segment's performance is evaluated based on segment revenue and profit/loss from operating activities. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.

Inter segment transactions are carried out at arm's length price.

All amounts are in ₹ Lakhs unless otherwise stated

1) Segment revenue and results

Particulars	Graphite (including other carbon products)		Power		Unallocable items/others		Total	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Segment revenue								
Turnover	2,36,106.98	2,42,013.88	3,383.38	4,709.85	-	-	2,39,490.36	2,46,723.73
Less: Inter Segment turnover	-	-	-	-	-	-	-	-
External turnover	**2,36,106.98**	**2,42,013.88**	**3,383.38**	**4,709.85**	-	-	**2,39,490.36**	**2,46,723.73**
Segment result before interest & taxes	**33,089.71**	**55,176.36**	**49.12**	**1,391.73**	**(3,174.86)**	**(1,033.84)**	**29,963.97**	**55,534.24**
Add:Interest income							4,319.93	5,080.58
Add: net gain on sale/fair valuation of investments measured at fair value through profit or loss							813.98	2,033.53
Less: finance cost							3,573.86	2,600.84
Profit before tax							31,524.02	60,047.51
Less: income tax (including deferred tax)							8,369.71	14,496.48
Net profit for the period							23,154.31	45,551.03
Depreciation and amortisation expense	16,394.67	9,046.60	980.44	1,108.09	90.03	75.64	17,465.14	10,230.33
Non cash expenses other than depreciation and amortization	270.42	23.07	-	11.24	(0.00)	0.00	270.42	34.31

2) Segment assets, liabilities and other details

Particulars	Graphite (including other carbon products)		Power		Unallocable items/others		Company total	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Segment assets	3,81,845.63	3,90,035.09	6,963.34	8,309.66	1,52,876.41	1,50,470.26	5,41,685.38	5,48,815.02
Segment liabilities	1,14,896.79	1,28,428.56	292.45	286.94	11,987.84	12,377.27	1,27,177.08	1,41,092.77
Capital expenditure incurred during the year	31,490.17	47,489.26	163.18	282.00	91.97	86.54	31,745.32	47,857.80

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

3) Details of unallocated items/ others

I. Unallocated assets

Assets	As at March 31, 2024	As at March 31, 2023
Property, plant & equipments and investment property	990.15	960.74
Investments	99,610.26	66,430.07
Inventories	14.68	14.68
Cash and cash equivalents	256.54	341.30
Bank balances other than cash & cash equivalents	36,862.59	65,650.33
Financial assets-loans	57.87	65.55
Other financial assets	1,314.26	2,059.06
Other assets	3,262.49	256.37
Income tax asset	10,507.56	14,692.15
Total	**1,52,876.41**	**1,50,470.25**

II. Unallocated liabilities

Liabilities	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities	9,603.73	8,679.66
Current tax liabilities	1,172.04	1,442.60
Other financial liabilities	832.58	1,862.42
Other liabilities	225.37	254.88
Provisions	154.12	137.72
Total	**11,987.84**	**12,377.27**

4) Geographical information:

The Company operates in two principal geographical areas-India and outside India.

Particulars	Within India (including sale to SEZ units) #		Outside India		Total	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Segment revenue	78,191.05	78,299.78	1,61,299.31	1,68,423.95	2,39,490.36	2,46,723.73

Export incentives have been included in segment revenue within India

5) The Company is domiciled in India. The Company's revenue from operations from external customers by location of the customers is as follows:

Revenue from external customers	For the year ended March 31, 2024	For the year ended March 31, 2023
India (including sale to SEZ units) #	78,191.05	78,299.78
United Arab Emirates	4,291.52	6,169.44
Japan	625.84	1,000.80
Egypt	14,982.72	18,141.15
Korea (South)	8,901.32	9,872.47
South Africa	3,613.16	3,762.64

Revenue from external customers	For the year ended March 31, 2024	For the year ended March 31, 2023
Spain	7,035.01	12,515.48
Turkey	16,341.86	11,124.89
USA	40,276.52	41,102.59
Mexico	13,207.21	7,596.30
Others*	52,024.16	57,138.21
Total	**2,39,490.36**	**2,46,723.73**

*Others includes revenue from countries having less than 5% of total revenue from outside India.

Export incentives have been included in segment revenue within India

6) The Company's major sales are export based which is diversified in different countries and no single customer contributes more than 10% of the total Company's revenue in 2023-24 and 2022-23

7) The Company has business operations only in India and does not hold any non current asset outside India.

Note 38: Contingencies and Commitments

1) Contingent Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
For taxation matters		
a) Excise duty	238.09	238.09
b) Service tax	-	-
c) Goods & service tax	36.70	36.70
d) Income tax	7,227.04	6,576.85
e) Sales tax	450.70	473.91
Other than taxation matters		
a) Power related	748.56	655.19
b) Labour related matters	29.20	29.20
c) Others	1,107.40	1,052.70

Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decisions in the Company's favour in respect of all the items listed above and hence no provision is considered necessary against the same.

Further Company has deposited amount to the tax authorities against the cases, which shown as payment under protest in Note 13 of other assets.

2) Commitment outstanding

Particulars	As at March 31, 2024	As at March 31, 2023
a) Estimated value of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹932.09 lakhs, (previous year ₹2767.08 lakhs.)]	6,754.01	10,995.51
b) Pending export obligation against EPCG/Advance license	18,247.67	18,159.48

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 39: Related party disclosure

A) Names of related parties and transactions taken place during the year

	Relationship	Related parties	
		Year ended March 31, 2024	Year ended March 31, 2023
I)	**Subsidiary**	(i) TACC Limited	(i) TACC Limited
II)	**Associates**	(i) Bhilwara Energy Limited	(i) Bhilwara Energy Limited
		(ii) Bhilwara Infotechnology Ltd	(ii) Bhilwara Infotechnology Ltd
III)	**Subsidiaries of Associates**	(i) BG Wind Power Limited	(i) BG Wind Power Limited
		(ii) NJC Hydro Power Limited	(ii) NJC Hydro Power Limited
		(iii) Chango Yangthang Hydro Power Ltd.	(iii) Chango Yangthang Hydro Power Ltd.
		(iv) Malana Power Company Ltd	(iv) Malana Power Company Ltd
		(v) AD Hydro Power Ltd	(v) AD Hydro Power Ltd
		(vi) Indo Canadian Consultancy Services Ltd.	(vi) Indo Canadian Consultancy Services Ltd.
IV)	**Key Management Personnel**	Sh. Ravi Jhunjhunwala-CMD & CEO	Sh. Ravi Jhunjhunwala-CMD & CEO
		Sh. Riju Jhunjhunwala-Vice Chairman	Sh. Riju Jhunjhunwala-Vice Chairman
		Sh. Shekhar Agarwal	Sh. Shekhar Agarwal
		Sh. Satish Chand Mehta	Sh. Satish Chand Mehta
		Dr. Kamal Gupta	Dr. Kamal Gupta
		Smt. Vinita Singhania	Smt. Vinita Singhania
		Smt. Ramni Nirula	Smt. Ramni Nirula
		Sh. Jayant Davar	Sh. Jayant Davar
		Sh. Davinder Kumar Chugh	Sh. Davinder Kumar Chugh
		Sh. Manish Gulati - Executive Director	Sh. Manish Gulati - Executive Director
		Sh. Gulshan Kumar Sakhuja - Chief Financial Officer	Sh. Gulshan Kumar Sakhuja - Chief Financial Officer
		Sh. Vivek Chaudhary-Company Secretary	Sh. Vivek Chaudhary-Company Secretary
V)	**Close family members of Key Management Personnel**	Sh. L.N. Jhunjhunwala	Sh. L.N. Jhunjhunwala
		Smt. Mani Devi Jhunjhunwala	Smt. Mani Devi Jhunjhunwala
		Sh. Rishabh Jhunjhunwala	Sh. Rishabh Jhunjhunwala
		Smt. Rita Jhunjhunwala	Smt. Rita Jhunjhunwala
VI)	**Post employment benefit plan trust**	(a) Hindustan Electro Graphites Staff Gratuity Fund Trust	(a) Hindustan Electro Graphites Staff Gratuity Fund Trust
		(b) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust	(b) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust

Relationship		Related parties	
		Year ended March 31, 2024	Year ended March 31, 2023
VII)	Enterprises in which KMP is able to exercise significant influence and with whom transactions have been taken place during the year	RSWM Ltd	RSWM Ltd
		Giltedged Industrial Securities Ltd	Giltedged Industrial Securities Ltd
		Purvi Vanijya Niyojan Ltd	Purvi Vanijya Niyojan Ltd
		Shashi Commercial Co Ltd	Shashi Commercial Co Ltd
		BSL Ltd	BSL Ltd
		Maral Overseas Ltd	Maral Overseas Ltd
		BMD Pvt Ltd	BMD Pvt Ltd
		Bharat Investments Growth Limited	Bharat Investments Growth Limited
		Jet(India) Pvt. Ltd.	Jet(India) Pvt. Ltd.
		India Texfab Marketing Limited	India Texfab Marketing Limited
		Investors India Limited	Investors India Limited
		LNJ Financial Services Limited	LNJ Financial Services Limited
		Nivedan Vanijya Niyojan Limited	Nivedan Vanijya Niyojan Limited
		M.L. Finlease Pvt Limited	M.L. Finlease Pvt Limited
		Raghav Commercial Limited	Raghav Commercial Limited
		Bhilwara Technical Textiles Ltd.	Bhilwara Technical Textiles Ltd.
		Sabhyata Foundation (Section 8 Company)	Sabhyata Foundation (Section 8 Company)
		LNJ Bhilwara -HEG Lok Nyas (Trust)	LNJ Bhilwara -HEG Lok Nyas (Trust)
		Graphite Education & Welfare Society	Graphite Education & Welfare Society
		RLJ Family Trusteeship Pvt. Ltd.	RLJ Family Trusteeship Pvt. Ltd.
		Dreamon Commercial Pvt Ltd.	Dreamon Commercial Pvt Ltd.

B) Transaction during the year with related parties

Relationship		Name of the related Party	Nature of transaction	Year ended March 31,2024	Year ended March 31,2023
I)	Subsidiary	TACC Limited	Reimbursement received	128.52	102.15
			Investment in equity shares	7,000.00	1,000.00
II)	Associates	Bhilwara Energy Ltd.	Reimbursement received	3.94	2.83
		Bhilwara Infotechnology Limited	Maintenance charges paid	-	0.28
III)	Subsidiaries of Associates	Malana Power Co. Ltd.	Reimbursement received	14.36	11.04
		AD Hydro Power Ltd	Reimbursement received	18.74	13.67
		Indo Canadian Consultancy Services Ltd.	Reimbursement received	7.27	4.31
		BG Wind Power Limited	Reimbursement received	0.45	0.22
		NJC Hydro Power Limited	Reimbursement received	-	-
		Chango Yangthang Hydro Power Ltd.	Reimbursement received	0.27	0.22

All amounts are in ₹ Lakhs unless otherwise stated

Relationship		Name of the related Party	Nature of transaction	Year ended March 31,2024	Year ended March 31,2023
IV)	Key Management Personnel	Sh. Ravi Jhunjhunwala-CMD & CEO	Salary and allowances (including perquisites and contribution in PF and superannuation)#	376.78	329.01
			Commission	977.00	1,810.00
			Dividend paid	0.31	0.29
		Sh. Riju Jhunjhunwala-Vice Chairman	Director sitting fee	9.75	6.20
			Dividend paid	0.58	0.54
			Reimbursement of expenses	0.39	0.27
		Sh. Shekhar Agarwal	Director sitting fee	7.50	6.00
			Reimbursement of expenses	0.30	0.24
		Sh. Satish Chand Mehta	Director sitting fee	9.75	6.75
			Reimbursement of expenses	0.80	0.39
		Dr. Kamal Gupta	Director sitting fee	24.75	19.20
			Reimbursement of expenses	0.99	0.90
			Dividend paid	0.20	0.08
		Smt. Vinita Singhania	Director sitting fee	4.50	2.25
			Reimbursement of expenses	0.30	0.18
		Smt. Ramni Nirula	Director sitting fee	9.75	5.45
			Reimbursement of expenses	0.39	0.24
		Sh. Jayant Davar	Director sitting fee	12.75	9.80
			Reimbursement of expenses	0.51	0.48
			Dividend paid	0.00	0.00
		Sh. Davinder Kumar Chugh	Director sitting fee	11.25	11.45
			Reimbursement of expenses	0.45	0.48
		Sh. Manish Gulati - Executive Director	Salary and allowances (including perquisites and contribution in PF and superannuation)#	167.14	128.23
			Commission	100.00	100.00
			Housing loan given	-	-
			Housing loan repayment -Principal	-	71.11
			Housing loan repayment - interest	-	0.44

Relationship		Name of the related Party	Nature of transaction	Year ended March 31,2024	Year ended March 31,2023
		Sh. Gulshan Kumar Sakhuja - Chief Financial Officer	Salary and allowances (including perquisites and contribution in PF and superannuation)	69.27	52.52
			Housing loan given	-	15.00
			Housing loan repayment -Principal	5.00	3.03
			Special loan sanctioned	3.96	-
			Special loan repayment-Principal	1.98	-
			Housing loan & special loan - interest payment	0.60	0.16
		Sh. Vivek Chaudhary-Company Secretary	Salary and allowances (including perquisites and contribution in PF and superannuation)#	44.98	33.81
			Housing loan sanctioned	-	7.00
			Housing loan repayment -Principal	1.40	0.23
			Special loan given	12.00	-
			Special loan repayment-Principal	1.60	-
			Housing loan & special loan - interest payment	0.78	0.06
			Sale of furniture under employee scheme	0.17	-
V)	Close family members of Key Management Personnel	Sh. Rishabh Jhunjhunwala	Dividend Paid	0.77	0.72
		Smt. Rita Jhunjhunwala	Dividend Paid	0.80	0.75
VI)	Post employment benefit Plan Trust	(a) Hindustan Electro Graphites Staff Gratuity Fund Trust	Contribution in employee benefit scheme	-	-
		(b) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust	Contribution in employee benefit scheme	184.26	171.23

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Relationship		Name of the related Party	Nature of transaction	Year ended March 31,2024	Year ended March 31,2023
VII)	Enterprises in which KMP is able to exercise significant influence.	RSWM Ltd	Rent paid	43.52	43.52
			Reimbursement received	60.17	38.66
			Reimbursement made	172.47	127.55
			Dividend paid	135.32	127.36
		Shashi Commercial Co. Ltd.	Rent paid	32.97	32.44
			Dividend paid	287.10	270.21
			Reimbursement received	-	0.22
		Purvi Vanijaya Niyojan Ltd.	Rent paid	3.64	3.50
			Reimbursement made	0.34	0.33
			Reimbursement received	2.36	0.30
			Dividend paid	794.15	747.43
		Giltedged Industrial Securities Ltd.	Rent paid	22.77	21.90
			Dividend paid	377.27	355.08
			Reimbursement received	0.45	0.37
		BSL Ltd	Rent received	12.19	12.19
			Purchase of fabrics	3.32	3.13
			Reimbursement received	1.07	0.89
		Maral Overseas Ltd	Reimbursement received	23.94	18.32
		BMD Pvt Ltd	Reimbursement received	13.07	8.94
		Bhilwara Technical Textiles Ltd.	Reimbursement received	0.27	0.37
		Bharat Investments Growth Ltd.	Reimbursement received	0.57	0.22
			Dividend paid	1,162.34	1,093.97
		Jet (India) Pvt. Ltd.	Dividend paid	427.38	402.24
		India Texfab Marketing Limited	Dividend paid	87.86	82.69
		Investors India Limited	Dividend paid	15.41	14.50
		LNJ Financial Services Limited	Dividend paid	700.54	659.33
			Reimbursement received	0.27	0.22
		Nivedan Vanijya Niyojan Limited	Dividend paid	-	26.67
			Reimbursement received	-	0.22
		M.L. Finlease Pvt Limited	Dividend paid	147.25	138.58
		Raghav Commercial Limited	Dividend paid	615.47	579.27
			Reimbursement received	0.54	0.22
		RLJ Family Trusteeship Pvt. Ltd.	Dividend paid	0.21	-
		Dreamon Commercial Pvt Ltd.	Reimbursement received	0.27	-
			Dividend paid	134.52	-
		Sabhyata Foundation	Donation under Corporate Social Responsibility (CSR)	200.00	350.00
		LNJ Bhilwara -HEG Lok Nyas	Donation under Corporate Social Responsibility (CSR)	37.70	69.65
		Graphite Education & Welfare Society	Donation under Corporate Social Responsibility (CSR)	500.00	9.61

Note: Remuneration amount of Key managerial personnel represents remuneration paid for the whole year irrespective of the period for which the person is Key managerial personnel.

C) Details of outstanding balances as at the end of year

Sl. No.	Related party	Name of the related party	Particulars	As At March 31, 2024	As At March 31, 2023
1	**Subsidiary**	TACC Limited	Investments	8,000.00	1,000.00
			Loans and advances given	-	-
2	**Associates**	Bhilwara Energy Ltd.	Investments	30,711.50	30,711.50
			Loans and advances given	-	0.11
		Bhilwara Infotechnology Ltd	Investments	419.00	419.00
3	**Key Management Personnel**	Sh. Ravi Jhunjhunwala-CMD & CEO	Salary payable (including commission)	600.97	1050.07
		Sh. Manish Gulati - Executive Director	Loan oustanding at the end of the year	-	-
			Salary payable (including commission)	64.27	65.15
		Sh. Gulshan Kumar Sakhuja - Chief Financial Officer	Loan oustanding at the end of the year	10.73	13.75
			Salary payable	3.05	2.17
		Sh. Vivek Chaudhary- Company Secretary	Loan oustanding at the end of the year	15.77	6.77
			Salary payable	0.34	1.60

D) Transactions with Key Managerial Personnel

Particulars	Year ended March 31,2024	Year ended March 31,2023
Short term benefits	1,670.41	2,396.60
Post employment benefits#	64.75	56.96
Director's sitting fee	90.00	67.10
Reimbursement of expenses and incidental expenses	4.13	3.18
Dividend paid	1.08	0.91
Housing loan given	-	22.00
Housing loan repayment-principal	(6.40)	(74.37)
Special loan given	15.96	-
Special loan repayment-principal	(3.58)	-
Interest payment on housing loan and special loan	(1.38)	(0.66)

Remuneration does not Include provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party as at March 31, 2024 and March 31, 2023.

For the year ended March 31, 2024, the Company has not recorded any impairment in respect of any bad or doubtful debts due from related parties (March 31, 2023: Nil).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 40: Disclosures required as per Indian Accounting Standard-19 "Employee Benefits"

(A) Defined contribution plan

The Company makes contribution to Provident fund, ESIC and retirement benefits plans for eligible employees under the scheme and recognised as expense and included in the Note no. 30 Employee Benefits under the head "Contribution to provident and other funds". The details are as under:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's contribution to Provident Fund (incl. admin and other expenses)	400.42	342.64
Employer's contribution to Superannuation Fund	184.26	171.23
Employer's contribution to ESIC	21.62	14.98

(B) Defined benefit plan

The Company sponsors funded defined benefit plan for qualifying employees. This defined benefit plan of gratuity is administered by a separate trust that is legally separate from the entity. The trust is responsible for investment policy with regard to the assets of the trust and the contributions are invested in a scheme with Life Insurance Corporation of India (LIC) as permitted by Law. The management of fund is entrusted with the LIC. The liability for employee gratuity is determined on actuarial valuation using projected unit credit method.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment risk

The probability or likelihood of occurrence of losses related to the expected return on investment. if the actual return on plan assets is below the expected return, it will create plan deficit.

(ii) Interest risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

(iii) Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plans liability.

(iv) Salary risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The following table set out the funded status of the gratuity plan and amounts recognised in the balance sheet:

Particulars	As at March 31, 2024	As at March 31, 2023
I. Movement in the present value of defined benefit obligation:		
Present value of defined benefit obligation at the beginning of the year	1,241.64	1,157.86
Current service cost	83.55	72.49
Interest cost	92.38	84.06
Past service cost including curtailment (gains)/losses	-	-
Benefits paid	(93.79)	(69.91)
Actuarial changes (gain)/loss	60.70	(2.86)
Present value of defined benefit obligation at the end of the year	**1,384.48**	**1,241.64**

Particulars	As at March 31, 2024	As at March 31, 2023
II. Movement in fair value of plan assets:		
Fair value of plan assets at the beginning of the year:	1,812.11	1,769.18
Interest income	134.82	128.44
Contribution	-	-
Benefits paid	-	-
Remeasurement- return on plan assets excluding amount included in in net Interest	107.28	(85.52)
Fair value of plan assets at the end of the year	2,054.20	1,812.11
III. Net assets/(liability) recognized in balance sheet:		
Present value of defined benefit obligation	1,384.48	1,241.64
Fair value on plan assets	2,054.20	1,812.11
Surplus/(deficit)	669.72	570.47
Effect of asset ceiling if any	-	-
Net assets/(liability) recognized in balance sheet	**669.72**	**570.47**
The above amount has been shown in Note-13 "other assets" under the head "Gratuity fund receivable"		
IV (a) Amount recognized in statement of profit and loss		
Current service cost	83.55	72.49
Net interest expense on net defined benefits liability / (asset)	(42.44)	(44.38)
Net cost	**41.11**	**28.10**
The above amount has been included in Note-30 "Employee benfit expenses" under the head "Salaries and wages" in the statement of profit and loss		
IV (b) Amount recognized in other comprehensive income		
Actuarial gain/ (loss) on obligation	(60.70)	2.86
Remeasurement- Return on plan assets (excluding amount included in net Interest)-gain/ (loss)	107.28	(85.52)
Net income/(expense) for the period recognised in other comprehensive income	**46.57**	**(82.66)**
V. Bifurcation of actuarial gain/(loss) on obligation.		
1. Actuarial changes arising from changes in demographic assumptions (gain/ (loss))	-	-
2. Actuarial changes arising from changes in financial assumptions (gain/ (loss))	(31.46)	18.10
3. Actuarial changes arising from changes in experience adjustments (gain/ (loss))	(29.25)	15.24
4. Actuarial gain/(loss) arising on plan assets	107.28	(85.52)
VI. The major categories of plan assets as a percentage of the fair value of total plan assets :		
Insurer management fund	100%	100%

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	As at March 31, 2024	As at March 31, 2023
VII. The Principal assumptions used for the purpose of actuarial valuation are as follows:		
Discount rate (per annum)	7.15%	7.44%
Salary escalation (per annum)	5.00	5.00
Retirement age	58/60	58/60
Mortality rate during employment	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Method used	Projected unit credit method	Projected unit credit method
All assumptions are reviewed at each reporting date.		
VIII.Sensitivity analysis of the defined benefit obligation.		
An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rate. Due to the complexity involved in the valuation it is highly sensitive to the changes in these assumptions. Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity is computed by varying one actuarial assumption used for valuation of defined benefit obligation by 0.50% keeping all other actuarial assumptions constant. There is no change from the previous period in the methods and assumptions used in preparing the sensitivity analysis.		
a) Impact of the change in discount rate		
Impact due to increase of 0.50%-increase(decrease) in obligation	(53.82)	(48.09)
Impact due to decrease of 0.50 %-increase(decrease) in obligation	57.84	51.60
b) Impact of the change in salary increase		
Impact due to increase of 0.50%-increase(decrease) in obligation	50.23	44.72
Impact due to decrease of 0.50 %-increase(decrease) in obligation	(47.71)	(42.73)

IX. The defined benefit obligation shall mature after the year end as follows:

Particulars	March 31, 2024	March 31, 2023
a) 0-1 year	140.41	92.22
b) 1-2 year	64.41	100.48
c) 2-3 year	109.41	67.65
d) 3-4 years	129.52	93.59
e) 4-5 years	57.95	109.26
f) More than 5 years	882.78	778.43

X. The Company expects to make a contribution of ₹47.28 lakhs to defined benefit plans during the next financial year (March 31, 2023 ₹41.14 lakhs).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

(C) Other long term employee benefits (compensated absences)

(i) Amount recognized towards compensated absences in statement of profit and loss in Note no. 30 "employee benefit expenses" under the head "salaries and wages" is ₹229.65 lakhs (previous year ₹66.60 lakhs in Note no. 27 "other income" under the head "liabilities / provisions written back").

(ii) Liability towards compensated absences as at the end of the year is as under:

Particulars	As at March 31, 2024	As at March 31, 2023
Current liability	95.42	71.56
Non-current liability	489.03	305.82

The above amount has been shown in Note-22 "Provisions" under the head "Compensated absences".

Note 41: Leases

(i) Company as a lessee

(a) The depreciation expense on ROU assets of ₹67.03 lakhs (previous year ₹53.94 lakhs) is included under depreciation and amortization expense in the statement of profit and loss.

(b) Interest expense on the lease liability amounting to ₹16.84 lakhs (previous year ₹11.82 lakhs) has been included as component of finance costs in the statement of profit and loss.

(c) The change in the carrying value of right of use asset during the year is as under:

Particulars	Gross carrying value	Depreciation	Net carrying value
(i) Land			
As at April 1, 2022	889.90	253.18	636.72
Addition during the year	-	-	
Depreciation during the year	-	15.51	
As at March 31, 2023	889.90	268.69	621.20
As at April 1, 2023	889.90	268.69	621.20
Addition during the year	-	-	
Depreciation during the year	-	19.19	
As at March 31, 2024	889.90	287.88	602.02
(ii) Buildings			
As at April 1, 2022	156.12	126.14	29.98
Addition during the year	87.17	-	
Adjustments during the year	-	-	
Depreciation during the year	-	38.36	
As at March 31, 2023	243.29	164.50	78.79
As at April 1, 2023	243.29	164.50	78.79
Addition during the year	56.33	-	
Adjustments during the year	-	-	
Depreciation during the year	-	47.85	
As at March 31, 2024	299.62	212.35	87.27

(d) The following is the break-up of current and non-current lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	51.07	28.19
Non current lease liabilities	127.34	138.06
Total	**178.41**	**166.25**

(e) The following is the movement in lease liabilities

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	166.25	127.94
Additions during the year	56.33	87.17
Adjustments during the year	-	-
Finance cost accrued during the year	16.84	11.82
Payment of lease liabilities	(61.02)	(60.68)
Balance at the end of the year	**178.41**	**166.25**

(f) The table below provides details regarding the contractual maturities of lease liabilities:

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	64.56	51.07	41.60	39.47
After one year but not more than 5 years	86.21	52.98	97.55	79.27
More than 5 years	314.69	74.35	324.50	47.51
Total minimum lease payments	**465.46**	**178.41**	**463.64**	**166.25**
Less: amount representing finance charges	287.05		297.39	
Present value of minimum lease payments	**178.41**	**178.41**	**166.25**	**166.25**

The Company does not face liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(g) Short- term leases

The Company incurred ₹36.88 lakhs during the year ended March 31, 2024 towards expense relating to short-term leases having tenure of less than 12 months (previous year ₹36.88 lakhs). The amount of lessee's lease commitments for short term leases is as hereunder:

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year	12.29	15.37
Later than one year and not later than five years	-	-
Later than five years	-	-

(ii) Company as a lessor

The Company has given on lease building under operating lease. The rental income recorded for the year ended March 31, 2024 is ₹144.89 lakhs (previous year ₹143.15 lakhs). In accordance with Indian Accounting Standard (Ind AS-116) on 'Leases', disclosure of the future minimum lease income in the aggregate and for each of the following periods is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Not later than one year	134.58	134.79
(ii) Later than one year and not later than five years	269.78	287.72
(iii) Later than five years	-	-
Total	**404.36**	**422.51**

Note 42: Events after the reporting period

The Board of Directors have recommended the payment of final dividend of ₹22.50 /- per equity share (previous year ₹42.50/- per equity share) which is subject to the approval of shareholders in the ensuing Annual General meeting.

Note 43: Corporate Social Responsibility (CSR)

The Company meeting the applicable threshold under Section 135 of the Companies Act, 2013 ("Act") read with related rules thereto, is mandatorily required to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The funds were utilized throughout the year on the activities which are specified in Schedule VII of the Companies Act, 2013. The disclosures in this regard are as under:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Amount required to be spent for the year	659.17	246.97
(ii) Interest earned on deposits under on-going projects- Included in CSR Expense in the statement of profit and loss	36.03	35.57
(iii) Amount of expenditure incurred during the year		
(i) Expenditure incurred out of obligation of current year		
a) Construction/acquisition of any asset	Nil	Nil
b) On purposes other than (a) above	604.01	137.37
(ii) Expenditure incurred out of on-going projects of earlier years		
a) Construction/acquisition of any asset	Nil	Nil
b) On purposes other than (a) above	894.86	663.35
(iv) Shortfall of current year	55.16	109.59
(v) Total of previous years shortfall (including interest earned on deposits under on-going projects)	25.18	920.04
(vi) Reason for shortfall (of current and previous years)	Pertains to ongoing projects	Pertains to ongoing projects
(vi) Nature of CSR activities	Eradication of hunger and malnutrition, Promoting gender equality, empowering women, setting up homes and hostels for women, old age persons and orphans, promoting education, art and culture, healthcare, environment sustainability, Protection of national heritage, art and culture, and rural development projects.	
(vii) Details of related party transactions, e.g. contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	Refer note no. 39 of the financial statements	Refer note no. 39 of the financial statements

All amounts are in ₹ Lakhs unless otherwise stated

Note 44: Capitalization of pre-operative expenditure

The following expenditure has been included under capital work in progress:	For the year ended March 31, 2024	For the year ended March 31, 2023
Bank and LC charges	-	168.53
Travelling expenses	-	3.15
Power cost	-	54.58
Consultancy		488.48
Insurance & other charges	-	560.48
Total	-	**1,275.22**

Note 45: Details of loans given, investments made in body corporates and guarantee given covered U/S 186(4) of The Companies Act, 2013

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Investment made (For detail of investments made, Refer note no. 9)		
Investments as at the beginning of the year	32,130.50	31,130.50
Add: investments made during the year	14,117.03	1,000.00
Less: investments sold during the year	-	-
Add/(less): gain/(loss) on fair valuation of such investments till date	(1,443.75)	-
Investments as at the end of the year	**44,803.78**	**32,130.50**

Note: In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated March 10, 2015, loans given to employees (including loan to whole time Director in the capacity of employee) as per the policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

Note 46: Financial instruments and risk management

46A. Capital management

The Company's objective when managing capital are to:

i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital using a gearing ratio, which is net debt (net of cash and cash equivalents) divided by total equity.

The Company is not subject to any externally imposed capital requirements.

All amounts are in ₹ Lakhs unless otherwise stated

(i) The gearing ratios were as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Debt*	61,937.81	74,090.73
(b) Cash & cash equivalents	(11,015.43)	(2,445.36)
(c) Net debt (a)+(b)	50,922.38	71,645.37
Total equity	4,14,508.30	4,07,722.25
Net debt to equity ratio	**0.12**	**0.18**

* Debt is defined as long- term and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), Refer note 19 for the details of borrowings.

(ii) Loan covenants:

In order to achieve overall objective of capital management, amongst other things, the management aims to ensure that it meets financial covenants attached to the loans and borrowings. The management carefully negotiates the terms and conditions of the loans and ensures adherence to all the financial covenants. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the loan covenants of in respect of loans and borrowing during the year ended March 31, 2024 and March 31, 2023.

Note 46B: Financial instruments- accounting classification and fair value measurement

(a) Classification of financial instruments

As at March 31, 2024

Particulars	Carrying amount					Total carrying amount	Total fair value
	At amortised cost	At fair value through OCI		At fair value through profit or loss			
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets							
Investments (Refer note 9) #							
-Equity instruments	-				5,673.28	5,673.28	5,673.28
-Fixed maturity plans					8,960.41	8,960.41	8,960.41
-Mutual funds					32,360.77	32,360.77	32,360.77
-Bond funds					8,148.10	8,148.10	8,148.10
-Infra trust					5,337.20	5,337.20	5,337.20
-Bonds	-					-	-
Trade receivables (Refer note 10)	50,824.88			-	-	50,824.88	50,824.88
Cash and cash equivalents (Refer note 15)	11,015.43			-	-	11,015.43	11,015.43
Other bank balances (Refer note 16)	27,318.37					27,318.37	27,318.37
Loans (Refer note 11)	154.00			-	-	154.00	154.00
Other financial assets (Refer note 12)	9,253.20					9,253.20	9,253.20
Derivative financial instruments (Refer note 12)	-			-	126.35	126.35	126.35
Total financial assets	**98,565.87**	**-**	**-**	**-**	**60,606.11**	**1,59,171.98**	**1,59,171.98**
Financial liabilities							
Borrowings (Refer note 19)	61,937.81				-	61,937.81	61,937.81
Trade payables (Refer note 20)	42,528.43				-	42,528.43	42,528.43
Lease liabilities (Refer note 21A)	178.41				-	178.41	178.41
Other financial liabilities (Refer note 21B)	9,076.82				-	9,076.82	9,076.82
Derivative financial instruments (Refer note 21B)	-				-	-	-
Total financial liabilities	**1,13,721.46**	**-**	**-**	**-**	**-**	**1,13,721.46**	**1,13,721.46**

As at March 31, 2023

Particulars	Carrying amount					Total carrying amount	Total fair value
	At amortised cost	At fair value through OCI		At fair value through profit or loss			
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets							
Investments (Refer note 9) #							
-Equity instruments	-				0.01	0.01	0.01
-Fixed maturity plans					8,356.92	8,356.92	8,356.92
-Mutual funds					6,652.88	6,652.88	6,652.88
-Bond funds					8,583.52	8,583.52	8,583.52
-Infra trust					6,028.00	6,028.00	6,028.00
-Bonds	4,678.25					4,678.25	4,678.25
Trade receivables (Refer note 10)	48,913.99			-	-	48,913.99	48,913.99
Cash and cash equivalents (Refer note 15)	2,445.36			-	-	2,445.36	2,445.36
Other bank balances (Refer note 16)	65,704.99					65,704.99	65,704.99
Loans (Refer note 11)	137.77			-	-	137.77	137.77
Other financial assets (Refer note 12)	5,606.88					5,606.88	5,606.88

Particulars	Carrying amount					Total carrying amount	Total fair value
	At amortised cost	At fair value through OCI		At fair value through profit or loss			
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Derivative financial instruments (Refer note 12)	-			-	274.05	274.05	274.05
Total financial assets	**1,27,487.22**	**-**	**-**	**-**	**29,895.38**	**1,57,382.60**	**1,57,382.60**
Financial liabilities							
Borrowings (Refer note 19)	74,090.73				-	74,090.73	74,090.73
Trade payables (Refer note 20)	41,194.87				-	41,194.87	41,194.87
Lease liabilities (Refer note 21A)	166.25					166.25	166.25
Other financial liabilities (Refer note 21B)	12,372.42				-	12,372.42	12,372.42
Derivative financial instruments (Refer note 21B)	-				-	-	-
Total financial liabilities	**1,27,824.27**	**-**	**-**	**-**	**-**	**1,27,824.27**	**1,27,824.27**

Investment value excludes investment in Associates/Subsidiaries of ₹39,130.50 lakhs (March 31, 2023: ₹32,130.50 lakhs) which are shown at cost in balance sheet as per Ind AS 27 ""Separate Financial Statements".

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying value largely due to the short-term maturities of these instruments.

(b) Fair value measurement

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. This section explains the judgements and estimates made in determining the fair values of the financial instruments. To provide an indication about the reliability of inputs used in determining fair values, the Company has classified its financial instruments into three levels prescribed under the accounting standards.

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in the active markets for identical assets or liabilities.

Level 2: Other techniques for which all the inputs have a significant effect on the recorded fair values are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.Sensitivity of Level 3 Financial Instruments is insignificant.

All amounts are in ₹ Lakhs unless otherwise stated

As at March 31,2024

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Investments				
-Equity instruments (excluding investment in Associates)	5,673.28	5,673.28		
-Fixed maturity plans	8,960.41	-	8,960.41	-
-Mutual funds	32,360.77	-	32,360.77	-
-Bond funds	8,148.10	-	8,148.10	
-Infra trust	5,337.20	-	-	5,337.20
Derivative financial instruments	126.35	-	126.35	-
Total	**60,606.11**	**5,673.28**	**49,595.61**	**5,337.20**
Financial liabilities measured at fair value through profit or loss				
Derivative financial instruments	-	-	-	-
Total	-	-	-	-

As at March 31, 2023

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets measured at Fair value through profit or loss				
Investments				
-Equity instruments (excluding investment in Associates)	0.01	0.01	-	-
-Fixed maturity plans	8,356.92	-	8,356.92	-
-Mutual funds	6,652.88	-	6,652.88	-
-Bond funds	8,583.52	-	8,583.52	-
-Infra trust	6,028.00	-	-	6,028.00
Derivative financial instruments	274.05		274.05	
Total	**29,895.38**	**0.01**	**23,867.36**	**6,028.00**
Financial liabilities measured at fair value through profit or loss				
Derivative financial instruments	-	-	-	-
Total	-	-	-	-

The following methods and assumptions were used to estimate the fair values:

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Investments in mutual funds/ fixed maturity Plans/bond funds : Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) declared by fund house.

Investment in market linked non-convertible debentures: Fair value is determined by reference to valuation provided by CRISIL.

Investment in infrastructure trust: Fair value is derived on the basis of valuation certificate by independent professional based on net asset at fair value approach, in this approach the net asset at fair value is used to capture the fair value of these investments.

Derivative contracts: The Company has entered into foreign currency contracts to manage its exposure to fluctuations in foreign exchange rates . These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorised dealers banks.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

(c) Reconciliation of Level 3 fair value measurements is given below:

Particulars	Amount
As at April 1, 2022	5,376.80
Additions during the year	-
Sales during the year	-
Gain/(loss) recognised in profit and loss on fair value changes	651.20
As at March 31, 2023	**6,028.00**
Additions during the year	-
Sales during the year	-
Gain/(loss) recognised in profit and loss on fair value changes	(690.80)
As at March 31, 2024	5,337.20

Note 46C: Financial risk management

This note explains the risk which Company is exposed to and policies and framework adopted by the Company to manage these risks.

The Company's principal financial liabilities comprise borrowings, trade and other payables and the main purpose of these financial liabilities is to manage finances for the day to day operations of the Company. The Company's principal financial assets include trade and other receivables, and cash and bank balances that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below.

(A) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

(i) Foreign currency risk:

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and EURO. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable and accounts payable. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

a) Foreign currency forward contracts outstanding as at the balance sheet date

Category	Currency	Nature	As at March 31, 2024			As at March 31, 2023		
			No. of contracts	(USD) (in Lakhs)	(INR) (Lakhs)	No. of contracts	(USD) in lakhs	(INR) (lakhs)
Against receivables	USD/ INR	Sold	25	250.00	20,843.48	17	315.00	25,898.32
Against receivables	EUR/ INR	Sold	9	50.00	4,510.89	0	0.00	-

The line item in the balance sheet that includes the above hedging instruments are "other financial assets and other financial liabilities".

b) Particulars of foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period is as follows:

Particulars	Currency	As at March 31, 2024		As at March 31, 2023	
		Amount in FC (in Lakhs)	Amount in INR (₹ in Lakhs)	Amount in FC (in Lakhs)	Amount in INR (₹ in Lakhs)
I. Financial liabilities					
Creditors (A)	USD	187.63	15,643.82	123.02	10,114.48
	Euro	2.69	243.07	11.77	1,054.64
Other payables (B)	USD	11.22	935.50	25.59	2,103.96
	Euro	4.19	378.17	9.99	895.14
Total exposure to foreign currency risk (liabilities) (C=A+B)	USD	198.85	16,579.31	148.61	12,218.45
	Euro	6.89	621.23	21.76	1,949.78
II. Financial assets					
Trade receivables (D)	USD	342.40	28,547.14	326.62	26,853.85
	Euro	56.73	5,118.12	81.34	7,288.33
Bank balances (E)	USD	0.01	0.96	10.52	865.01
	Euro	0.00	0.11	0.00	0.22
Total exposure to foreign currency risk (assets) (F=D+E)	USD	342.41	28,548.10	337.14	27,718.86
	Euro	56.73	5,118.23	81.34	7,288.55
Net exposure to foreign currency risk after considering natural hedge-receivable/(payable) (G=F-C)	USD	143.56	11,968.79	188.53	15,500.41
	Euro	49.85	4,497.00	59.58	5,338.77
Foreign currency forward contracts outstanding in respect of receivables (H)	USD	250.00	20,843.48	315.00	25,898.32
	Euro	50.00	4,510.89	-	-
Foreign currency forward contracts outstanding in respect of payables (I)	USD	-	-	-	-
	Euro	-	-	-	-
Net exposure to foreign currency risk in respect of receivables after considering natural hedge and forward contracts # (F-H)	USD	-	-	-	-
	Euro	-	-	59.58	5,338.77
Net exposure to foreign currency risk in respect of payables after natural hedge and considering forward contracts # (F-H)	USD	-	-	-	-
	Euro	-	-	-	-

to the extent of receivable/payable in books of account

(c) Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

The following table demonstrates the sensitivity in the USD and Euro to the Indian Rupee with all other variables held constant and its impact on the Company's profit before tax :

Particulars	Impact on profit-increase/(decrease)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
USD Sensitivity		
Increase in exchange rate by 5% (previous year 5%)	0.00	0.00
Decrease in exchange rate by 5% (previous year 5%)	0.00	0.00
EURO sensitivity		
Increase in exchange rate by 5% (previous year 5%)	0.00	266.94
Decrease in exchange rate by 5% (previous year 5%)	0.00	(266.94)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. In order to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(a) Interest risk exposure:

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	As At March 31, 2024			As At March 31, 2023		
	Weighted average interest rate	Outstanding balance (₹ in lakhs)	% of total loans	Weighted average interest rate	Outstanding balance (₹ in lakhs)	% of total loans
Working capital loans from banks						
Variable rate borrowings	5.37%	61,937.81	100	3.67%	74,090.73	100
Fixed rate borrowings	-	-		-	-	
Total borrowings	**5.37%**	**61,937.81**	**100**	**3.67%**	**74,090.73**	**100**

(b) Sensitivity:

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit- increase/(decrease)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest rate - increase by 50 basis points	(309.69)	(370.45)
Interest rate - decrease by 50 basis points	309.69	370.45

All amounts are in ₹ Lakhs unless otherwise stated

(iii) Security price risk:

(a) Price risk:

The Company manages the surplus funds majorly through investments in debt based fixed maturity plans, mutual fund schemes, non-convertible debentures and infrastructure trust. The price of investment in Fixed Maturity Plans, mutual fund schemes is reflected though net asset value (NAV) declared by the asset management Company on daily basis as reflected by the movement in the NAV of invested schemes. The price of investment in non-convertible debentures is reflected through valuation by CRISIL on weekly basis. The price of investment in infrastructure trust is reflected through valuation certificate by the independent professional on quarterly basis where valuation is determined based on fair value of assets of trust as on date of valuation. The Company is exposed to price risk on such Investments.

Particulars	As at March 31, 2024	As at March 31, 2023
Investments in fixed maturity plans, mutual fund schemes, non-convertible debentures and Infrastructure trust	60,479.76	29,621.33

(b) Sensitivity:

The below is the sensitivity analysis at the end of the year in case NAV has been 1% higher / lower.

Particulars	Impact on Profit- Increase/(Decrease)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
NAV increase by 1%	604.80	296.21
NAV decrease by 1%	(604.80)	(296.21)

(B) Credit risk:

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables, loans to employees and security deposits). Credit risk on cash and cash equivalents, other bank balances is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. The Company's credit risk in case of all other financial instruments is negligible.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

The Company's major sales are export based which is diversified in different countries and none of the customer contributes 10% or more of the total Company's revenue for the financial year 2023-24 and 2022-23

(i) Expected credit loss for financial assets

As at March 31, 2024

Financial assets to which loss allowance is measured using 12 months Expected credit loss(ECL)	Gross carrying amount	Expected credit loss	Carrying amount (net of ECL)
Loans to employees	154.00	-	154.00
Security deposits	4,607.16	-	4,607.16

Financial assets to which loss allowance is measured using lifetime expected credit loss(ECL)	Gross carrying amount	Expected credit loss	Carrying amount (net of ECL)
Trade receivables	51,184.33	359.45	50,824.88

For the year ending March 31, 2023

Financial assets to which loss allowance is measured using 12 months expected credit loss(ECL)	Gross carrying amount	Expected credit loss	Carrying amount (net of ECL)
Loans to employees	137.77	-	137.77
Security deposits	3,524.91	-	3,524.91

Financial assets to which loss allowance is measured using lifetime expected credit loss (ECL)	Gross carrying amount	Expected credit loss	Carrying amount (net of ECL)
Trade receivables	49,003.01	89.02	48,913.99

(ii) Reconciliation of expected credit loss and allowance for credit impairment - trade receivables

The following table summarizes the change in the loss allowances measured using life-time expected credit loss model:

Particulars	Year ended March 31,2024	Year ended March 31,2023
As at the beginning of year	89.02	419.57
Provided during the year	270.42	-
Reversal during the year	-	(330.55)
As at the end of the year	359.44	89.02

(C) Liquidity risk:

Liquidity risk is defined as the risk that Company will not be able to settle or meet its obligation on time or at a reasonable price. The financial liabilities of the Company, other than derivatives, include loans and borrowings, trade and other payables. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling, forecast on the basis of expected cash flows.

Prudent liquidity risk management implies maintaining sufficient availability of standby funding through an adequate line up committed credit facilities to meet financial obligations as and when due.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

As at March 31, 2024

Particulars	Less than 12 months	1 year to 3 years	3 years to 5 years	More than 5 years	Total
Financial liabilities					
Borrowings (current)	61,937.81				61,937.81
Trade payables	42,528.43	-	-	-	42,528.43
Lease liabilities	51.07	48.86	4.12	74.35	178.41
Other financial liabilities	9,076.82	-	-	-	9,076.82
Total	**1,13,594.13**	**48.86**	**4.12**	**74.35**	**1,13,721.46**
Financial assets					
Investments (other than investment in Associates)	32,360.76	28,119.00	-	-	60,479.76
Trade receivables	50,824.88				50,824.88
Cash and cash equivalents	11,015.43				11,015.43
Other bank balances (other than earmarked balances)	25,131.01				25,131.01
Loans	65.91	88.08	-	-	154.00
Others financial assets	4,752.39	(20.00)	-	4,607.16	9,379.55
Total	**1,24,150.38**	**28,187.09**	**-**	**4,607.16**	**1,56,984.63**

As at March 31, 2023

Particulars	Less than 12 months	1 year to 3 years	3 years to 5 years	More than 5 years	Total
Financial liabilities					
Borrowings (current)	74,090.73	-	-	-	74,090.73
Trade payables	41,194.87	-	-	-	41,194.87
Lease liabilities	39.47	66.48	12.79	47.51	166.25
Other financial liabilities	12,372.42	-	-	-	12,372.42
Total	**1,27,697.49**	**66.48**	**12.79**	**47.51**	**1,27,824.27**
Financial assets					
Investments (other than investment in Associates)	12,369.50	21,930.08	-	-	34,299.57
Trade receivables	48,913.99				48,913.99
Cash and cash Equivalents	2,445.36				2,445.36
Other bank balances (other than earmarked balances)	61,030.93				61,030.93
Loans	60.46	77.31	-	-	137.77
Others financial assets	2,336.03	20.00	-	3,524.91	5,880.93
Total	**1,27,156.25**	**22,027.40**	**-**	**3,524.91**	**1,52,708.54**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 47: Carrying amount of pledged assets

Particulars	As at March 31, 2024	As at March 31, 2023
First charge		
Current assets		
(a) Trade receivables	50,824.88	48,913.99
(b) Inventories	1,19,415.23	1,44,011.50
Total (A)	**1,70,240.11**	**1,92,925.48**
Secondary charge		
Property, plant and equipment and intangible assets (including capital work-in-progress)	1,96,277.57	1,82,172.80
Total (B)	**1,96,277.57**	**1,82,172.80**
Total (A+B)	**3,66,517.68**	**3,75,098.28**

Note 48: Disclosure under Ind AS 115 "Revenue from Contracts with Customers"

(i) Disaggregation of revenue from contracts with customers

(a) Type of products

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
- Graphite electrode	2,19,492.36	2,23,411.50
- Graphite by-products	15,269.00	16,141.70
- Power	3,220.62	3,978.37
Total	**2,37,981.98**	**2,43,531.56**

(b) Geographical

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from customers within India (including sale to SEZ units)	76,682.66	75,107.61
Revenue from customers based outside India	1,61,299.32	1,68,423.95
Total	**2,37,981.98**	**2,43,531.56**

(c) Timing of revenue recognition

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from goods transferred to customers at a point in time	2,37,981.98	2,43,531.56
Revenue from goods transferred to customers over time	-	-
Total	**2,37,981.98**	**2,43,531.56**

(ii) Reconciliation of revenue from contract with customer

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contract with customer as per the contract price	2,37,329.64	2,43,131.89
Adjustments made to contract price on account of :-		
a) Discounts / rebates / incentives	-	-
b) Sales returns / credits / reversals	652.34	399.67
Revenue from contract with customer	2,37,981.98	2,43,531.56
Other operating revenue	1,508.38	3,192.16
Revenue from operations	**2,39,490.36**	**2,46,723.73**

(iii) Trade receivables and contract balances

The Company classifies the right to consideration in exchange for deliverables as receivable.

The balances of trade receivables and advance from customers at the beginning and end of the reporting period have been disclosed at note no. 10 and 24 respectively.

The revenue recognised during the year ended March 31, 2024 includes revenue against advances from customers amounting to ₹147.20 Lakhs (previous Year- ₹310.07 lakhs) at the beginning of the year.

The revenue of Nil has been recognised during the year ended March 31, 2024 (Previous year -Nil) against performance obligations satisfied (or partially satisfied) in previous periods.

(iv) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

Particulars	As at March 31, 2024	As at March 31, 2023
The aggregate value of performance obligations that are completely or partially unsatisfied	NIL	NIL

Note 49: Key financial ratios

Particulars	Numerator	Denominator	Year ended March 31, 2024	Year ended March 31, 2023	Variance	Reasons for variance (in case the variance is more than 25%)
Current ratio (in times)	Current assets	Current liabilities	2.23	2.16	3.25%	
Debt – equity ratio (in times)	Total debt	Shareholder's equity	0.15	0.18	-17.77%	
Debt service coverage ratio (in times)	Earnings available for debt service[1]	Debt service[2]	0.68	0.76	-11.12%	
Return on equity (ROE) (in %)	Profit after tax	Average shareholder's equity	5.63%	11.60%	-51.45%	Net profit has decreased
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	0.87	0.76	15.48%	
Trade receivables turnover ratio (in times)	Revenue from sale of goods	Average trade receivable	4.77	4.52	5.65%	
Trade payables turnover ratio (in times)	Purchases of goods and services	Average trade payables	3.69	5.05	-26.87%	Credit period of key raw matrerials reduced
Net capital turnover ratio (in times)	Revenue from sale of goods	Working capital	1.66	1.59	4.06%	
Net profit ratio (in %)	Profit after Tax	Revenue from sale of goods	9.73%	18.70%	-47.98%	Net profit margin has decreased due to fall in sale prices.
Return on capital employed (ROCE) (in %)	Earning before interest and taxes	Capital employed[3]	7.19%	13.27%	-45.84%	Net profit has decreased
Return on investment (ROI) (in %)	Income generated from investments	Average investments (other than investment in Associates)	3.00%	5.10%	-41.12%	Net profit has decreased

(1) Earning available for debt service = Net profit after taxes + non-cash operating expenses like depreciation and other amortisations + interest + other adjustments i.e. loss on sale of property plant and equipment etc.

(2) Debt service = Interest & lease payments + principal repayments

(3) Capital Employed = Tangible net worth + total debt + deferred tax liability

Notes to the Standalone Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 50: Reconciliation of cash flow from financing activities

(Changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Borrowings (current)	Borrowings (non-current)	Borrowings (current)	Borrowings (non-current)
Opening balance of financial liabilities coming under the financing activities of statement of cash flows	74,090.73	-	66,340.05	-
Changes during the year				
a) Changes from cash flows	(12,152.92)	-	7,750.68	-
b) The effect of changes in foreign exchanges rates- (gain)/loss	-		-	
c) Changes in fair value	-	-	-	-
d) Other changes	-	-	-	-
Closing balance of financial liabilities coming under the financing activities of Statement of cash flows	**61,937.81**	-	**74,090.73**	-

Note 51: Details of research and development expenditure

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Capital	-	-
b) Revenue	158.11	134.05

Note 52: Government grants

Particulars	Grants recognised during the year		Grants recoverable	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Government grant shown as other operating revenue				
Export incentives	1,345.62	2,460.68	79.09	493.18
B. Government grant deducted from interest expense				
Interest subvention on export packing credit loans reduced from finance cost (#)	1,257.62	1,317.74	286.95	2.93
Total of government grants recognised & grants recoverable	**2,603.24**	**3,778.42**	**366.05**	**496.11**

(#) Out of Interest subvention recognized during the year ended March 31, 2024, Interest subvention of ₹893.79 lakhs pertains to loans availed during financial year 2023-24 and ₹363.83 lakhs pertains to loans availed during earlier year.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 53

The Company has taken borrowings from banks on the basis of security of current assets. The quarterly returns/statements filed by the Company with the banks are in agreement with the books of account.

Note 54: Disclosures required as per Schedule III to the Companies Act,2013

(i) The Company did not have any transaction with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year.

(ii) No proceeding have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

(iii) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

(iv) No funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("funding party") with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly lend or invest in other persons or entities in any manner whatsoever by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vi) During the financial year, the Company has not traded or invested in Crypto currency or virtual currency.

(vii) The Company does not have any charge or satisfaction thereof which is pending for registration with ROC beyond the statutory period.

(viii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

(ix) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

As per our report of even date attached

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Date : May 22, 2024

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN : 00061060

Manish Gulati
Executive Director
DIN : 08697512

Shekhar Agarwal
Director
DIN : 00066113

Satish Chand Mehta
Director
DIN : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Independent Auditors' Report

To the Members of

HEG Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of HEG Limited ('the Holding Company'), its subsidiary (the Holding Company and subsidiary collectively referred to as "the group") and its associates, which comprise the consolidated Balance Sheet as at March 31, 2024, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity, the consolidated Statement of Cash flows for the year then ended and notes to consolidated financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the reports of other auditors as referred in the Other Matters paragraph, the consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the group and its associates as at March 31, 2024, and the consolidated Profit, consolidated total comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Key audit matters	Auditor's Response
Assessment of Provisions and Contingent liabilities of the Holding company in respect of litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt There is high level of judgement required in estimating the level of provisioning. Accordingly, unexpected adverse outcomes may significantly impact the Group's reported profit and state of affairs presented in the Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.	Our audit procedures involved the following:: ➢ Obtaining an understanding of the process of identification of claims, litigations, arbitrations and contingent liabilities, and internal control relevant to the audit in order to design our audit procedures that are appropriate in the circumstances. ➢ Discussing and analysing material legal cases with the Holding Company's legal department. ➢ Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon. ➢ Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of internal tax experts. ➢ Evaluating Holding Company's management's assumptions and estimates relating to the recognition of the provisions for disputes and disclosures of contingent liabilities in the financial statements. ➢ Assessing the adequacy of the disclosures with regard to facts and circumstances of the legal matters.

Matters reported in the Auditor's Report on Consolidated financial Statements of Bhilwara Energy Limited, an associate of the Holding Company

(A) Material uncertainty related to going concern of a subsidiary of an associate

We draw attention to the matter related to material uncertainty related to going concern of Chango Yangthang Hydro Power Limited, a subsidiary of Bhilwara Energy Limited, an associate of the Holding Company, reported in the Auditor's Report on Consolidated financial statements of the associate which is being reproduced hereunder:

The Board of director's decision to surrender the Chango Yangthang HEP (180 MW) project to Directorate of Energy, Government of Himachal Pradesh due to delay and uncertainty in project execution and long delay in Government approvals and licenses lapse, the company has written off Capital Work in progress during the year 2017-18 amounting to ₹2713.18 Lakhs. These events or conditions, along with other matters as mentioned indicate that there exists material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern since the company was incorporated as a Special Purpose Vehicle for this particular project.

We also draw attention to note no. 56(c) of the consolidated financial statements in this regard.

The opinion of the auditor of the said company is not modified in respect of this matter. Also the opinion of the auditor of the associate company is not modified in respect of this matter.

(B) Emphasis of Matter

We draw attention to the Emphasis of matters reported in the Auditor's Report on Consolidated financial statements of Bhilwara Energy Limited (BEL), an associate of the Holding Company, which are being reproduced hereunder:

(i) **In Malana Power Company Limited (MPCL), a subsidiary of the associate**

There is uncertainty relating to the effects of outcome of litigation with Himachal Pradesh State Electricity Board (HPSEBL).

We also draw attention to note no. 56(a) of the consolidated financial statements in this regard.

(ii) **In NJC Hydro Power Limited (NHPL), a subsidiary of the associate**

The project of NHPL was on hold for quite some time due to suspension of environment clearance by Hon'ble National Green Tribunal and thereafter Wildlife Institute of India (WII) in its report has mentioned that project could not be undertaken at the project site.

As per directions of Hon'ble Supreme Court, arbitration notice was sent to Government of Arunachal Pradesh (GoAP) and have also indicated the name of arbitrator. Simultaneously, efforts were initiated to settle the issue by mutual negotiations.

As the project is not doable anymore, NHPL has decided not to implement the project and sought the refund of upfront premium of ₹2546.80 Lakhs from GoAP invoking the clauses of MoA and presently the matter is under litigation with GoAP.

Accordingly, the Board of Directors of NHPL on dated 15th June,2022 decided to write-off Capital Work-in-Progress (CWIP) including pre-operative expenses net of waiver of loan from Parent Company (Bhilwara Energy Limited (BEL)) and charged to the statement of profit & loss during the financial year 2022-23, except the upfront premium paid.

We also draw attention to note no. 56(b) of the consolidated financial statements in this regard.

(iii) **In case of Chango Yangthang Hydro Power Limited (CYHPL), a subsidiary of the associate**

The company has filed a letter for surrender of Chango Yangthang HEP (180MW) project in Himachal Pradesh and asked for the refund of Upfront premium of ₹3789.45 Lakhs and Security Deposit of ₹180 Lakhs with interest since the project is not executable purely on account of various social-legal issues neither in the control of the company nor in the control of local administration/ authorities.

GoHP has formed a committee to deal with the issues of various projects which includes ChangoYangthang Hydro Power Limited (CYHPL). On the direction of GoHP, a public meeting was conveyed, in which the villagers categorically refused for development of any Hydro Electric project in the Hangrang valley including 180 MW ChangoYangthang HEP and refused to co-operate on the issue of development of any project. During the meeting called for by the committee, CHYPL categorically refused to execute the project in view of severe local issue and lapse of clearances for the project. Committee has noted the same.

In View of this, the company has reiterated its demand for refund of money along with the Interest and the management is confident of recovering the Upfront Fees and Security Deposit paid on account of surrender of project, in full. The upfront fee and security deposit as mentioned above have been grouped under Other Non-Current Assets and Non-Current Other financial Loans- Security Deposit respectively.

We also draw attention to note no. 56(c) of the consolidated financial statements in this regard.

The opinion of the auditor of the associate company is not modified in respect of matters stated above.

Further, our opinion is also not modified in respect of these matters.

Other Matters

(i) The consolidated financial statements include the audited financial statements of a subsidiary whose financial statements reflect total assets of ₹8215.34 Lakhs as at March 31, 2024, total revenue of Nil, Profit/(loss) after tax of (₹152.62) Lakhs, other comprehensive income/(loss) of Nil and net cash inflow/(outflow) of (₹1806.27) Lakhs for the year ended March 31, 2024, as considered in the consolidated financial statements. The financial statements of such subsidiary have been audited by the other auditors whose report has been furnished to us by the management. Our opinion on consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of such subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information, in so far as it relates to such subsidiary, is solely based on the reports of the other auditors.

(ii) The consolidated financial statements include group's share of profit/(loss) after tax of ₹8166.21 Lakhs and group's share of other comprehensive income/(loss) of (₹10.74) Lakhs for the year ended March 31, 2024 in respect of two associates, whose financial statements have been audited by the other auditors whose reports have been furnished to us by the management. Our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these associates and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information, in so far as it relates to the these associates, is solely based on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's financial statements and Board of Directors is responsible for the other information. The other information comprises the information included in Board's Report including annexures to the Board's Report, but does not include the Consolidated our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Responsibilities of Management

The Holding Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of companies included in the group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group and of its associates are also responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary, associate companies, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of directors.
- Conclude on the appropriateness of management's and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the companies included in the group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled "Other Matter" in this audit report.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, we report that there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of subsidiary and associate companies included in the consolidated financial statements except for comments on title deeds in case of AD Hydro Power Limited, a subsidiary of Bhilwara Energy Limited (BEL), an associate of the Holding Company as referred to in "Annexure A".

2. (A) As required by Section 143(3) of the Act, based on our audit, we report, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except for the matters stated in paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

(c) The consolidated balance sheet, the consolidated statement of profit and loss including other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of directors of the Holding company and the reports of the statutory auditors of the subsidiary and associate companies, none of the directors of the companies included in the group and its associate companies is disqualified as on March 31, 2024 from being appointed as a Director in terms of Section 164(2) of the Act.

(f) The reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the companies included in the group and its associates and the operating effectiveness of such controls, refer to our separate report in Annexure-B.

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and reports of the other auditors

(a) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group and its associates. Refer Note 38 to the consolidated financial statements.

(b) The group and its associates did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

(c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the companies included in the group and its associates.

(d) (i) The respective management of the companies included in the group and its associates have represented to their respective auditors that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the respective company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, subsidiary and its associate companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The respective management of the companies included in the group and its associates have represented to their respective auditors that, to the best of their knowledge and belief, no funds have been received by the respective Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, subsidiary and its associate companies shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iii) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiary and its associate companies, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

(e) The dividend declared and paid during the year, if any, by the Holding Company, subsidiary and its associates is in compliance with Section 123 of the Act.

(f) Based on our examination, which included test checks and reports of the other auditors, except for the instances mentioned below, the Holding Company, its subsidiary and associates incorporated in India have used accounting softwares for maintaining their books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year in the respective softwares:

(i) In case of Holding Company, the feature of recording audit trail facility has been partly enabled and operated during the year.

(ii) In case of one of its associates, in the absence of sufficient appropriate evidence in respect of audit trail feature at the database level, the auditors are unable to comment whether audit trail feature of the software at database level was enabled and operated throughout the year to log direct data changes in the software.

Further, during the course of audit, we and other auditors did not come across any instance of audit trail feature being tampered with, wherever the same has been enabled in the software.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

(C) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us and reports of the other auditors, the remuneration paid during the year by the Holding Company, subsidiary and its associates to their directors is in accordance with the provisions of section 197 read with schedule V of the Act.

For **SCV & Co. LLP**
Chartered Accountants
Firm Reg. No.000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066
UDIN: 24086066BKDGAY2137

Place : Noida
Date : May 22, 2024

Annexure – "A" TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HEG Limited of even date)

In case of AD Hydro Power Limited, a subsidiary of Bhilwara Energy Limited (BEL), an associate of the Holding Company:

Clause (i)(c) :- Title deeds of Immovable Properties not held in the name of AD Hydro Power Limited (ADHPL)

Details of all the immovable properties (other than properties where ADHPL is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company is as follows:

Description of property	Amount as on March 31, 2024	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Freehold land located at Village Prini, District Kullu, Himachal Pradesh measuring 2.21 hectares	566.00	Various villagers	No	The land was purchased between 2005 to 2014. Mutation is pending as on March 31, 2024	It has been informed that the land was purchased directly form the landowners as per clause 4.3(a) of Implementation Agreement by signing an Agreement to sell with each landowner. Further, additional private land was mainly purchased as per requirement during construction phase. The entire land is in possession of the company. The process for obtaining permission from the State Govt. under section 118 of HP Tenancy & Land Reforms Act has been initiated. DC, Kullu and SDM, Manali has recommended the case for permission to the State Government and permission under said Act is awaited.
Freehold land located at Village Prini, District Kullu, Himachal Pradesh measuring 0.5142 hectares	139.00	Concerned Land owners	No	During Construction Period	Land was used during construction period by giving one time compensation on lease basis for Tail Race Tunnel ("TRT") works. The TRT work was underground, hence the rights and ownership remain with concern owners and no mutation will take place.

For **SCV & Co. LLP**
Chartered Accountants
Firm Reg. No.000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066
UDIN: 24086066BKDGAY2137

Place : Noida
Date : May 22, 2024

Annexure – "B" TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of HEG Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial control over financial reporting of HEG Limited ('the Holding Company'), its subsidiary (the Holding Company and subsidiary collectively referred to as "the group") and its associates as of March 31, 2024 in conjunction with our audit of consolidated financial statements of Holding company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective management and Board of Directors of the Companies included in the group and its associates, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us and based on the reports of other auditors as referred in other matters paragraph, the Holding company, subsidiary and its associate companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to the subsidiary and two associate companies, is based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of this matter.

For **SCV & Co. LLP**
Chartered Accountants
Firm Reg. No.000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066
UDIN: 24086066BKDGAY2137

Place : Noida
Date : May 22, 2024

Consolidated Balance Sheet

as at March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	4	1,76,913.95	1,34,816.60
(b) Capital work-in-progress	5	21,227.17	47,200.80
(c) Right of use asset	6	3,836.71	700.00
(d) Investment property	7	690.69	724.80
(e) Other intangible assets	8	123.46	33.54
(f) Financial assets			
(i) Investments in Associates accounted for using the Equity method	9	59,494.16	51,627.31
(ii) Other investments	9	28,119.00	21,930.08
(iii) Loans	11	88.08	77.31
(iv) Other financial assets	12	4,627.39	3,545.36
(g) Income tax assets (net)	25	10,507.56	14,692.15
(h) Other non-current assets	13	1,525.31	8,601.69
Total non-current assets		**3,07,153.48**	**2,83,949.65**
2. Current assets			
(a) Inventories	14	1,19,415.23	1,44,011.50
(b) Financial assets			
(i) Investments	9	32,360.76	12,369.50
(ii) Trade receivables	10	50,824.88	48,913.99
(iii) Cash and cash equivalents	15	13,705.17	3,328.83
(iv) Bank balances other than (iii) above	16	27,318.37	65,704.99
(v) Loans	11	65.91	60.46
(vi) Other financial assets	12	4,623.87	2,336.03
(c) Other current assets	13	14,668.91	8,520.97
Total current assets		**2,62,983.10**	**2,85,246.27**
Total assets		**5,70,136.58**	**5,69,195.92**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	3,859.59	3,859.59
(b) Other equity	18	4,38,734.55	4,24,234.25
Total equity		**4,42,594.14**	**4,28,093.84**
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	-	-
(ia) Lease liabilities	21 A	266.16	138.06
(ii) Other financial liabilities	21 B	-	-
(b) Provisions	22	497.84	305.82
(c) Deferred tax liabilities (net)	23	9,603.73	8,679.66
(d) Other non-current liabilities	24	418.43	369.60
Total non-current liabilities		**10,786.16**	**9,493.14**
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	61,937.81	74,090.73
(ia) Lease liabilities	21 A	63.58	28.19
(ii) Trade payable			
-Total outstanding dues of micro enterprises and small enterprises	20	847.88	2,565.16
-Total outstanding dues of creditors other than micro enterprises and small enterprises	20	41,681.71	38,629.87
(iii) Other financial liabilities	21 B	9,238.63	12,377.31
(b) Other current liabilities	24	1,393.29	1,968.06
(c) Provisions	22	421.34	507.03
(d) Current tax liabilities (net)	25	1,172.04	1,442.60
Total current liabilities		**1,16,756.28**	**1,31,608.94**
Total liabilities		**1,27,542.44**	**1,41,102.08**
Total equity and liabilities		**5,70,136.58**	**5,69,195.92**

See accompanying notes to the consolidated financial statements

As per our report of even date attached

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Date : May 22, 2024

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN : 00061060

Manish Gulati
Executive Director
DIN : 08697512

Shekhar Agarwal
Director
DIN : 00066113

Satish Chand Mehta
Director
DIN : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I.	Revenue from operations	26	2,39,490.36	2,46,723.73
II.	Other income	27	14,166.98	10,914.01
III.	**Total income (I + II)**		**2,53,657.34**	**2,57,637.74**
IV.	**Expenses:**			
	Cost of materials consumed	28	1,09,299.68	1,31,263.60
	Changes in inventories of finished goods and work-in-progress	29	5,839.04	(39,749.16)
	Employee benefit expenses	30	9,526.74	9,205.30
	Finance costs	31	3,573.86	2,600.84
	Depreciation and amortization expense	32	17,465.14	10,230.33
	Other expenses	33	76,581.47	84,164.56
	Total expenses (IV)		**2,22,285.93**	**1,97,715.46**
V.	**Profit before tax & share of profit of Associates (III - IV)**		**31,371.41**	**59,922.28**
VI.	**Share of profit of Associates**		8,166.21	7,815.02
VII.	**Profit before tax (V+VI)**		**39,537.62**	**67,737.30**
VIII.	**Tax expense:**			
	(1) Current tax	34	7,564.12	15,541.51
	(2) Current tax adjustment related to earlier years	34	(106.76)	(116.33)
	(3) Deferred tax	34	912.35	(928.71)
	Total tax expense (VIII)		**8,369.71**	**14,496.47**
IX.	**Profit/(loss) for the year (VII-VIII)**		**31,167.91**	**53,240.84**
X.	**Other comprehensive income**			
	Items that will not be classified to profit or loss			
	(i) Remeasurement of defined employee benefit plan	35	46.57	(82.66)
	(ii) Tax expense relating to items that will not be reclassified to profit or loss	34	(11.72)	20.80
	Total other comprehensive income for the year (X)		**34.85**	**(61.86)**
XI.	Share of other comprehensive income of Associates		(10.74)	**(12.77)**
XII.	**Total comprehensive income for the year (IX+X+XI) (comprising profit and other comprehensive income for the year)**		**31,192.02**	**53,166.20**
	Earnings per equity share: (of ₹10/-each)			
	(1) Basic (₹)	36	80.75	137.95
	(2) Diluted (₹)	36	80.75	137.95

See accompanying notes to the consolidated financial statements

As per our report of even date attached

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Date : May 22, 2024

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN : 00061060

Manish Gulati
Executive Director
DIN : 08697512

Shekhar Agarwal
Director
DIN : 00066113

Satish Chand Mehta
Director
DIN : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

A) Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of reporting period	3,859.59	3,859.59
Changes in equity capital during the year	-	-
Balance at the end of reporting period	3,859.59	3,859.59

B) Other equity

Particulars	Reserves and surplus			Total other equity
	Capital reserve	Capital redemption reserve	Retained earnings	
Balance at the beginning of current reporting period i.e. April 1, 2023	**10,726.49**	**2,029.93**	**4,11,477.84**	**4,24,234.25**
Profit for the year	-	-	31,167.91	31,167.91
Other comprehensive income for the year				
-Remeasurement of defined employee benefit plan (net of tax expense)	-	-	34.85	34.85
-Share of other comprehensive income of Associates	-	-	(10.74)	(10.74)
Share of direct adjustment in other equity of Associates	(288.64)	-	-	(288.64)
Dividend distributed during the year				
-Final dividend for the year ended March 31, 2023 @ ₹42.50/- per share	-	-	(16,403.09)	(16,403.09)
Balance at the end of current reporting period i.e. March 31, 2024	**10,437.85**	**2,029.93**	**4,26,266.75**	**4,38,734.55**

Particulars	Reserves and surplus			Total other equity
	Capital reserve	Capital redemption reserve	Retained earnings	
Balance at the beginning of the previous reporting period i.e. April 1, 2022	**10,726.49**	**2,029.93**	**3,74,746.96**	**3,87,503.38**
Profit for the year	-	-	53,240.84	53,240.84
Other comprehensive income for the year				
-Remeasurement of defined employee benefit plan (net of tax expense)	-	-	(61.85)	(61.85)
-Share of other comprehensive income of Associates	-	-	(12.77)	(12.77)
Share of direct adjustment in other equity of Associates	-	-	(997.15)	(997.15)
Dividend distributed during the year				
-Final dividend for the year ended March 31, 2022 @ ₹40/- per share	-	-	(15,438.19)	(15,438.19)
Balance at the end of previous reporting period i.e. March 31, 2023	**10,726.49**	**2,029.93**	**4,11,477.84**	**4,24,234.25**

See accompanying notes to the consolidated financial statements

As per our report of even date attached

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Date : May 22, 2024

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN : 00061060

Manish Gulati
Executive Director
DIN : 08697512

Shekhar Agarwal
Director
DIN : 00066113

Satish Chand Mehta
Director
DIN : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

PARTICULARS		For the year ended March 31, 2024	For the year ended March 31, 2023
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	**39,537.62**	**67,737.30**
	a) Share of profit of Associates	8,166.21	7,815.02
	Profit before Tax & Share of Profit of Associates	**31,371.41**	**59,922.28**
	b) Adjustment for non operating and non cash transactions		
	Depreciation and amortisation expense	17,465.14	10,230.33
	Interest and other financial charges	3,573.86	2,600.84
	Net (profit)/loss on property plant and equipment sold / discarded	(128.60)	34.31
	Allowances for expected credit losses	270.42	(330.55)
	Liabilities / provisions written back	(5,499.65)	-
	Unrealized (gain)/loss due to effect of exchange rate changes in assets and liabilities	(53.22)	(33.28)
	Bad debts	-	155.94
	Net gain on sale/fair valuation of investments measured at fair value through profit or loss	(813.98)	(2,033.52)
	Dividend income	(236.49)	(197.63)
	Rent income	(144.89)	(143.15)
	Interest income	(4,319.93)	(5,080.58)
	Adjustments for changes in working capital		
	(Increase)/decrease in operating assets		
	(Increase)/decrease in inventories	24,596.27	(46,230.11)
	(Increase)/decrease in trade receivables	(2,077.39)	10,398.95
	(Increase)/decrease in other non-current financial assets	(1,092.81)	(234.75)
	(Increase)/decrease in other current financial assets	(2,737.03)	(252.05)
	(Increase)/decrease in other non-current assets	5,241.39	(5,300.75)
	(Increase)/decrease in other current assets	(6,101.36)	6,585.46
	Increase/(decrease) in operating liabilities		
	Increase/(decrease) in trade payables	6,455.84	(3,781.86)
	Increase/(decrease) in other current financial liabilities	(693.55)	686.65
	Increase/(decrease) in non-current provisions	192.01	(75.23)
	Increase/(decrease) in current provisions	23.96	(9.29)
	Increase/(decrease) in other non-current liabilities	48.83	(263.93)
	Increase/(decrease) in other current liabilities	(574.77)	(515.37)
	Cash flows from/(used in) operating activities	**64,765.49**	**26,132.71**
	Income tax paid (net of refund, if any)	(3,543.33)	(14,801.10)
	Net cash flows from/(used in) operating activities (A)	**61,222.16**	**11,331.62**

Consolidated Statement of Cash Flows (contd.)

for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

	PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Payment for purchase of property plant and equipment, intangible assets (including capital work-in-progress) (after adjustment of advances and creditors for capital expenditure)	(34,155.71)	(47,973.84)
	Payment against initial cost of right of use assets	(2,996.09)	-
	Proceeds from sale of property plant and equipments	251.90	89.71
	Investment in fixed/term deposits not considered as cash and cash equivalents	(28,334.90)	(80,306.35)
	Redemption/maturity of fixed/term deposits not considered as cash and cash equivalents	66,724.03	82,114.21
	Decrease/(increase) in other bank balances not considered as cash and cash equivalents	(2.51)	(980.79)
	Payment for purchase of investments	(58,734.97)	(1,26,380.92)
	Proceeds from sale of investments	33,044.83	1,66,472.95
	Return of capital from INVIT	126.85	101.79
	Rent received	144.89	143.15
	Dividend received	236.49	197.63
	Interest received	5,261.69	4,411.59
	Net cash flows from/(used in) investing activities (B)	**(18,433.50)**	**(2,110.86)**
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceed/(repayment) of working capital borrowings (on net basis) (also Refer note no. 49)	(12,152.92)	7,750.68
	Interest and other financial charges paid	(3,848.76)	(2,301.87)
	Interest paid on lease liabilities	(16.84)	(11.82)
	Principal payment of lease liabilities	(44.17)	(48.93)
	Dividend paid on equity shares	(16,349.62)	(15,383.57)
	Net Cash flows from/(used in) financing activities (C)	**(32,412.31)**	**(9,995.51)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**10,376.34**	**(774.76)**
	Cash and cash equivalents at the beginning of the period	3,328.83	4,103.52
	Cash and cash equivalents at the end of the period	13,705.17	3,328.83
	(Refer note 15 of financial statements for components of cash and cash equivalents)		

Note: The cash flows from operating activities include amount spent towards Corporate Social Responsibility amounting to ₹1644.49 lakhs (previous year ₹836.29 lakhs)

See accompanying notes to the consolidated financial statements

As per our report of even date attached

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Date : May 22, 2024

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN : 00061060

Manish Gulati
Executive Director
DIN : 08697512

Shekhar Agarwal
Director
DIN : 00066113

Satish Chand Mehta
Director
DIN : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

1. Group information

HEG Limited (the "Holding Company") is a public limited Company incorporated and domiciled in India, has its registered office at Mandideep, Bhopal, Madhya Pradesh and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Holding Company is a leading manufacturer and exporter of graphite electrodes in India and operates world's largest single-site integrated graphite electrodes plant. The Holding Company also operates thermal and hydro power generation facilities with a total capacity of about 76.5 MW.

The consolidated financial statements for the year ended March 31, 2024 were approved for issue by the Holding Company's Board of Directors in their meeting held on May 22, 2024.

The Subsidiary and Associates considered in the consolidated financial statements are:

a. Subsidiary

Name of Company	Country of Incorporation	Principal activities	Proportion (%) of equity interest	
			As at March 31, 2024	As at March 31, 2023
TACC Limited	India	Anode manufacturing for Lithium ion batteries	100%	100%

b. Associates

Name of Company	Country of Incorporation	Principal activities	Proportion (%) of equity interest	
			As at March 31, 2024	As at March 31, 2023
Bhilwara Infotechnology Limited	India	IT enabled services	38.59%	38.59%
Bhilwara Energy Limited	India	Power generation and Power consultancy	49.01%	49.01%

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

2.2 Basis of preparation and measurement

(i) The consolidated financial statements have been prepared on historical cost convention and on accrual basis except for certain financial instruments (including derivative instruments) which are measured at fair value at the end of each reporting period as required under Ind AS.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(ii) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(iii) The functional and presentation currency of the group is Indian Rupees (INR) and all amounts are rounded to the nearest ₹ lakhs and two decimals thereof, except otherwise stated.

2.3 Principles of consolidation

(i) Subsidiaries

Subsidiaries are entities where the group exercises control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases.

The financial statements of the Holding Company and its Subsidiary have been combined on a line by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/losses, unless cost/revenue cannot be recovered. The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each balance sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Other Equity' in the consolidated financial statements. Non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity. The profit/ loss and other comprehensive income attributable to non- controlling interests of subsidiaries are shown separately in the consolidated statement of profit and loss and Consolidated Statement of Changes in Equity.

Non-controlling interest in the net assets of consolidated subsidiaries consists of:

(a) The amount of equity attributable to non-controlling interests at the date on which investment in a Subsidiary is made; and

(b) The non - controlling interests share of movements in equity since the date parent Subsidiary relationship came into existence.

(ii) Associates

An Associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Interest in Associates is consolidated using equity method as per Ind AS 28 – 'Investment in Associates and Joint Ventures'. Under the equity method, an investment in an Associate is initially recognized in the consolidated financial statements at cost and adjusted thereafter to recognize Group's share of profit or loss and other comprehensive income of the Associate. Distributions received from an Associate reduce the carrying amount of the investment

When there has been a change recognized directly in the equity of the Associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the Associate are eliminated to the extent of interest in the Associate.

(iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

2.4 Material accounting policies

(i) Revenue recognition

(a) Sale of products

The Group derives revenue primarily from sale of Graphite Electrodes.

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer which is usually on dispatch/ delivery and the amount of revenue can be measured reliably and recovery of consideration is probable.

Revenue is measured based on the transaction price (net of variable consideration) which is adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Due to short nature of credit period given to customers, there is no financing component in the contract.

(b) Power

Revenue from power generation is recognized on transmission of electricity to State Electricity Board or third parties at rate stipulated by SEB's and/or IEX at market rate equivalent.

(c) Other operating revenues

(i) Entitlements to Renewal Energy Certificates owing to generation of power at Tawa hydel plant are recognized at actual rate of realization.

(ii) Export entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(d) Interest income

- Interest income from customers is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

- Interest income from financial asset is recognized when it is probable that economic benefits will flow to the group and amount of income can be measured reliably. Interest income is accrued on time basis, by reference to principal outstanding and at effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of financial asset to that asset's net carrying amount on initial recognition.

(e) Other income

(i) Dividend income is recognized when the right to receive payment is established and the amount of dividend can be measured reliably.

(ii) Other income is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(ii) Inventories

Inventories are valued at cost or net realizable value, whichever is lower except by products which are valued at net realizable value. The raw materials and other supplies held for use in the production are valued at net realisable value only if the finished products in which they are to be incorporated are expected to be sold below cost. The cost in respect of the various items of inventory is computed as under:

(i) In case of finished goods and work-in-progress, cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

(ii) In case of stores, spares and raw material at weighted average cost. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

(iii) Obsolete stocks are identified at each reporting date on the basis of technical evaluation and are charged off to revenue.

Net realisable value is the estimated selling price in ordinary course of business less estimated cost of completion and estimated cost necessary to make the sales.

(iii) Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes its purchase price (net of taxes and duty recoverable), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Subsequent cost relating to property, plant and equipment are included in the assets carrying value or recognised as separate assets as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the costs of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated statement of profit and loss when incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is derecognized. Fully depreciated assets still in use are retained in financial statements.

Property, plant and equipment which are not ready for intended use at each balance sheet date are disclosed as "Capital work-in-progress" and advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under "other non-current assets". Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects under implementation are treated as pre-operative expenses and are included in capital work-in-progress.

(iv) Investment property

Investment properties comprises freehold land and building that are held for long-term rental yields or for capital appreciation and both are classified as investment property.

Investment properties are measured initially at cost, comprising the purchase price and directly attributable expenditure. Subsequently, investment property is carried at cost model, which is cost less accumulated depreciation and accumulated impairment losses, if any, in similar lines of Ind AS 16.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising on derecognition of investment property are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in consolidated statement of profit and loss in the period of the retirement or disposal.

(v) Other intangible assets

An intangible asset is recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. The cost of intangible asset comprises of its purchase price, net of recoverable taxes and any directly attributable cost of preparing the asset for its intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in consolidated statement of profit and loss as incurred.

The cost and related accumulated amortization are eliminated from consolidated financial statements upon disposal or retirement of the assets and the resulted gain or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss.

(vi) Depreciation

Depreciation is recognised to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, in a systematic manner.

(A) Property, plant and equipment

Based on internal assessment and independent technical evaluation carried out by external valuer, the management believes that the useful life of the assets as stated below best represents the life over which the management expects to use the assets. Hence the useful life for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The method of depreciation and useful life considered on different assets is as below:

(i) Depreciation on all the assets at Hydel Power Project at Tawa is provided on straight line method. The useful life of assets determined is as below:

Sl. No.	Description of asset	Useful life (Approx)
1	Factory building	33
2	Non factory building	33
3	Plant and machinery	
	i) Dams, spillways weirs, canals, reinforced concrete flumes and symphons	51
	ii) Hydraulic control valves and other hydraulic works	30
	iii) Transformers having a rating of 100 KVA and above	13
4	Electrical installation	
	i) Batteries	3
	ii) Lines on fabricated steel operating at normal voltages higher than 66 kv	19
	iii) Residual	13
5	Furniture and fixtures	8
6	Office equipment and other assets	8
7	Vehicles	3

(ii) On the assets other than those mentioned at (i) above, depreciation is provided on following basis:

In case of plant and machinery, depreciation is provided on straight line method and in case of other assets on written down method. The useful life of assets determined is as below:

Description of asset	Useful life
Building	20 - 60 Years
Plant and machinery	1-24 Years
Railway siding	9 Years
Office equipment (includes computers and data processing units)	5-20 Years
Electrical installation	5-20 Years
Furniture and fixtures	15 Years
Vehicle	5-10 Years

(iii) Assets costing upto ₹5,000 are fully depreciated in the year of purchase.

Depreciation methods estimated and useful lives are reviewed at the end of each reporting period and the effect of any changes in estimate accounted for on a prospective basis.

(B) Investment property

Depreciation on investment properties is provided on the written down value method over its useful life of 58 years which has been determined based on internal assessment and independent technical evaluation carried out by external valuer.

The depreciation charge for each period is recognised in the Statement of Profit and Loss. The useful lives and method of depreciation are reviewed at the end of each financial year and the effect of any changes in estimate accounted for on a prospective basis.

(vii) Amortization

Other intangible assets

Other Intangible assets are amortized over their respective individual useful lives on a straight line basis from date they are available. The estimated useful life is based on number of factors including effect of obsolescence and other economic factors and is as under:

Description of asset	Useful life
Computer software	05 years

Amortisation method and useful lives are reviewed at the end of each financial year and the effect of any changes in estimate accounted for on a prospective basis.

(viii) Impairment of non-financial assets

Property, plant and equipment and Investment property are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation), had no impairment loss been recognized for the asset in prior years.

Impairment is reviewed periodically, including at each financial year end.

(ix) Foreign currency translations

Transactions in currencies other than the Group's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Exchange differences arising on the settlement of monetary items or on re-translated monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in consolidated statement of profit and loss in the period in which they arise.

Non-monetary items denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction, Non-monetary items that are measured in term of historical cost in foreign currency are not reinstated.

(x) Employee benefits

(A) Post employment benefits

(a) Defined contribution plan

(i) Provident Fund

The Group makes contribution to statutory Provident Fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(ii) Superannuation

The Group makes contribution in regard to superannuation to a separate trust and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(b) Defined benefit plan

Gratuity

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation or termination of employee, based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability/asset is determined using projected unit credit method, through actuarial valuation carried out at the end of each annual reporting period.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such net interest cost along with the current service cost and, if applicable, the past service cost and settlement gain/loss, is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions, comprising actuarial gains/losses and return on plan assets (excluding the amount recognised in net interest on the net defined liability), are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(B) Short term employee benefits

Short term employee benefits including non-accumulated absences are charged to consolidated statement of profit and loss on an undiscounted, accrual basis for the period during which services are rendered by the employee.

(C) Other long term employee benefits- Compensated absences

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method and is recognized in employee benefit expenses in the statement of profit and loss.

(xi) Leases

Group as a lessee

The Group's lease assets primarily consist of leases for land and building. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time, in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and of low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a systematic basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the lessee's incremental borrowing rate.

Lease liability and right-of-use asset have been separately presented in the Balance Sheet. The interest expense on the lease liability has been separately presented as a component of finance costs in the statement of profit and loss. The payments of principal portion and interest portion of lease liability have been classified under financing activities in the statement of cash flows

The payments for short-term leases and leases of low-value assets have been recognized in the statement of profit and loss and have been classified under operating activities in the statement of cash flows.

Group as a lessor

Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, lease payments received are recognized on systematic basis over the term of the relevant lease as a part of other Income.

(xii) Segment reporting

Segments are identified based on the manner in which the Holding Company's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance.

(1) Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter- segment revenue.

(2) Expenses and incomes that are directly identifiable with/ allocable to the segments are considered for determining the segment result. Expenses and income not allocable to segments are included under unallocable category.

(3) Segment results includes margin on inter segment sales.

(4) Segment assets and liabilities include those directly identifiable with the respective segments. Assets and liabilities not allocable to any segment are classified under unallocable category.

(xiii) Tax expense

Tax expense comprises of current and deferred tax. Tax expense is recognised in statement of profit and loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, as the case may be.

(1) Current tax

Current tax is the tax payable/receivable on the taxable profit/loss for the year using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and any adjustment to taxes in respect of previous years. Interest expenses related to income tax are included in finance cost. Interest Income related to income tax is included in other income.

The current tax assets and current tax liabilities have been set off to the extent (a) there is a legally enforceable right to set off the recognised amounts; and (b) the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

(2) Deferred tax

Deferred tax assets and liabilities are recognized using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in financial statements.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period as and when there is change in tax rates.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that related tax benefits will be realized to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities have been set off as it relates to income taxes levied by the same taxation authority.

(xiv) Government grants

Government grants are not recognized until there is reasonable assurance that all attached conditions will be complied with and the grant will be received.

When the grants relates to an expense item, it is recognised in the statement of profit and loss by way of reduction from the related cost, which the grants are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving financial support to the Group with no related costs is recognised in the statement of profit or loss of the period in which it becomes receivable under 'other operating income'/'other income' based on the nature of grant.

Government grants relating to the purchase of property, plant and equipment are deducted from its gross value and are recognised in profit or loss on a systematic basis over the expected useful lives of the related assets by way of reduced depreciation.

(xv) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of items of qualifying assets, which are the assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset until such time as the assets are not ready for their intended use. All other borrowing costs are charged to the consolidated statement of profit and loss in the period in which they are incurred.

(xvi) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and are reliable estimate can be made of the amount of the obligation. As the timing of outflow of resources is uncertain, being dependent upon the outcome of the future proceedings, these provisions are not discounted to their present value.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the consolidated financial statements since this may result in the recognition of income that may never be realised.

(xvii) Earnings per share

Basic earnings per equity share is computed by dividing the profit or loss for the period attributable to the equity holders of the Holding Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period, for the effects of all dilutive potential equity shares, if any.

(xviii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition

The group recognises the financial assets and financial liabilities when it becomes party to the contractual provision of the instruments. All financial assets and liabilities are recognised at fair value on initial recognition except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets and or issue of financial liabilities that are not recognized at fair value through profit or loss, are added to or reduced from the fair value of the financial assets or financial liabilities, as appropriate. Transaction cost directly attributable to the acquisition of financial assets and financial liabilities recognized at fair value through profit or loss are recognised immediately in the statement of profit and loss.

(ii) Subsequent measurement

For the purposes of subsequent measurement, financial instruments are classified as follows:

A. Non-derivative financial instruments

(a) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income for such instruments is recognised in profit or loss using the Effective interest rate (EIR) method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount.

The carrying amounts of financial assets that are subsequently measured at amortised cost are determined based on the effective interest method less any impairment losses.

(b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income for such instruments is recognised in profit or loss using the Effective interest rate (EIR) method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount.

Fair value movements are recognised in the other comprehensive income (OCI) until the financial asset is derecognised. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the profit or loss.

(c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

Dividend and interest income from such instruments is recognized in the statement of profit and loss, when the right to receive the payment is established.

Fair value changes on such assets are recognised in the statement of profit and loss.

(d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination or is held for trading or it is designated as at FVTPL which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximates fair value due to the short maturity of these instruments.

All changes in fair value in respect of liabilities measured at fair value through profit and loss are recognised in the statement of profit and loss.

B. Derivative financial instruments

The group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Although the group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are charged to statement of profit and loss.

C. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received. Incremental costs directly attributable to the issuance of equity instruments and buy back of equity instruments are recognized as a deduction from equity, net of any tax effects.

(iii) Impairment of financial assets

Financial assets that are carried at amortised cost and fair value through other comprehensive income (FVOCI) are assessed for possible impairments basis expected credit losses taking into account the past history of recovery, risk of default of the counterparty, existing market conditions etc. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

Expected credit losses are measured through a loss allowance at an amount equal to:

- 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments).

For trade receivables or any contractual right to receive cash or another financial asset that result from transaction that are within the scope of Ind AS 115 and Ind AS 116, the group always measures the loss allowance at an amount equal to lifetime expected credit losses.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

(iv) Derecognition

A financial asset (or, a part of a financial asset) is primarily derecognized when:

(i) The contractual right to receive cash flows from the financial assets expire, or

(ii) The group transfers the financial assets or its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received/receivable is recognised in the profit or loss.

A financial liability (or, a part of financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

On de-recognition of a financial liability, the difference between the carrying amount of the financial liability de-recognised and the consideration paid/payable is recognised in profit or loss.

(v) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

(vi) Write off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

(xix) Statement of cash flows

The statement of cash flows is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities whereby profit for the period is adjusted for the effects of transaction of a non-cash nature, and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated. The group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(xx) Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise balance at banks and cash on hand and short-term deposits with original maturity period of three months or less from the acquisition date, which are subject to an insignificant risk of changes in value.

(xxi) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors.

2.5 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) require management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amount of income, expenses, assets and liabilities and disclosure of contingent liabilities.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and the effect of revision to accounting estimates is recognized prospectively from the period in which the estimate is revised.

The following are the areas of critical judgements, estimates and assumptions that the management has made in the process of preparation of consolidated financial statements and that have the significant effect on the amounts recognised in the consolidated financial statements:

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Group reviews the useful life of property, plant and equipment at the end of each reporting date.

Defined benefit plans and other post-employment benefits

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

Provisions/contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy. The Group annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary.

Fair value measurements

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, underlying asset model, comparable group multiple method and comparable transaction method which involve various judgements and assumptions.

Income taxes

Significant judgement is required in determination of provision for current tax and deferred tax e.g. determination of taxability of certain incomes and deductibility of certain expenses etc. The carrying amount of income tax assets/liabilities is reviewed at each reporting date. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in financial statements.

Inventories

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market driven changes.

2.6. Current – non-current classification

All assets and liabilities have been classified as current and non-current on the basis of the following criteria:

Assets

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the group's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within 12 months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or use to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the group's normal operating cycle;

b) it is held primarily for the purpose of trading;

c) it is due to be settled within 12 months after the reporting date; or

d) There is no unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

Operating cycle

Operating cycle is the time between the acquisition of assets for processing/servicing and their realization in cash or cash equivalents. The normal operating cycle is considered as twelve months.

3. Applicability of new and revised Ind AS

Ministry of Corporate Affairs ("MCA") notifies new accounting standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As at March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 4: Property, plant and equipment

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of		
Freehold land	317.81	317.81
Buildings	38,282.63	25,685.36
Plant and equipment	1,23,808.12	1,00,780.76
Furniture and fixtures	163.18	110.13
Vehicles	1,135.81	653.13
Office equipment	481.01	269.68
Electrical installation	12,561.77	6,806.89
Railway sidings	163.60	192.83
Total Property, plant and equipment	**1,76,913.93**	**1,34,816.60**

The change in the carrying amount of Property, Plant and Equipments during the year are as follows:-

Particulars	Free-hold land	Buildings	Plant and equipment	Furni-ture and fixtures	Vehicles	Office equip-ment	Electrical installa-tion	Rail-way sidings	Total
Gross carrying amount as at April 1, 2022	**317.81**	**27,659.68**	**1,47,943.43**	**596.33**	**1,382.83**	**959.47**	**3,239.73**	**647.42**	**1,82,746.73**
Additions	-	15,333.56	48,090.27	31.54	232.01	163.89	6,383.46	-	70,234.73
Disposals/deletions	-	-	(611.42)	(3.14)	(194.96)	(179.15)	(81.03)	-	(1,069.70)
Gross carrying amount as at 31st March. 2023 (A)	**317.81**	**42,993.24**	**1,95,422.28**	**624.73**	**1,419.87**	**944.21**	**9,542.17**	**647.42**	**2,51,911.76**
Additions	-	15,656.68	34,962.24	77.74	834.24	377.13	7,677.37	-	59,585.40
Disposals/deletions	-	(15.78)	(822.27)	(29.24)	(367.21)	(5.98)	(41.71)	-	(1,282.19)
Gross carrying amount as at March 31, 2024 (B)	**317.81**	**58,634.14**	**2,29,562.25**	**673.23**	**1,886.89**	**1,315.36**	**17,177.83**	**647.42**	**3,10,214.97**
Accumulated depreciation as at April 1, 2022	**-**	**16,011.94**	**87,118.30**	**498.06**	**712.71**	**779.41**	**2,360.70**	**425.37**	**1,07,906.53**
Depreciation for the year	-	1,295.93	8,085.05	18.75	196.14	66.98	442.38	29.21	10,134.45
Disposals/deletions	-	-	(561.82)	(2.22)	(142.11)	(171.87)	(67.79)	-	(945.81)
Accumulated depreciation as at March 31, 2023 (C)	**-**	**17,307.88**	**94,641.52**	**514.59**	**766.74**	**674.53**	**2,735.29**	**454.59**	**1,17,095.16**
Depreciation for the year	-	3,059.41	11,900.25	23.58	269.01	167.53	1,917.70	29.23	17,366.71
Disposals/deletions	-	(15.78)	(787.64)	(28.12)	(284.67)	(7.71)	(36.93)	-	(1,160.85)
Accumulated depreciation as at March 31, 2024 (D)	**-**	**20,351.51**	**1,05,754.13**	**510.05**	**751.08**	**834.35**	**4,616.06**	**483.82**	**1,33,301.02**
Net carrying amount as at March 31, 2023 (A)-(C)	**317.81**	**25,685.36**	**1,00,780.76**	**110.13**	**653.13**	**269.68**	**6,806.89**	**192.83**	**1,34,816.60**
Net carrying amount as at March 31, 2024 (B)-(D)	**317.81**	**38,282.63**	**1,23,808.12**	**163.18**	**1,135.81**	**481.01**	**12,561.77**	**163.60**	**1,76,913.95**

(i) One building situated at Delhi having gross carrying amount of ₹83.13 lakhs (previous year ₹83.13 lakhs) is owned jointly with RSWM Ltd.

(ii) Refer note 47 for information on property, plant and equipment pledged as security by the group

(iii) The borrowing cost capitalized in property plant and equipment during the year is NIL (Previous year NIL)

(iv) The aggregate depreciation has been included under depreciation and amortisation expense in the statement of profit and loss.

(v) Refer note 38 for detail of contractual commitment towards purchase of property, plant and equipment.

(vi) The group has not revalued any of its property, plant and equipment during the year.

(vii) The title deeds of all the immovable properties are held in the name of the group.

HEG LIMITED

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 5: Capital work in progress

Particulars	As at March 31, 2024	As at March 31, 2023
Building, plant and equipment under erection/installation (including project and pre-operative expense) (also Refer note-44)	21,227.17	47,200.80

The borrowing cost capitalized in capital work-in-progress during the year is NIL (Previous year NIL)

a) Capital work-in-progress ageing schedule is as follows:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital work in progress as at March 31, 2024					
Projects in progress	17,200.63	3,660.41	339.77	26.36	21,227.17
Project temporarily suspended	-	-	-	-	-
Total capital work in progress	**17,200.63**	**3,660.41**	**339.77**	**26.36**	**21,227.17**
Capital work in progress as at March 31, 2023					
Projects in progress	46,034.54	1,098.58	58.36	9.32	47,200.80
Project temporarily suspended	-	-	-	-	-
Total capital work in progress	**46,034.54**	**1,098.58**	**58.36**	**9.32**	**47,200.80**

b) For capital-work-in progress, whose completion is overdue , the completion schedule is as follows:

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital work in progress as at March 31, 2024					
Projects in progress	-	-	-	-	-
Capital work in progress as at March 31, 2023					
Projects in progress	34,687.62	-	-	-	34,687.62

Note:

(a) There is no such project in capital-work-in progress whose completion is overdue compared to its original plan as on March 31, 2024 and March 31, 2023

(b) There is no such project in capital-work-in progress whose cost has exceeded compared to its original plan as on March 31, 2024 and March 31, 2023

Note 6: Right-of-use asset

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of		
Land	3,749.44	621.21
Building	87.27	78.79
Total	**3,836.71**	**700.00**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Land	Building	Total
Gross carrying amount as at April 1, 2022	**889.90**	**156.12**	**1,046.02**
Additions	-	87.17	87.17
Adjustments	-	-	-
Gross carrying amount as at March 31, 2023 (A)	**889.90**	**243.29**	**1,133.20**
Gross carrying amount as at April 1, 2023	**889.90**	**243.29**	**1,133.20**
Additions	3,170.22	56.33	3,226.55
Adjustments	-	-	-
Gross carrying amount as at March 31, 2024 (B)	4,060.11	299.63	4,359.75
Accumulated depreciation as at April 1, 2022	**253.18**	**126.14**	**379.33**
Depreciation for the year	15.51	38.36	53.87
Other Adjustments for the year	-	-	-
Accumulated depreciation as at March 31, 2023 (C)	**268.69**	**164.50**	**433.22**
Accumulated depreciation as at April 1, 2023	**268.69**	**164.50**	**433.22**
Depreciation for the year	41.98	47.85	89.83
Other adjustments for the year	-	-	-
Accumulated depreciation as at March 31, 2024 (D)	310.67	212.35	523.04
Net carrying amount as at March 31, 2023 (A)-(C)	**621.21**	**78.79**	**700.00**
Net carrying amount as at March 31, 2024 (B)-(D)	3,749.44	87.27	3,836.72

(i) Refer Note 41 for other disclosures related to leases.

(ii) The aggregate depreciation has been included under depreciation and amortisation expense in the statement of profit and loss.

Note 7: Investment property

Carrying amount of investment property

Particulars	As at March 31, 2024	As at March 31, 2023
Building	690.69	724.80

Particulars	Amount
Building	
Gross carrying amount	
As at April 1, 2022	1,001.31
Additions	-
Disposals	-
As at March 31, 2023 (a)	**1,001.31**
Additions	-
Disposals	-
As at March 31, 2024 (b)	1,001.31

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Amount
Accumulated depreciation	
At April 1, 2022	240.66
Charge for the year	35.85
Disposals	-
As at March 31, 2023 (c)	**276.51**
Charge for the year	34.11
Disposals	-
As at March 31, 2024 (d)	310.62
Net carrying amount	
As at March 31, 2023 (a-c)	**724.80**
As at March 31, 2024 (b-d)	**690.69**

(i) Amounts recognised in profit or loss for investment properties

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rental income	140.06	138.23
Direct operating expenses from property that generated rental income	7.11	4.73
Total income from investment properties before depreciation	132.95	**133.50**
Depreciation	34.11	35.85
Net income from investment properties	98.84	**97.64**

(ii) Fair value of investment properties

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of investment properties	5,415.06	5,781.32

(iii) Fair Value technique used and its heirarchy

The group has obtained independent valuations of its investment property from independent registered valuer as defined under rule 2 of the Companies (Registered valuers and valuation) Rules, 2017. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. The main inputs considered by the valuer are government rates, property location, market research & trends, contracted rentals, terminal yields, discount rates and comparable values, as appropriate.

(iv) The aggregate depreciation has been included under depreciation and amortisation expense in the statement of profit and loss.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 8: Other intangible assets

Carrying amount of intangible assets

Particulars	As at March 31, 2024	As at March 31, 2023
Software	123.46	33.54
	123.46	**33.54**

Particulars	Amount
Computer software	
Gross carrying amount	
As at April 1, 2022	**478.13**
Additions	29.84
Disposals	(18.01)
As at March 31, 2023 (a)	**489.96**
Additions	107.63
Disposals	-
As at March 31, 2024 (b)	**597.58**
Amortisation	
As at April 1, 2022	**468.15**
Charge for the year	6.15
Disposals	(17.88)
As at March 31, 2023 (c)	**456.42**
Charge for the year	15.74
Disposals	1.96
As at March 31, 2024 (d)	**474.13**
Net carrying amount	
As at March 31, 2023 (a-c)	**33.54**
As at March 31, 2024 (b-d)	**123.46**

(a) The group has not internally developed computer softwares.

(b) The amount of amortisation has been included under depreciation and amortisation expense in the statement of profit and loss.

(c) Computer softwares are amortized over a period of five years.

(d) The group has not capitalized any borrowing cost during the current year (previous year Nil).

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 9: Investments

No of Units	Particulars	Face Value	Non-current		Current	
			As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
A.	**Investments in Associates accounted for using the Equity method**					
	Investments in equity instruments					
(a)	***Equity instruments in Associate Companies (unquoted)***					
81232560	(Previous year 81232560) fully paid up equity shares of Bhilwara Energy Ltd.	10	30,711.50	30,711.50	-	-
1262048	(Previous year 1262048) fully paid up equity shares of Bhilwara Infotechnology Ltd (erstwhile Bhilwara Infotech Ltd.)	10	419.00	419.00	-	-
	Add/(less): Share of profit/(loss) in Associates up to reporting date		29,649.45	21,493.97	-	-
	Add/(less): impact of direct adjustment in other equity of Associates up to reporting date		(1,285.79)	(997.15)	-	-
			59,494.16	**51,627.31**	**-**	**-**
	Aggregate amount of quoted investments		-	-	-	-
	Market value of quoted investments		-	-	-	-
	Aggregate carrying value of unquoted investments		59,494.16	51,627.31	-	-
	Aggregate amount for impairment in value of investments		-	-	-	-
B.	**Other investments**					
I.	**Investments carried at fair value through profit or loss**					
(a)	**Investments in equity instruments (quoted)**					
18	(Previous year 18) fully paid up equity shares of Ballarpur Ind. Ltd.	2	0.01	0.01	-	-
4967221	(Previous year -Nil) fully paid up equity shares of Graftech International Ltd.	0.01$	5,673.28	-	-	-
(b)	**Investments in mutual funds (quoted)**					
30206.095	(Previous year-89236.812) units of Invesco India Overnight/Liquid fund	1000	-	-	1,001.28	1,010.85
NIL	(Previous year- 1662530.918) units of Reliance Nippon overnight fund	1000	-	-	-	2,001.10
161625.295	(Previous year- NIL) units of Axis Money Market fund Direct Growth	1000	-	-	2,120.50	-
63958.061	(Previous year-NIL) units of UTI Liquid fund	1000	-	-	2,531.44	-

All amounts are in ₹ Lakhs unless otherwise stated

No of Units	Particulars	Face Value	Non-current As at March 31, 2024	Non-current As at March 31, 2023	Current As at March 31, 2024	Current As at March 31, 2023
63287.711	(Previous year-NIL) units of DSP Liquidity fund	1000	-	-	2,184.29	-
NIL	(Previous year-41792.179) units of SBI Overnight/Liquid Mutual fund	1000	-	-	-	1,525.10
20522.700	(Previous year-NIL) units of Kotak Liquid Fund	1000	-	-	1,001.31	
109613.376	(Previous year-NIL) units of MIRAE Asset Liquid fund	1000	-	-	2,795.46	
38329.278	(Previous year-NIL) units of Baroda BNP Paribas Liquid fund	1000	-	-	1,067.39	
2879517.837	(Previous year-NIL) units of Kotak Equity Arbitrage fund	10	-	-	1,047.75	-
16599077.153	(Previous year-NIL) units of AXIS Bank Arbitrage fund	10	-	-	3,067.44	-
13490452.151	(Previous year-NIL) units of Invesco India Arbitrage fund	10	-	-	4,232.10	
3013912.925	(Previous year-NIL) units of UTI Arbitrage fund	10	-	-	1,022.52	
3929369.982	(Previous year-NIL) units of ABSL Arbitrage fund	10	-	-	1,022.85	
5869399.349	(Previous year-NIL) units of NIPPON Arbitrage fund	10	-	-	1,534.03	
8305370.542	(Previous year-NIL) units of EDELWEISS Arbitrage fund	10	-	-	1,570.91	-
13111748.111	(Previous year-7001470.40) units of SBI Arbitrage Opportunities fund	10	-	-	4,291.97	2,115.82
13616737.412	(Previous year-NIL) units of TATA Arbitrage fund	10	-	-	1,869.52	
(c)	**Investments in fixed maturity plans scheme (Quoted)**					
46034272.808	(Previous year- 46034272.808) units of SBI CPSE Bond Plus SDL SEP 2026 50:50 Index Fund- Direct Growth Plan	10	5,140.88	4,794.61	-	-
13724503.583	(Previous year- 13724503.583) units of Edelweiss Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund -Direct Growth Plan	10	1,629.44	1,519.34	-	-
9835831.784	(Previous year- 9835831.784) units of Kotak Nifty SDL APR 2027 Top 12 Equal Weight Index Fund- Direct Growth Plan	10	1,092.26	1,019.76	-	-
9939347.719	(Previous year- 9939347.719) units of Nippon India Nifty AAA CPSE Bond Plus SDL - APR 2027 Maturity 60:40 Index Fund-Direct Growth Plan	10	1,097.83	1,023.21	-	-

HEG LIMITED

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

No of Units	Particulars	Face Value	Non-current As at March 31, 2024	Non-current As at March 31, 2023	Current As at March 31, 2024	Current As at March 31, 2023
(d)	**Investments in bond funds (Quoted)**					
108109.497	(Previous year-108109.497) units of Kotak Corporation Bond Fund	1000	3,821.87	3,541.92	-	-
NIL	(Previous year-8497123.601) units of Bharat Bond FOF - April 2023 - Direct Growth Plan	10	-	-	-	1,038.37
2618367.638	(Previous year-2618367.638) units of ABSL Corporate Bond Fund - Direct Growth Plan	10	2,703.34	2,503.30	-	-
5430713.319	(Previous year-5430713.319) units of HDFC Corporate Bond Fund - Direct Growth Plan	10	1,622.89	1,499.93	-	-
(e)	**Investments in infrastructure trust (Quoted)**					
4400000	(Previous year-4400000) units of Oriental Infratrust	100	5,337.20	6,028.00	-	-
II.	**Investments carried at amortized cost**					
	Investments in bonds (unquoted)					
NIL	(Previous year-250) units of 7.2871% HDB Financial Services Limited 2023	1000000	-	-	-	2,627.77
NIL	(Previous year-200) unis of 5.50% Kotak Mahindra Prime Limited 2023	1000000	-	-	-	2,050.47
	Total		**28,119.00**	**21,930.08**	**32,360.76**	**12,369.50**
	Aggregate carrying value of quoted investments		28,119.00	21,930.08	32,360.76	7,691.25
	Market value of quoted investments		28,119.00	21,930.08	32,360.76	7,691.25
	Aggregate carrying value of unquoted investments		-	-	-	4,678.25
	Aggregate amount for impairment in value of investments		-	-	-	-

Note (i): Investments having maturity period of less than 12 months from balance sheet date have been reclassified as current investments, if any.

Note (ii): Refer Note 46B for classification of financial assets.

Note (iii): Refer Note 46C for information about credit risk and market risk in respect of investments.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 10: Trade receivables

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
a) Trade receivables considered good-secured	-	-
Less: allowance for expected credit loss		
b) Trade receivables considered good-unsecured	50,855.65	48,913.99
Less: allowance for expected credit loss	(150.29)	-
c) Trade receivables which have significant increase in credit risk; and	239.04	-
Less: allowance for expected credit loss	(119.52)	-
d) Trade receivables credit impaired	89.64	89.02
Less: allowance for credit impairment	(89.64)	(89.02)
Total	**50,824.88**	**48,913.99**

There is no amount due from Directors or other Officers or any of them either severally or jointly with any other person or firms or private Company respectively in which any Director is a partner or a Director or a member.

Trade receivables ageing schedule for the year ended as on March 31, 2024 and March 31, 2023:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024							
(i) Undisputed trade receivables – considered good	31,831.04	17,668.57	1,356.05	-	-	-	50,855.65
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	239.04	-	-	239.04
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	9.50	80.14	89.64
(iv) Disputed trade receivables – considered good		-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
As at March 31, 2023							
(i) Undisputed trade receivables – considered good	32528.00	14347.04	2036.85	2.09	0.00	0.00	48913.99
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	8.89	2.15	77.99	89.02
(iv) Disputed trade receivables – considered good		-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired		-	-	-	-	-	-

Refer Note 46B for classification of financial assets

Refer Note 46C for credit risk and expected credit loss related to trade receivables.

Refer Note 47 for information of trade receivables pledged as security by the group.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 11: Loans

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial asset at amortised cost				
Loans to employees				
a) Loans considered good-secured	-	-	-	-
b) Loans considered good-unsecured	88.08	77.31	65.91	60.46
c) Loans which have significant increase in credit risk; and	-	-	-	-
d) Loans credit impaired	-	-	-	-
Total	**88.08**	**77.31**	**65.91**	**60.46**

Refer Note 46B for classification of financial assets

Refer Note 46C for information about credit risk and market risk in respect of financial assets.

Note (i) : The above figures includes loan to Chief Financial officer and Company Secretary (KMP) amounting to ₹26.50 lakhs (Previous year ₹20.52 lakhs) which is repayable in accordance with the policy applicable to all the employees. Such loan outstanding as at the end of the year amounts to 17.21% (previous year 68.4%) of total loans to employees outstanding as on that date. Such loans are neither repayable on demand nor without specifying any terms or period of repayment.

Note (ii) : There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and related parties (as defined under Companies Act, 2013), either severally or jointly with any other person except as mentioned in note (i) above.

Note 12: Other financial assets

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial assets at amortised cost				
Security deposits	4,607.39	3,525.36	-	-
Interest accrued but not due on fixed deposits	-	-	1,314.35	2,059.05
Bank deposits having maturity period of more than 12 months from reporting date (Refer note 16)	20.00	20.00	-	-
Interest subvention recoverable (on working capital loans)	-	-	286.95	2.93
Other recoverables				
-Related parties	-	-	-	-
-Others	-	-	2896.22	-
Financial assets at fair value through profit or loss				
*Derivative financial instruments	-	-	126.35	274.05
Total	**4,627.39**	**3,545.36**	**4,623.87**	**2,336.03**

* The group enters into derivative financial instruments (usually foreign exchange forward contracts) to manage its exposure to foreign exchange rate risk. For details of derivative financial instruments, Refer note 46C.

Refer Note 46B for classification of financial assets

Refer Note 46C for information about credit risk and market risk in respect of other financial assets.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 13: Other assets

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good unless stated otherwise			-	-
Capital advances	932.09	2,767.08	-	-
Other advances (other than advances to related parties)	-	-	820.75	343.62
Advances to related parties	-	-	-	0.11
Prepaid expenses	191.94	269.65	1,452.46	1,626.79
Balances with Government authorities	-	-	5,446.54	2,934.91
GST refund receivable	-	-	483.50	1,518.08
Payments under protest (excluding direct taxes other than TDS) #	401.28	5,564.96	-	-
Export benefits receivable	-	-	126.74	579.93
Other employee advances			58.74	75.73
Gratuity fund receivable (also Refer note 40)	-	-	669.72	570.47
Others			5,610.46	871.32
Total	**1,525.31**	**8,601.69**	**14,668.91**	**8,520.97**

There are no advances to the Directors or other officers or any of them either severally or jointly with any other persons or advances to firms or private companies in which any Director is a partner or a Director or a member.

Detail of payments under protest (excluding direct taxes other than TDS) is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Entry tax	114.29	114.29
Central sales tax	144.63	126.95
Excise duty/service tax	79.89	79.62
MPST/MPCT	0.46	0.46
Tax deducted at source	62.01	62.01
Power legal cases	-	5,181.63
Total	**401.28**	**5,564.96**

Note: Based on legal advice, discussions with the solicitors, etc., the management believes that there are fair chances of decisions in group's favour in respect of all the items listed above.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 14: Inventories (valued at lower of cost or net realizable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	28,006.17	47,555.45
[Includes material in transit ₹11664.56 lakhs ; previous year: ₹9252.62 lakhs]		
Finished goods	50,558.61	55,986.80
Work-in-progress	35,182.52	35,593.37
Stores and spares	5,667.93	4,875.88
[Includes stores in transit ₹679.37 lakhs ; previous year: ₹570.41 lakhs]		
Total	**1,19,415.23**	**1,44,011.50**

(a) The cost of inventories recognised as an expense during the year was ₹1,28,911.33 lakhs (March 31,2023 ₹1,24,457.77 lakhs)

(b) The cost of inventories recognised as an expense includes ₹790.91 lakhs (31 March, 2023 ₹592 lakhs) in respect of write down of inventories on account of slow moving items.

(c) Refer note 47 for information of inventory pledged as security by the group.

(d) The method of valuation of inventories has been stated at Note 2.3(ii)

Note 15: Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at amortised cost		
Balances with banks		
In current accounts	808.99	2,264.75
In cash credit accounts	1,017.10	1,054.68
Cheques, drafts in hand	-	1.50
Cash on hand	12.54	7.90
Term/fixed deposits with banks/financial institutions having original maturity period of less than three months	11,866.54	-
Total cash and cash equivalent	**13,705.17**	**3,328.83**

Refer Note 46B for classification of financial assets

Refer Note 46C for information about credit risk and market risk in respect of cash and cash equivalents

Note 16: Other bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at amortised cost		
I. Earmarked deposits with banks		
a) Held as margin money against letter of credit for raw material and capital goods and against bank guarantees	1,554.02	3,193.21
b) Held for unpaid/unclaimed dividend	608.16	554.69
c) Held for unspent Corporate Social Responsibility expenditure on account of ongoing projects	25.18	926.16
II. Term/fixed deposits with banks/financial institutions having original maturity period of more than three months	25,151.01	61,050.93
Less: bank deposits having maturity period after 12 months from the reporting date (Refer note 12)	20.00	20.00
Total	**27,318.37**	**65,704.99**

Refer Note 46B for classification of financial assets

Refer Note 46C for information about credit risk and market risk in respect of other bank balances.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 17: Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
5,50,00,000 (previous year 5,50,00,000) equity shares of ₹10/- each	5,500.00	5,500.00
15,00,000 (previous year 15,00,000) preference shares of ₹100/- each	1,500.00	1,500.00
	7,000.00	7,000.00
Issued, subscribed and fully paid-up		
3,85,95,506 (previous year 3,85,95,506) equity shares of ₹10/- each	3,859.55	3,859.55
1,150 (previous year 1,150) forfeited equity shares	0.04	0.04
Total	3,859.59	3,859.59

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particulars	2023-24		2022-23	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the beginning of the year	3,85,95,506	3,859.55	3,85,95,506	3,859.55
Change during the year	-	-	-	-
Outstanding at the end of the year	3,85,95,506	3,859.55	3,85,95,506	3,859.55

b) Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. The dividend(if any) proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Detail of shareholders holding more than 5% shares in the Holding Company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Equity Shares				
Norbury Investments Limited	53,62,991	13.90	53,62,991	13.90
Microlight Investments Limited	46,65,579	12.09	46,65,579	12.09
Bharat Investments Growth Limited	27,34,913	7.09	27,34,913	7.09

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

d) Aggregate number of equity shares issued for consideration other than cash, allotted by way of bonus shares and shares bought back during the period of five years immediately preceding the reporting date.

Particulars	Aggregate No. of shares				
	2023-24	2022-23	2021-22	2020-21	2019-20
a) Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
b) Equity shares allotted as fully paid up by way of bonus shares	-	-	-	-	-
c) Equity shares bought back by the Company.	-	-	-	-	-

e) Details of shares held by holding Company or its ultimate holding Company or their Subsidiaries or Associates

There is no holding Company /ultimate holding Company of the Holding Company.

f) Details of shareholdings by the promoters and promoter's Group of the Holding Company

Sl. No.	Name	As at March 31, 2024		As at March 31, 2023		% change in the year
		No of shares	% of Total shares	No of shares	% of Total shares	
1	Ravi Jhunjhunwala	719	0.00%	719	0.00%	0.00%
2	Riju Jhunjhunwala	1,356	0.00%	1,356	0.00%	0.00%
3	Rita Jhunjhunwala	1,876	0.00%	1,876	0.00%	0.00%
4	Rishabh Jhunjhunwala	1,807	0.00%	1,807	0.00%	0.00%
5	RLJ Family Trusteeship Pvt Ltd	500	0.00%	500	0.00%	0.00%
6	Bharat Investments Growth Ltd	27,34,913	7.09%	27,34,913	7.09%	0.00%
7	Purvi Vanijya Niyojan Ltd	18,68,583	4.84%	18,68,583	4.84%	0.00%
8	LNJ Financial Services Ltd	16,48,323	4.27%	16,48,323	4.27%	0.00%
9	Raghav Commercial Ltd	14,48,163	3.75%	14,48,163	3.75%	0.00%
10	Jet (India) Pvt Ltd	10,05,599	2.61%	10,05,599	2.61%	0.00%
11	Giltedged Industrial Securities Ltd	8,87,689	2.30%	8,87,689	2.30%	0.00%
12	Shashi Commercial Company Ltd	6,75,536	1.75%	6,75,536	1.75%	0.00%
13	M.L. Finlease Pvt Ltd	3,46,461	0.90%	3,46,461	0.90%	0.00%
14	RSWM Ltd	3,18,391	0.82%	3,18,391	0.82%	0.00%
15	India Texfab Marketing Ltd	2,06,718	0.54%	2,06,718	0.54%	0.00%
16	Investors India Ltd	36,254	0.09%	36,254	0.09%	0.00%
17	Dreamon Commercial Pvt Ltd *	3,16,516	0.82%	3,16,516	0.82%	0.00%
18	Norbury Investments Ltd	53,62,991	13.90%	53,62,991	13.90%	0.00%
19	Microlight Investments Ltd	46,65,579	12.09%	46,65,579	12.09%	0.00%
	Total	2,15,27,974	55.78%	2,15,27,974	55.78%	0.00%

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Sl. No.	Name	As at March 31, 2023		As at March 31, 2022		% change in the year
		No of shares	% of Total shares	No of shares	% of Total shares	
1	Ravi Jhunjhunwala	719	0.00%	719	0.00%	0.00%
2	Riju Jhunjhunwala	1,356	0.00%	1,356	0.00%	0.00%
3	Rita Jhunjhunwala	1,876	0.00%	1,876	0.00%	0.00%
4	Rishabh Jhunjhunwala	1,807	0.00%	1,807	0.00%	0.00%
5	RLJ Family Trusteeship Pvt Ltd	500	0.00%	0	0.00%	0.00%
6	Bharat Investments Growth Ltd	27,34,913	7.09%	27,34,913	7.09%	0.00%
7	Purvi Vanijya Niyojan Ltd	18,68,583	4.84%	18,68,583	4.84%	0.00%
8	LNJ Financial Services Ltd	16,48,323	4.27%	16,48,323	4.27%	0.00%
9	Raghav Commercial Ltd	14,48,163	3.75%	14,48,163	3.75%	0.00%
10	Jet (India) Pvt Ltd	10,05,599	2.61%	10,05,599	2.61%	0.00%
11	Giltedged Industrial Securities Ltd	8,87,689	2.30%	8,87,689	2.30%	0.00%
12	Shashi Commercial Company Ltd	6,75,536	1.75%	6,75,536	1.75%	0.00%
13	M.L. Finlease Pvt Ltd	3,46,461	0.90%	3,46,461	0.90%	0.00%
14	RSWM Ltd	3,18,391	0.82%	3,18,391	0.82%	0.00%
15	India Texfab Marketing Ltd	2,06,718	0.54%	2,06,718	0.54%	0.00%
16	Nivedan Vanijya Niyojan Ltd *	0	0.00%	66,684	0.17%	-0.17%
17	Investors India Ltd	36,254	0.09%	36,254	0.09%	0.00%
18	Dreamon Commercial Pvt Ltd *	3,16,516	0.82%	0	0.00%	0.82%
19	Norbury Investments Ltd	53,62,991	13.90%	53,62,991	13.90%	0.00%
20	Microlight Investments Ltd	46,65,579	12.09%	46,65,579	12.09%	0.00%
	Total	**2,15,27,974**	**55.78%**	**2,12,77,642**	**55.13%**	**0.65%**

* Nivedan Vanijya Niyojan Ltd. have been amalgamated with Dreamon Commercial Private Ltd. Pursuant to scheme of amalgamation duly approved by NCLT, Kolkata w.e.f. January 12, 2023

Note: The disclosure of shareholding of Promoter and Promoter Group is based on shareholding pattern filed with Stock Exchanges under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Note 18: Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
A. Capital reserves		
Balance as at the beginning of the year	10,726.49	10,726.49
Movement during the year	-	-
Share of of direct adjustment in other equity of Associates	(288.64)	
Balance as at the end of the year	**10,437.85**	**10,726.49**
B. Capital redemption reserve		
Balance as at the beginning of the year	2,029.93	2,029.93
Movement during the year	-	-
Balance as at the end of the year	**2,029.93**	**2,029.93**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	As at March 31, 2024	As at March 31, 2023
C. Retained earnings		
Balance as at the beginning of the year	4,11,477.84	3,74,746.95
Amount transferred from statement of profit and loss		
- Profit for the year	31,167.91	53,240.84
- Other comprehensive income for the year (remeasurement of defined employee benefit plan) (net of tax expense)	34.85	(61.84)
-Share of other comprehensive income of Associates	(10.74)	(12.77)
Share of direct adjustment in other equity of Associates	-	(997.15)
Dividend distributed on equity shares during the year	(16,403.09)	(15,438.19)
Balance as at the end of the year	**4,26,266.77**	**4,11,477.84**
Total	**4,38,734.55**	**4,24,234.25**

Nature and purpose of reserves

1) **Capital reserve:**

The Capital reserve has been created on account of warrant money forfeited, on profit made on hived off of steel business and acquisition of Associates.

2) **Capital redemption reserve:**

The capital redemption reserve has been created at the time of redemption of preference shares and buy back of own shares. The reserve can be utilised for issuing bonus shares.

3) **Retained earnings**

Retained earnings refer to net earnings not paid out as dividend but retained to be reinvested in the core business. The amount is available for distribution of dividend to the equity shareholders.

Note 19: Borrowings

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand from banks				
Working capital loans from banks				
-Secured	-	-	58,937.81	69,090.77
-Unsecured	-	-	3,000.00	4,999.96
Total	-	**-**	**61,937.81**	**74,090.73**

(i) Terms of repayment of loans

Particulars	Maturity date	Terms of repayment	Interest rate	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand	**Payable on demand**	**Payable on demand**	**At negotiated rates**		
Secured					
Working capital loans from banks				58,937.81	69,090.77
Unsecured					
Working capital loans from banks				3,000.00	4,999.96
Total				**61,937.81**	**74,090.73**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

(ii) Nature of security against loans

a) Working capital borrowings from banks are secured by first charge against hypothecation of all stocks present and future, stores, spare parts, packing materials, raw materials, finished goods, goods in transit / process, book debts, outstanding monies receivable, claims, bills etc.

b) Pari-passu second charge over entire fixed assets (including land & building and plant & machineries) in respect of Graphite & Thermal Power Unit at Mandideep and Hydel Power unit at Tawa Nagar, Hoshangabad.

(iii) Refer Note 46B for classification of financial liabilities

(iv) Refer Note 47 for carrying amount of assets pledged as security for borrowings.

(v) Refer note 46C for information about liquidity risk and market risk in respect of borrowings.

Note 20: Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	847.88	2,565.16
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	41,681.71	38,629.87
Total	**42,529.59**	**41,195.03**

(i) Trade payables ageing schedule for the year ended as on March 31, 2024 and March 31, 2023:

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024						
(i) Micro enterprises and small enterprises	847.88	-	-	-	-	847.88
(ii) Others	39,329.30	319.45	2.04	1,874.33	156.59	41,681.71
(iii) Disputed dues –micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-
As at March 31, 2023						
(i) Micro enterprises and small enterprises	2,565.16	-	-	-	-	2,565.16
(ii) Others	30,014.34	1,385.90	2.15	1,888.12	157.73	33,448.24
(iii) Disputed dues –micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues - others	1,516.03	-	-	-	3,665.61	5,181.63

(ii) Refer Note 46B for classification of financial liabilities

(iii) Refer note 46C for information about liquidity risk and market risk in respect of trade payables.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

(iv) The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified, on the basis of information and records available. The required information is as under :-

Particulars	As at March 31, 2024	As at March 31, 2023
a) The amount remaining unpaid to any supplier at the end of each accounting year.		
a) Principal		
-Related to trade payables	847.88	2,565.16
-Related to creditors for capital purchases	518.86	1,797.85
b) Interest	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note 21A: Lease liabilities

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Lease liabilities - land (Refer Note - 41)	220.71	84.16	14.78	2.07
Lease liabilities - building (Refer Note - 41)	45.45	53.90	48.80	26.12
Total	**266.16**	**138.06**	**63.58**	**28.19**

Refer Note 46B for classification of financial liabilities

Refer note 46C for information about liquidity risk and market risk in respect of lease liabilities.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 21B: Other financial liabilities

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	-	-	27.71	35.42
Security deposits	-	-	182.83	146.73
Unpaid/unclaimed dividend #	-	-	608.16	554.69
Creditors for capital purchases	-	-	-	-
Payable to micro enterprises and small enterprises	-	-	518.86	1,797.85
Payable to other than micro enterprises and small enterprises	-	-	3,935.80	4,946.62
Other payables	-	-		
Employees related	-	-	2,118.29	2,856.28
Others	-	-	1,846.98	2,039.72
Total	-	**-**	**9,238.63**	**12,377.31**

Unpaid dividend does not include any amount which is required to be transferred to the Investor's Education and Protection Fund.

Refer Note 46B for classification of financial liabilities

Refer note 46C for information about market risk and liquidity risk in respect of other financial liabilities.

Note 22: Provisions

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits				
Compensated absences	492.93	305.82	95.49	71.56
Gratuity	4.91	-	0.02	-
Other provisions				
Provision against pending litigations	-	-	325.83	435.47
Total	497.84	**305.82**	421.34	**507.03**

Movement of provision against pending litigations

Nature of provisions	Non-current		Current	
	2023-24	2022-23	2023-24	2022-23
Carrying amount at the beginning of the year	-	-	435.47	439.05
Amount provided made during the year	-	-	-	-
Amount reversed during the year	-	-	109.64	3.58
Carrying amount at the end of the year	-	**-**	325.83	**435.47**

Note: Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

The provisions for indirect taxes and legal matters comprises of separate cases that arise in the ordinary course of business. These provisions have not been discounted as it is not practicable to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

No reimbursements are expected in respect of the above provisions

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 23: Deferred tax liabilities (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities (A)		
Difference between carrying value of property, plant and equipment as per books of account and income tax	9,621.18	8,481.60
Fair valuation of investments	111.15	282.38
Deferred tax assets (B)		
Expenses deductible on payment basis under income tax/ provision for employee benefits	60.54	61.91
Allowances for expected credit loss	68.06	22.41
Net deferred tax liability (A)-(B)	**9,603.73**	**8,679.66**

The following is the movement of the deferred tax liabilities and assets

Movement in deferred tax liabilities and assets for the year ended March 31, 2024

Particulars	As at April 1, 2023	Recognized in the profit or loss	Recognized in other comprehensive income	As at March 31, 2024
Deferred tax liabilities (A)				
Difference between carrying value of property, plant and equipment as per books of account and tax base	8,481.60	1,139.58	-	9,621.18
Fair valuation of investments	282.38	(171.23)	-	111.15
Deferred tax assets (B)				
Expenses deductible on payment basis under income tax/ provision for employee benefits	61.91	10.35	(11.72)	60.54
Allowances for expected credit loss	22.41	45.65	-	68.06
Net deferred tax liabilities/(assets) (A)-(B)	**8,679.66**	**912.35**	**11.72**	**9,603.73**

Movement in deferred tax liabilities and assets for the year ended March 31, 2023

Particulars	As at April 1, 2022	Recognized in the profit or loss	Recognized in other comprehensive income	As at March 31, 2023
Deferred tax liabilities (A)				
Difference between carrying value of property, plant and equipment as per books of account and tax base	8,150.00	331.60	-	8,481.60
Fair valuation of investments	1,656.64	(1,374.26)	-	282.38
Deferred tax assets (B)				
Expenses deductible on payment basis under income tax/ provision for employee benefits	71.87	(30.77)	20.80	61.91
Allowances for expected credit loss	105.60	(83.19)	-	22.41
Net deferred tax liabilities/(assets) (A)-(B)	**9,629.17**	**(928.71)**	**(20.80)**	**8,679.66**

There are no unrecognised deferred tax liabilities/assets as at March 31, 2024 and March 31, 2023 . Deferred tax assets and liabilities have been set off as they are governed by the same taxation laws.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 24: Other liabilities

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Deposits from employees against various schemes	418.43	369.60	138.78	122.52
Advance from customers	-	-	657.12	147.20
Statutory dues payable	-	-	251.10	288.73
Payable against unspent Corporate Social Responsibility expenditure (Refer note below)	-	-	80.34	1,029.63
Other payables	-	-	265.95	379.98
Total	**418.43**	**369.60**	**1,393.29**	**1,968.06**

Note: It represents Corporate Social Responsibility (CSR) expense related to ongoing projects. The same has been transferred to a special account within 30 days from end of the respective financial year as per the provisions of the Companies act.

Refer note 43 for more information about Corporate Social Responsibility expense.

Note 25: Current tax assets/(liabilities) net

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax assets (net of provision for taxation)	10,507.56	14,692.15
Income tax liabilities (net of advance tax)	(1,172.04)	(1,442.60)
Total	**9,335.52**	**13,249.56**

The current tax assets and current tax liabilities have been set off, to the extent, the group :

(a) has a legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

Note 26: Revenue from operations

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
Sale of products				
Graphite electrodes (including by-products)	2,34,761.36		2,39,553.20	
Power	3,220.62	2,37,981.98	3,978.38	2,43,531.58
Other operating income				
REC sales	162.76		731.47	
Export incentives	1,345.62		2,460.68	
		1,508.38		3,192.15
Total		**2,39,490.36**		**2,46,723.73**

Refer note 48 for disclosures as per Ind AS 115 "revenue from contracts with customers"

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 27: Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income from financial assets measured at amortized cost	4,017.29	4,713.06
Interest income from financial assets measured at fair value through profit or loss	302.64	367.51
Rental income	144.89	143.15
Net gain on sale of investments measured at fair value through profit or loss	619.35	841.74
Net gain on fair valuation of investments measured at fair value through profit or loss	194.63	1,191.78
Net gain on sale of property plant and equipment	128.60	-
Dividend income from investments measured at fair value through profit or loss	236.49	197.63
Gain on foreign currency fluctuation (net)	161.50	694.24
Liabilities / provisions written back (including allowances for expected credit losses, if any) #	5,499.65	528.84
Miscellaneous	2,861.94	2,236.06
Total	**14,166.98**	**10,914.01**

Based on favourable order received from the Electricity Consumer Grievance Redressal Forum (ECGRF), Bhopal, Madhya Pradesh, the liability amounting to ₹5181.63 lakhs towards disputed TMM and wheeling charges levied by Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited , provided during the earlier years has been written back and has been recognized under the head 'Liabilities / provisions written back' during year ended March 31, 2024.

Note 28: Cost of materials consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw material consumed		
Opening stock	38,302.83	27,518.43
Add : purchases	87,338.45	1,42,047.99
	1,25,641.28	**1,69,566.43**
Less: closing stock	16,341.60	38,302.83
Cost of raw material consumed	**1,09,299.68**	**1,31,263.60**

Note 29: Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(1) Inventories at the beginning of the period		
Finished goods	55,986.80	24,134.77
Work-in-progress	35,593.37	27,696.24
Total	**91,580.17**	**51,831.01**
(2) Inventories at the end of the period		
Finished goods	50,558.61	55,986.80
Work-in-progress	35,182.52	35,593.37
Total	**85,741.13**	**91,580.17**
Net (increase)/decrease	**5,839.04**	**(39,749.16)**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 30: Employee benefit expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages (Refer note 40)	8,564.77	8,363.22
Contribution to provident and other funds (Refer note 40)	607.66	528.85
Staff welfare expenses	354.31	313.23
Total	**9,526.74**	**9,205.30**

Note 31: Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Interest on working capital borrowings	3,428.49	2,539.01
(ii) Foreign exchange fluctuation on foreign currency loans to the extent regarded as an adjustment to interest costs	-	14.44
(iii) Others		
-Interest on lease liabilities	16.84	11.82
-Interest on direct taxes i.e. income tax/TDS	127.12	23.53
-Others	1.41	12.04
Total	**3,573.86**	**2,600.84**

Note 32: Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(1) Depreciation of property plant and equipment (Refer note 4)	17,348.69	10,134.45
(2) Depreciation of right of use assets (Refer note 6)	67.03	53.87
(3) Depreciation on investment property (Refer note 7)	34.11	35.85
(4) Amortisation of intangible assets (Refer note 8)	15.30	6.15
Total	**17,465.14**	**10,230.33**

Note 33: Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spare parts (including refractory blocks)	15,362.15	17,818.86
Job/process charges	612.88	575.94
Power and fuel	31,008.46	31,590.28
Repairs and maintenance		
Plant and machinery	3,130.90	3,015.46
Building	280.61	415.53
Others	1,023.33	850.51
Insurance	1,547.96	1,363.88
Rent (Refer note 41)	36.88	36.88
Rates and taxes	154.08	117.11

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Directors' sitting fees and incidental expenses	99.12	70.28
Freight & forwarding	13,850.06	18,962.01
Packing expenses (including packing material consumption)	1,863.70	1,668.82
Commission	1,501.38	1,880.45
Claims and rebates	162.69	468.05
Donations	5.50	13.75
Contribution made to political parties #	1,440.00	-
Power generation charges	400.50	467.78
Travelling expenses	448.39	449.54
Postage and communication	63.56	66.93
Payment to auditors(refer details below ##)	38.51	41.72
Contribution towards Corporate Social Responsibility (Refer note 43)	695.20	282.53
Legal and professional expenses	689.92	786.46
Vehicle running and maintenance	70.38	75.75
Allowances for expected credit losses/ credit impairment	270.42	-
Bad debts	-	155.94
Duties and taxes	80.80	41.47
Net loss on sale/discard of property, plant and equipments	-	34.31
Miscellaneous *	1,744.09	2,914.32
Total	**76,581.47**	**84,164.56**

Includes contributions through electoral trusts ₹940.00 lakhs and directly to the political parties ₹500.00 lakhs (March 31, 2023: Nil and Nil respectively).

Payments to auditors (excluding GST)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditor		
Statutory audit	32.50	30.50
Other services		
Tax audit	2.00	2.00
Certification fees	0.59	5.27
Reimbursement of out of pocket expense	3.42	3.95
Total	**38.51**	**41.72**

* Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 34: Tax expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A) Tax expense recognised in the statement of profit and loss		
1) Current tax	7,564.12	15,541.51
2) Current tax adjustment related to earlier years	(106.76)	(116.33)
3) Deferred tax	912.35	(928.71)
	8,369.71	**14,496.46**
B) Tax expense recognised in other comprehensive income		
1) Current tax	-	-
2) Deferred tax	11.72	(20.80)
	11.72	**(20.80)**
C) Tax expense/(income) relating to items that are charged or credited directly to equity		
1) Current tax	-	-
2) Deferred tax	-	-
	-	-

Reconciliation of tax expense applicable to profit before tax as per the latest statutory enacted tax rate in India to tax expense reported is as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before tax & share of profit of Associates	31,371.41	59,922.28
At India's statutory income tax rate of 25.168%	25.168	25.168
Tax as per accounting profit (A)	**7,895.56**	**15,081.24**
Add/(less) :		
Effect of expenses that are not deductible in determining taxable profits	583.59	77.54
Effect of expenses that are deductible in determining taxable profits	(26.21)	(23.19)
Tax rate differential and other adjustments on gain on sale /fair valuation of investments	(175.95)	(544.59)
Others	(52.44)	21.78
Effect of unused tax losses	38.41	-
Current tax adjustment related to earlier years	106.76	(116.33)
Total (B)	**474.16**	**(584.78)**
Income tax expense recognized for the year (A+B)	**8,369.71**	**14,496.46**

Disclosure in relation to undisclosed income

During the year, the group has not surrendered or undisclosed any income in the tax assessments under the Income Tax Act, 1961. There are no transactions which are not recorded in the books of accounts.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 35: Other comprehensive income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Items that will not be reclassified to profit or loss		
-Remeasurement of defined employee benefit plan	46.57	(82.66)
Total	**46.57**	**(82.66)**
(ii) Tax expense relating to items that will not be reclassified to profit or loss		
-Remeasurement of defined employee benefit plan	11.72	(20.80)
Total	**11.72**	**(20.80)**

Note 36: Earnings per share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit attributable to equity shareholders of the Company	31,167.91	53,240.84
Weighted average number of equity shares for basic/diluted earning per share	3,85,95,506	3,85,95,506
Basic / diluted earning per share(₹)	80.75	137.95

* There are no potential equity shares

Note 37: Segment information

The Holding Company's Chief Operational Decision Makers consisting of Chief Executive Officer and Chief Finance Officer examines the group's performance both from product and geographic perspective and has identified two segments, i.e., Graphite electrodes (including other carbon products) and power. The business segments are monitored separately for the purpose of making decisions about resource allocation and performance assessment.

The reportable segments are:

- Graphite electrodes (including other carbon products)- The segment comprises of manufacturing of graphite electrodes
- Power generation - The segment comprises of generation of power for captive consumption and sale.

Segment measurement

The measurement principles for segment reporting are based on Ind AS 108. Segment's performance is evaluated based on segment revenue and profit/loss from operating activities. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.

Inter segment transactions are carried out at arm's length price.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024
All amounts are in ₹ Lakhs unless otherwise stated

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

1) Segment revenue and results

Particulars	Graphite (including other carbon products)		Power		Unallocable items/ others		Total	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Segment revenue								
Turnover	2,36,106.98	2,42,013.88	3,383.38	4,709.85	-	-	2,39,490.36	2,46,723.73
Less: Inter segment turnover	-	-	-	-	-	-	-	-
External turnover	**2,36,106.98**	**2,42,013.88**	**3,383.38**	**4,709.85**	**-**	**-**	**2,39,490.36**	**2,46,723.73**
Segment result before interest & taxes	**33,089.71**	**55,176.36**	**49.12**	**1,391.73**	**(3,327.47)**	**(1,159.06)**	**29,811.36**	**55,409.02**
Add: Interest income							4,319.93	5,080.58
Add: net gain on sale/fair valuation of investments measured at fair value through profit or loss							813.98	2,033.53
Less: finance cost							3,573.86	2,600.84
Profit before tax & share of profit of Associates							**31,371.41**	**59,922.28**
Add: Share of profit of Associates							8,166.21	7,815.02
Less: Income tax (including deferred tax)							8,369.71	14,496.47
Net profit for the period							31,167.91	53,240.85
Depreciation and amortisation expense	16,394.67	9,046.60	980.44	1,108.09	90.03	75.64	17,465.14	10,230.33
Non cash expenses other than depreciation and amortization	270.42	23.07	-	11.24	(0.00)	0.00	270.42	34.31

2) Segment assets, liabilities and other details

Particulars	Graphite(including other carbon products)		Power		Unallocable items/ others		Total	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Segment assets	3,81,845.64	3,90,035.09	6,963.34	8,309.66	1,81,326.89	1,70,846.77	5,70,135.87	5,69,191.52
Segment liabilities	1,14,896.82	1,28,428.56	292.45	286.94	12,352.47	12,386.58	1,27,541.74	1,41,102.08
Capital expenditure incurred during the year	31,490.17	47,489.26	163.18	282.00	2,066.06	86.54	33,719.41	47,857.80

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

3) Details of unallocated items/ others

I. Unallocated assets

Particulars	As at March 31, 2024	As at March 31, 2023
Property, plant & equipments and investment property (including capital work-in-progress)	3,097.14	960.74
Right of use asset	2,996.09	-
Investments	1,19,973.91	85,926.89
Inventories	14.68	14.68
Cash and cash equivalents	2,946.28	1,225.38
Bank balances other than cash & cash equivalents	36,862.59	65,650.33
Financial assets-loans	57.87	65.55
Other financial assets	1,185.98	2,059.06
Other assets	3,684.78	256.37
Income tax asset	10,507.56	14,692.15
Total	**1,81,326.88**	**1,70,851.16**

II. Unallocated liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities	9,603.73	8,679.66
Current tax liabilities	1,172.04	1,442.60
Lease liabilities	151.33	-
Trade payables	1.16	-
Other financial liabilities	994.36	1,867.47
Other liabilities	266.84	259.14
Provisions	163.02	137.72
Total	**12,352.47**	**12,386.58**

4) Geographical information:

The Company operates in two principal geographical areas-India and outside India.

Particulars	Within India (including sale to SEZ units) #		Outside India		Total	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Segment revenue	78,191.05	78,299.78	1,61,299.31	1,68,423.95	2,39,490.36	2,46,723.73

Export incentives have been included in segment revenue within India

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

5) The group is domiciled in India. The group's revenue from operations from external customers by location of the customers is as follows:

Revenue from external customers	For the year ended March 31, 2024	For the year ended March 31, 2023
India (including sale to SEZ units) #	78,191.05	78,299.78
United Arab Emirates	4,291.52	6,169.44
Japan	625.84	1,000.80
Egypt	14,982.72	18,141.15
Korea (South)	8,901.32	9,872.47
South Africa	3,613.16	3,762.64
Spain	7,035.01	12,515.48
Turkey	16,341.86	11,124.89
USA	40,276.52	41,102.59
Mexico	13,207.21	7,596.30
Others*	52,024.16	57,138.21
Total	**2,39,490.36**	**2,46,723.73**

*Others includes revenue from countries having less than 5% of total revenue from outside India.

Export incentives have been included in segment revenue within India

6) The group's major sales are export based which is diversified in different countries and no single customer contributes more than 10% of the total group's revenue in 2023-24 and 2022-23

7) The group has business operations only in India and does not hold any non current asset outside India.

Note 38: Contingencies and Commitments

1) Contingent liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
For taxation matters		
a) Excise duty	238.09	238.09
b) Service tax	-	-
c) Goods & service tax	36.70	36.70
d) Income tax	7,227.04	6,576.85
e) Sales tax	450.70	473.91
Other than taxation matters		
a) Power related	748.56	655.19
b) Labour related matters	29.20	29.20
c) Others	1,107.40	1,052.70

Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decisions in the group's favour in respect of all the items listed above and hence no provision is considered necessary against the same.

Further group has deposited amount to the tax authorities against the cases, which shown as payment under protest in Note 13 of other assets.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

2) Commitment outstanding

Particulars	As at March 31, 2024	As at March 31, 2023
a) Estimated value of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹932.09 lakhs, (previous year ₹2767.08 lakhs.)]	6,754.01	10,995.51
b) Pending export obligation against EPCG/Advance license	18,247.67	18,159.48

Note 39: Related party disclosure

A) Names of related parties and transactions taken place during the year

Relationship		Related parties	
		Year ended March 31, 2024	Year ended March 31, 2023
I)	**Associates**	(i) Bhilwara Energy Limited	(i) Bhilwara Energy Limited
		(ii) Bhilwara Infotechnology Ltd	(ii) Bhilwara Infotechnology Ltd
II)	**Subsidiaries of Associates**	(i) BG Wind Power Limited	(i) BG Wind Power Limited
		(ii) NJC Hydro Power Limited	(ii) NJC Hydro Power Limited
		(iii) Chango Yangthang Hydro Power Ltd.	(iii) Chango Yangthang Hydro Power Ltd.
		(iv) Malana Power Company Ltd	(iv) Malana Power Company Ltd
		(v) AD Hydro Power Ltd	(v) AD Hydro Power Ltd
		(vi) Indo Canadian Consultancy Services Ltd.	(vi) Indo Canadian Consultancy Services Ltd.
III)	**Key Management Personnel**	Sh. Ravi Jhunjhunwala-CMD & CEO	Sh. Ravi Jhunjhunwala-CMD & CEO
		Sh. Riju Jhunjhunwala-Vice Chairman	Sh. Riju Jhunjhunwala-Vice Chairman
		Sh. Shekhar Agarwal	Sh. Shekhar Agarwal
		Sh. Satish Chand Mehta	Sh. Satish Chand Mehta
		Dr. Kamal Gupta	Dr. Kamal Gupta
		Smt. Vinita Singhania	Smt. Vinita Singhania
		Smt. Ramni Nirula	Smt. Ramni Nirula
		Sh. Jayant Davar	Sh. Jayant Davar
		Sh. Davinder Kumar Chugh	Sh. Davinder Kumar Chugh
		Sh. Manish Gulati - Executive Director	Sh. Manish Gulati - Executive Director
		Sh. Gulshan Kumar Sakhuja - Chief Financial Officer	Sh. Gulshan Kumar Sakhuja - Chief Financial Officer
		Sh. Vivek Chaudhary-Company Secretary	Sh. Vivek Chaudhary-Company Secretary
		Sh. Ankur Khaitan- MD & CEO (TACC Limited)	Sh. Ankur Khaitan- MD & CEO (TACC Limited)
IV)	**Close family members of Key Management Personnel**	Sh. L.N. Jhunjhunwala	Sh. L.N. Jhunjhunwala
		Smt. Mani Devi Jhunjhunwala	Smt. Mani Devi Jhunjhunwala
		Sh. Rishabh Jhunjhunwala	Sh. Rishabh Jhunjhunwala
		Smt. Rita Jhunjhunwala	Smt. Rita Jhunjhunwala

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Relationship		Related parties	
		Year ended March 31, 2024	Year ended March 31, 2023
V)	**Post employment benefit plan trust**	(a) Hindustan Electro Graphites Staff Gratuity Fund Trust	(a) Hindustan Electro Graphites Staff Gratuity Fund Trust
		(b) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust	(b) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust
VI)	**Enterprises in which KMP is able to exercise significant influence and with whom transactions have been taken place during the year**	RSWM Ltd	RSWM Ltd
		Giltedged Industrial Securities Ltd	Giltedged Industrial Securities Ltd
		Purvi Vanijya Niyojan Ltd	Purvi Vanijya Niyojan Ltd
		Shashi Commercial Co Ltd	Shashi Commercial Co Ltd
		BSL Ltd	BSL Ltd
		Maral Overseas Ltd	Maral Overseas Ltd
		BMD Pvt Ltd	BMD Pvt Ltd
		Bharat Investments Growth Limited	Bharat Investments Growth Limited
		Jet (India) Pvt. Ltd.	Jet (India) Pvt. Ltd.
		India Texfab Marketing Limited	India Texfab Marketing Limited
		Investors India Limited	Investors India Limited
		LNJ Financial Services Limited	LNJ Financial Services Limited
		Nivedan Vanijya Niyojan Limited	Nivedan Vanijya Niyojan Limited
		M.L. Finlease Pvt Limited	M.L. Finlease Pvt Limited
		Raghav Commercial Limited	Raghav Commercial Limited
		Bhilwara Technical Textiles Ltd.	Bhilwara Technical Textiles Ltd.
		Sabhyata Foundation (Section 8 Company)	Sabhyata Foundation (Section 8 Company)
		LNJ Bhilwara -HEG Lok Nyas (Trust)	LNJ Bhilwara -HEG Lok Nyas (Trust)
		Graphite Education & Welfare Society	Graphite Education & Welfare Society
		RLJ Family Trusteeship Pvt. Ltd.	RLJ Family Trusteeship Pvt. Ltd.
		Dreamon Commercial Pvt Ltd.	Dreamon Commercial Pvt Ltd.

B) Transaction during the year with related parties

Relationship		Name of the related party	Nature of transaction	Year ended March 31,2024	Year ended March 31,2023
I)	**Associates**	Bhilwara Energy Ltd.	Reimbursement received	3.94	2.83
		Bhilwara Infotechnology Limited	Maintenance charges paid	-	0.28
II)	**Subsidiaries of Associates**	Malana Power Co.Ltd.	Reimbursement received	14.36	11.04
		AD Hydro Power Ltd	Reimbursement received	18.74	13.67
		Indo Canadian Consultancy Services Ltd.	Reimbursement received	7.27	4.31
		BG Wind Power Limited	Reimbursement received	0.45	0.22
		Chango Yangthang Hydro Power Ltd.	Reimbursement received	0.27	0.22

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Relationship		Name of the related party	Nature of transaction	Year ended March 31,2024	Year ended March 31,2023
III)	**Key Management Personnel**	Sh. Ravi Jhunjhunwala-CMD & CEO	Salary and allowances (including perquisites and contribution in PF and superannuation)#	376.78	329.01
			Commission	977.00	1,810.00
			Dividend paid	0.31	0.29
		Sh. Riju Jhunjhunwala-Vice Chairman	Director sitting fee	9.75	6.20
			Dividend paid	0.58	0.54
			Reimbursement of expenses	0.39	0.27
		Sh. Shekhar Agarwal	Director sitting fee	7.50	6.00
			Reimbursement of expenses	0.30	0.24
		Sh. Satish Chand Mehta	Director sitting fee	9.75	6.75
			Reimbursement of expenses	0.80	0.39
		Dr. Kamal Gupta	Director sitting fee	24.75	19.20
			Reimbursement of expenses	0.99	0.90
			Dividend paid	0.20	0.08
		Smt. Vinita Singhania	Director sitting fee	4.50	2.25
			Reimbursement of expenses	0.30	0.18
		Smt. Ramni Nirula	Director sitting fee	9.75	5.45
			Reimbursement of expenses	0.39	0.24
		Sh. Jayant Davar	Director sitting fee	12.75	9.80
			Reimbursement of expenses	0.51	0.48
			Dividend paid	0.00	0.00
		Sh. Davinder Kumar Chugh	Director sitting fee	11.25	11.45
			Reimbursement of expenses	0.45	0.48
		Sh. Manish Gulati - Executive Director	Salary and allowances (including perquisites and contribution in PF and superannuation)#	167.14	128.23
			Commission	100.00	100.00
			Housing loan given	-	-
			Housing loan repayment - principal	-	71.11
			Housing loan repayment - interest	-	0.44

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Relationship		Name of the related party	Nature of transaction	Year ended March 31,2024	Year ended March 31,2023
		Sh. Gulshan Kumar Sakhuja - Chief Financial Officer	Salary and allowances (including perquisites and contribution in PF and superannuation)	69.27	52.52
			Housing loan given	-	15.00
			Housing loan repayment -Principal	5.00	3.03
			Special loan sanctioned	3.96	-
			Special loan repayment-Principal	1.98	-
			Housing loan & special loan - interest repayment	0.60	0.16
		Sh. Vivek Chaudhary-Company Secretary	Salary and allowances (including perquisites and contribution in PF and superannuation)#	44.98	33.81
			Housing loan given	-	7.00
			Housing loan repayment -Principal	1.40	0.23
			Special loan sanctioned	12.00	-
			Special loan repayment-Principal	1.60	-
			Housing loan & special Loan - Interest payment	0.78	0.06
			Sale of furniture under employee scheme	0.17	-
		Sh. Ankur Khaitan- MD & CEO (TACC Limited)	Salary and allowances (including perquisites and Contribution in PF and superannuation)#	75.00	22.79
IV)	**Close family members of Key Management Personnel**	Sh. Rishabh Jhunjhunwala	Dividend paid	0.77	0.72
		Smt. Rita Jhunjhunwala	Dividend paid	0.80	0.75
V)	**Post employment benefit plan trust**	(a) Hindustan Electro Graphites Staff Gratuity Fund Trust	Contribution in employee benefit scheme	-	-
		(b) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust	Contribution in employee benefit scheme	184.26	171.23

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Relationship		Name of the related party	Nature of transaction	Year ended March 31,2024	Year ended March 31,2023
VI)	**Enterprises in which KMP is able to exercise significant influence.**	RSWM Ltd	Rent paid	43.52	43.52
			Reimbursement received	60.17	38.66
			Reimbursement made	172.47	127.55
			Dividend paid	135.32	127.36
		Shashi Commercial Co. Ltd.	Rent paid	32.97	32.44
			Dividend paid	287.10	270.21
			Reimbursement received	-	0.22
		Purvi Vanijaya Niyojan Ltd.	Rent paid	3.64	3.50
			Reimbursement made	0.34	0.33
			Reimbursement received	2.36	0.30
			Dividend paid	794.15	747.43
		Giltedged Industrial Securities Ltd.	Rent paid	22.77	21.90
			Dividend paid	377.27	355.08
			Reimbursement received	0.45	0.37
		BSL Ltd	Rent received	12.19	12.19
			Purchase of fabrics	3.32	3.13
			Reimbursement received	1.07	0.89
		Maral Overseas Ltd	Reimbursement received	23.94	18.32
		BMD Pvt Ltd	Reimbursement received	13.07	8.94
		Bhilwara Technical Textiles Ltd.	Reimbursement received	0.27	0.37
		Bharat Investments Growth Ltd.	Reimbursement received	0.57	0.22
			Dividend paid	1,162.34	1,093.97
		Jet (India) Pvt. Ltd.	Dividend paid	427.38	402.24
		India Texfab Marketing Limited	Dividend paid	87.86	82.69
		Investors India Limited	Dividend paid	15.41	14.50
		LNJ Financial Services Limited	Dividend paid	700.54	659.33
			Reimbursement received	0.27	0.22
		Nivedan Vanijya Niyojan Limited	Dividend paid	-	26.67
			Reimbursement received	-	0.22
		M.L. Finlease Pvt Limited	Dividend paid	147.25	138.58
		Raghav Commercial Limited	Dividend paid	615.47	579.27
			Reimbursement received	0.54	0.22
		RLJ Family Trusteeship Pvt. Ltd.	Dividend paid	0.21	-
		Dreamon Commercial Pvt Ltd.	Reimbursement received	0.27	-
			Dividend paid	134.52	-
		Sabhyata Foundation	Donation under Corporate Social Responsibility (CSR)	200.00	350.00
		LNJ Bhilwara -HEG Lok Nyas	Donation under Corporate Social Responsibility (CSR)	37.70	69.65
		Graphite Education & Welfare Society	Donation under Corporate Social Responsibility (CSR)	500.00	9.61

Note: Remuneration amount of key managerial personnel represents remuneration paid for the whole year irrespective of the period for which the person is key managerial personnel.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

C) Details of outstanding balances as at the end of year

Sl. No.	Related party	Name of the related party	Particulars	As at March 31, 2024	As at March 31, 2023
I	**Associates**	Bhilwara Energy Ltd.	Investments	30,711.50	30,711.50
			Loans and advances given	-	0.11
		Bhilwara Infotechnology Ltd	Investments	419.00	419.00
II	**Key Management Personnel**	Sh. Ravi Jhunjhunwala - CMD & CEO	Salary payable (including commission)	600.97	1,050.07
		Sh. Manish Gulati - Executive Director	Loan oustanding at the end of the year	-	-
			Salary payable (including commission)	64.27	65.15
		Sh. Gulshan Kumar Sakhuja - Chief Financial Officer	Loan oustanding at the end of the year	10.73	13.75
			Salary payable	3.05	2.17
		Sh. Vivek Chaudhary- Company Secretary	Loan oustanding at the end of the year	15.77	6.77
			Salary payable	0.34	1.60
		Sh. Ankur Khaitan - MD & CEO (TACC Limited)	Salary payable	1.09	4.44

D) Transactions with Key Managerial Personnel

Particulars	Year ended March 31,2024	Year ended March 31,2023
Short term benefits	1,745.41	2,419.39
Post employment benefits#	64.75	56.96
Director's sitting fee	90.00	67.10
Reimbursement of expenses and incidental expenses	4.13	3.18
Dividend paid	1.08	0.91
Housing loan sanctioned	-	22.00
Housing loan repayment-principal	(6.40)	(74.37)
Special loan sanctioned	15.96	-
Special loan repayment-principal	(3.58)	-
Interest payment on housing and special loan	(1.38)	(0.66)

Remuneration does not Include provisions made for gratuity and leave benefits, as they are determined on an actuarial basis.

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party as at March 31, 2024 and March 31, 2023.

For the year ended March 31, 2024, the group has not recorded any impairment in respect of any bad or doubtful debts due from related parties (March 31, 2023: Nil).

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 40: Disclosures required as per Indian Accounting Standard-19 "Employee Benefits"

(A) Defined contribution plan

The group makes contribution to Provident fund, ESIC and retirement benefits plans for eligible employees under the scheme and recognised as expense and included in the Note no. 30 Employee Benefits expense under the head "Contribution to provident and other funds". The details are as under:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's contribution to Provident Fund (incl. admin and other expenses)	401.61	342.64
Employer's contribution to Superannuation Fund	184.26	171.23
Employer's contribution to ESIC	21.80	14.98

(B) Defined benefit plan

The group sponsors funded defined benefit plan for qualifying employees. This defined benefit plan of gratuity is administered by a separate trust that is legally separate from the group. The trust is responsible for investment policy with regard to the assets of the trust and the contributions are invested in a scheme with Life Insurance Corporation of India (LIC) as permitted by Law. The management of fund is entrusted with the LIC. The liability for employee gratuity is determined on actuarial valuation using projected unit credit method.

These plans typically expose the group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment risk

The probability or likelihood of occurrence of losses related to the expected return on investment. if the actual return on plan assets is below the expected return, it will create plan deficit.

(ii) Interest risk

The plan exposes the group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

(iii) Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plans liability.

(iv) Salary risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The following table set out the funded status of the gratuity plan and amounts recognised in the balance sheet:

Particulars	As at March 31, 2024	As at March 31, 2023
I. Movement in the present value of defined benefit obligation:		
Present value of defined benefit obligation at the beginning of the year	1,241.64	1,157.86
Current service cost	88.47	72.49
Interest cost	92.38	84.06
Past service cost including curtailment (gains)/losses	-	-
Benefits paid	(93.79)	(69.91)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	As at March 31, 2024	As at March 31, 2023
Actuarial changes (gain)/loss	60.70	(2.86)
Present value of defined benefit obligation at the end of the year	1,389.40	1,241.64
II. Movement in fair value of plan assets:		
Fair value of plan assets at the beginning of the year	1,812.11	1,769.18
Interest income	134.82	128.44
Contribution	-	-
Benefits paid	-	-
Remeasurement- return on plan assets excluding amount included in interest income	107.28	(85.52)
Fair value of plan assets at the end of the year	2,054.20	1,812.11
III. Net assets/(liability) recognized in balance sheet:		
Present value of defined benefit obligation	1,389.40	1,241.64
Fair value on plan assets	2,054.20	1,812.11
Surplus/(deficit)	664.80	570.47
Effect of asset ceiling (if any)	-	-
Net assets/(liability) recognized in balance sheet	**664.80**	**570.47**
The amount of ₹669.72 lakhs has been shown in Note-13 "other assets" under the head "Gratuity fund receivable" and ₹4.92 lakhs has been shown in Note-22 "Provisions" under the head "Gratuity"		
IV (a) Amount recognized in statement of profit and loss		
Current service cost	88.47	72.49
Net interest expense on net defined benefit liability / (asset)	(42.44)	(44.38)
Net cost	**46.03**	**28.10**
The above amount has been included in Note-30 "Employee benfit expenses" under the head "Salaries and wages" in the statement of profit and loss. Further, out of said expense, ₹4.92 Lakhs (previous year Nil) has been capitalized and has been recognized in Note 5 "Capital work-in-progress" under the head "Building, plant and equipment under erection/installation".		
IV (b) Amount recognized in other comprehensive income		
Actuarial gain/ (loss) on obligation	(60.70)	2.86
Remeasurement- return on plan assets (excluding amount included in net Interest on net defined benefit liability/(asset))	107.28	(85.52)
Net income/(expense) for the period recognised in OCI	**46.57**	**(82.66)**
V. Bifurcation of actuarial gain/loss on obligation.		
1. Actuarial changes arising from changes in demographic assumptions (gain/ (loss))	-	-
2. Actuarial changes arising from changes in financial assumptions (gain/ (loss))	(31.46)	(18.10)
3. Actuarial changes arising from changes in experience adjustments (gain/ (loss))	(29.25)	(15.24)
4 Actuarial gain/(loss) arising for the year on plan assets	107.28	(85.52)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	As at March 31, 2024	As at March 31, 2023
VI. The major categories of plan assets as a percentage of the fair value of total plan assets :		
Insurer management fund	100%	100%
VII. The Principal assumptions used for the purpose of actuarial valuation are as follows:		
Discount rate (per annum)	7.15%	7.44%
Salary escalation (per annum)	5.00	5.00
Retirement age	58/60	58/60
Mortality rate during employment	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Method used	Projected unit credit method	Projected unit credit method
All assumptions are reviewed at each reporting date.		
VIII. Sensitivity analysis of the defined benefit obligation.		

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rate. Due to the complexity involved in the valuation it is highly sensitive to the changes in these assumptions. Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity is computed by varying one actuarial assumption used for valuation of defined benefit obligation by 0.50% keeping all other actuarial assumptions constant. There is no change from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

a) Impact of the change in discount rate		
Impact due to increase of 0.50%-increase(decrease) in obligation	(54.18)	(48.09)
Impact due to decrease of 0.50 %-increase(decrease) in obligation	58.24	51.60
b) Impact of the change in salary increase		
Impact due to increase of 0.50%-increase(decrease) in obligation	50.64	44.72
Impact due to decrease of 0.50 %-increase(decrease) in obligation	(48.08)	(42.73)

IX. The defined benefit obligation shall mature after the year end as follows:

Particulars	March 31, 2024	March 31, 2023
a) 0-1 year	140.43	92.22
b) 1-2 years	64.43	100.48
c) 2-3 years	109.44	67.65
d) 3-4 years	129.55	93.59
e) 4-5 years	58.03	109.26
f) More than 5 years	887.52	778.43

X. The group expects to make a contribution of ₹47.28 lakhs to defined benefit plans during the next financial year (March 31, 2023 ₹41.14 lakhs).

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

(C) Other long term employee benefits (compensated absences)

(i) Expense of compensated absences amounting to ₹229.65 lakhs has been recognized in Note 30 "employee benefits expense" under the head "salaries and wages" (previous year ₹66.60 lakhs in Note no. 27 "Other income" under the head "Liabilities / provisions written back") and expense amounting to ₹4.93 lakhs (previous year Nil) has been recognized in Note 5 "Capital work-in-progress" under the head "Building, plant and equipment under erection/installation".

(ii) Liability towards compensated absences as at the end of the year is as under:

Particulars	As at March 31, 2024	As at March 31, 2023
Current liability	95.49	71.56
Non-current liability	492.93	305.82

The above amount has been shown in Note-22 "Provisions" under the head "Compensated absences".

Note 41: Leases

(i) Group as a lessee

(a) The depreciation expense on ROU assets of ₹67.03 lakhs (previous year ₹53.94 lakhs) is included under depreciation and amortization expense in the statement of profit and loss.

(b) Interest expense on the lease liability amounting to ₹16.84 lakhs (previous year ₹11.82 lakhs) has been included as component of finance costs in the statement of profit and loss.

(c) The change in the carrying value of right of use asset during the year is as under:

Particulars	Gross carrying value	Depreciation	Net carrying value
(i) Land			
As at April 1, 2022	889.90	253.18	636.72
Addition during the year	-	-	
Depreciation during the year	-	15.51	
As at March 31, 2023	889.90	268.69	621.20
As at April 1, 2023	889.90	268.69	621.20
Addition during the year	3,170.22	-	
Depreciation during the year	-	41.98	
As at March 31, 2024	4,060.11	310.68	3,749.44
(ii) Buildings			
As at April 1, 2022	156.12	126.14	29.98
Addition during the year	87.17	-	
Adjustments during the year	-	-	
Depreciation during the year	-	38.36	
As at March 31, 2023	243.29	164.50	78.79
As at April 1, 2023	243.29	164.50	78.79
Addition during the year	56.33	-	
Adjustments during the year	-	-	
Depreciation during the year	-	47.85	
As at March 31, 2024	299.62	212.35	87.27

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

(d) The following is the break-up of current and non-current lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	63.58	28.19
Non current lease liabilities	266.16	138.06
Total	**329.74**	**166.25**

(e) The following is the movement in lease liabilities

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	166.25	127.94
Additions during the year	3,226.55	87.17
Adjustments during the year	-	-
Finance cost accrued during the year	16.84	11.82
Payment of lease liabilities	3,079.90	60.68
Balance at the end of the year	**329.74**	**166.25**

(f) The table below provides details regarding the contractual maturities of lease liabilities:

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	79.70	63.58	41.60	39.47
After one year but not more than 5 years	161.89	105.13	97.55	79.27
More than 5 years	1,720.50	161.02	324.50	47.51
Total minimum lease payments	1,962.09	329.74	**463.64**	**166.25**
Less: amount representing finance charges	1,632.35		297.39	
Present value of minimum lease payments	**329.74**	**329.74**	**166.25**	**166.25**

The group does not face liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(g) Lease commitments

The group incurred ₹36.88 lakhs for the year ended March 31, 2024 towards expense relating to short-term leases having tenure of less than 12 months (previous year ₹36.88 lakhs). The amount of lessee's lease commitments for short term leases is as hereunder:

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year	12.29	15.37
Later than one year and not later than five years	-	-
Later than five years	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

(ii) Group as a lessor

The group has given on lease building under operating lease. The rental income recorded for the year ended March 31, 2024 is ₹144.89 Lakhs (previous year ₹143.15 Lakhs). In accordance with Indian Accounting Standard (Ind AS-116) on 'Leases', disclosure of the future minimum lease income in the aggregate and for each of the following periods is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Not later than one year	134.58	134.79
(ii) Later than one year and not later than five years	269.78	287.72
(iii) Later than five years	-	-
Total	**404.36**	**422.51**

Note 42: Events after the reporting period

The Board of Directors of the Holding Company have recommended the payment of final dividend of ₹22.50/- per equity share (previous year ₹42.50/- per equity share) which is subject to the approval of shareholders in the ensuing Annual General Meeting.

Note 43: Corporate Social Responsibility(CSR)

The group meeting the applicable threshold under Section 135 of the Companies Act, 2013 ("Act") read with related rules thereto, is mandatorily required to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The funds were utilized throughout the year on the activities which are specified in Schedule VII of the Companies Act, 2013. The disclosures in this regard are as under:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Amount required to be spent for the year	659.17	246.97
(ii) Interest earned on deposits under on-going projects- included in CSR expense in the statement of profit and loss	36.03	35.57
(iii) Amount of expenditure incurred during the year		
(i) Expenditure incurred out of obligation of current year		
a) Construction/acquisition of any asset	Nil	Nil
b) On purposes other than (a) above	604.01	137.37
(ii) Expenditure incurred out of on-going projects of earlier years		
a) Construction/acquisition of any asset	Nil	Nil
b) On purposes other than (a) above	894.85	663.35
(iv) Shortfall of current year	55.16	109.59
(v) Total of previous years shortfall (including interest earned on deposits under on-going projects)	25.18	920.03
(vi) Reason for shortfall (of current and previous years)	Pertains to ongoing projects	Pertains to ongoing projects
(vii) Nature of CSR activities	Eradication of hunger and malnutrition, Promoting gender equality, empowering women, setting up homes and hostels for women, old age persons and orphans, promoting education, art and culture, healthcare, environment sustainability, Protection of national heritage, art and culture, and rural development projects.	
(viii) Details of related party transactions, e.g. contribution to a trust controlled by the group in relation to CSR expenditure as per relevant Accounting Standard	Refer note no. 39 of the financial statements	Refer note no. 39 of the financial statements

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 44: Capitalization of pre-operative expenditure

The following expenditure has been included under capital work in progress:	For the year ended March 31, 2024	For the year ended March 31, 2023
Bank and LC charges	-	168.53
Travelling expenses	47.79	3.15
Power cost	2.57	54.58
Consultancy	-	488.48
Salaries and wages	328.87	-
Insurance & other charges	312.69	560.48
Total	**691.92**	**1,275.22**

Note 45: Details of loans given, investments made in body corporates and guarantee given covered U/S 186(4) of The Companies Act, 2013

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Investment made (for detail of investments made, Refer note no. 9)		
Investments as at the beginning of the year	31,130.50	31,130.50
Add: investments made during the year	7,117.03	-
Less: investments sold during the year	-	-
Add/(less): gain/(loss) on fair valuation of such investments till date	(1,443.75)	-
Investments as at the end of the year	**36,803.78**	**31,130.50**

Note: In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated March 10, 2015, loans given to employees (including loan to whole time Director in the capacity of employee) as per the policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

Note 46: Financial instruments and risk management

46A. Capital management

The group's objective when managing capital are to:

i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group monitors capital using a gearing ratio, which is net debt (net of cash and cash equivalents) divided by total equity.

The group is not subject to any externally imposed capital requirements.

All amounts are in ₹ Lakhs unless otherwise stated

(i) The gearing ratios were as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Debt*	61,937.81	74,090.73
(b) Cash & cash equivalents	(13,705.17)	(3,328.83)
(c) Net debt (a)+(b)	48,232.64	70,761.90
Total equity	4,42,594.15	4,28,093.85
Net debt to equity ratio	**0.11**	**0.17**

* Debt is defined as long- term and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), Refer note 19 for the details of borrowings.

(ii) Loan covenants:

In order to achieve overall objective of capital management, amongst other things, the management aims to ensure that it meets financial covenants attached to the loans and borrowings. The management carefully negotiates the terms and conditions of the loans and ensures adherence to all the financial covenants. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the loan covenants of in respect of loans and borrowing during the year ended March 31, 2024 and March 31, 2023.

Note 46B: Financial instruments- accounting classification and fair value measurement

(a) Classification of financial instruments

As at March 31, 2024

Particulars	Carrying amount					Total carrying amount	Total fair value
	At amortised cost	At fair value through OCI		At fair value through profit or loss			
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets							
Investments (Refer note 9) #							
-Equity instruments	-				5,673.28	5,673.28	5,673.28
-Fixed maturity plans					8,960.41	8,960.41	8,960.41
-Mutual funds					32,360.77	32,360.77	32,360.77
-Bond funds					8,148.10	8,148.10	8,148.10
-Infra trust					5,337.20	5,337.20	5,337.20
-Bonds	-					-	-
Trade receivables (Refer note 10)	50,824.88			-	-	50,824.88	50,824.88
Cash and cash equivalents (Refer note 15)	13,705.17			-	-	13,705.17	13,705.17
Other bank balances (Refer note 16)	27,318.37					27,318.37	27,318.37
Loans (Refer note 11)	154.00			-	-	154.00	154.00
Other financial assets (Refer note 12)	9,124.91					9,124.91	9,124.91
Derivative financial instruments (Refer note 12)	-			-	126.35	126.35	126.35
Total financial assets	**1,01,127.33**	**-**	**-**	**-**	**60,606.11**	**1,61,733.43**	**1,61,733.43**

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Carrying amount					Total carrying amount	Total fair value
	At amortised cost	At fair value through OCI		At fair value through profit or loss			
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial liabilities							
Borrowings (Refer note 19)	61,937.81				-	61,937.81	61,937.81
Trade payables (Refer note 20)	42,529.59				-	42,529.59	42,529.59
Lease liabilities (Refer note 21A)	329.74					329.74	329.74
Other financial liabilities (Refer note 21B)	9,238.63				-	9,238.63	9,238.63
Derivative financial instruments (Refer note 21B)	-				-	-	-
Total financial liabilities	**1,14,035.77**	**-**	**-**	**-**	**-**	**1,14,035.77**	**1,14,035.77**

As at March 31, 2023

Particulars	Carrying amount					Total carrying amount	Total fair value
	At amortised cost	At fair value through OCI		At fair value through profit or loss			
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets							
Investments (Refer note 9) #							
-Equity instruments	-				0.01	0.01	0.01
-Fixed maturity plans					8,356.92	8,356.92	8,356.92
-Mutual funds					6,652.88	6,652.88	6,652.88
-Bond funds					8,583.52	8,583.52	8,583.52
-Infra trust					6,028.00	6,028.00	6,028.00
-Bonds	4,678.25					4,678.25	4,678.25
Trade receivables (Refer note 10)	48,913.99			-	-	48,913.99	48,913.99
Cash and cash equivalents (Refer note 15)	3,328.83			-	-	3,328.83	3,328.83
Other bank balances (Refer note 16)	65,704.99					65,704.99	65,704.99
Loans (Refer note 11)	137.77			-	-	137.77	137.77
Other financial assets (Refer note 12)	5,607.33					5,607.33	5,607.33
Derivative financial instruments (Refer note 12)	-			-	274.05	274.05	274.05
Total financial assets	**1,28,371.14**	**-**	**-**	**-**	**29,895.38**	**1,58,266.52**	**1,58,266.52**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Carrying amount					Total carrying amount	Total fair value
	At amortised cost	At fair value through OCI		At fair value through profit or loss			
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial liabilities							
Borrowings (Refer note 19)	74,090.73				-	74,090.73	74,090.73
Trade payables (Refer note 20)	41,195.03				-	41,195.03	41,195.03
Lease liabilities (Refer note 21A)	166.25					166.25	166.25
Other financial liabilities (Refer note 21B)	12,377.31				-	12,377.31	12,377.31
Derivative financial instruments (Refer note 21B)	-				-	-	-
Total financial liabilities	**1,27,829.32**	**-**	**-**	**-**	**-**	**1,27,829.32**	**1,27,829.32**

Investment value excludes investment in Associates of ₹59,494.16 lakhs (March 31st, 2023: ₹51,627.31 lakhs) which are shown in balance sheet using Equity method as per Ind AS 28 "Investment in Associate and Joint Venture"

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying value largely due to the short-term maturities of these instruments.

(b) Fair value measurement

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. This section explains the judgements and estimates made in determining the fair values of the financial instruments. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

The group uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in the active markets for identical assets or liabilities.

Level 2: Other techniques for which all the inputs have a significant effect on the recorded fair values are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.Sensitivity of Level 3 Financial Instruments is insignificant.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

As at March 31, 2024

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Investments				
-Equity instruments (excluding investment in Associates)	5,673.28	5,673.28		
-Fixed maturity plans	8,960.41	-	8,960.41	-
-Mutual funds	32,360.77	-	32,360.77	-
-Bond funds	8,148.10	-	8,148.10	
-Infra trust	5,337.20	-	-	5,337.20
Derivative financial instruments	126.35	-	126.35	-
Total	**60,606.11**	**5,673.28**	**49,595.61**	**5,337.20**
Financial liabilities measured at fair value through profit or loss				
Derivative financial instruments	-	-	-	-
Total	-	-	-	-

As at March 31, 2023

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Investments				
-Equity instruments (excluding investment in Associates)	0.01	0.01	-	-
-Fixed maturity plans	8,356.92	-	8,356.92	-
-Mutual funds	6,652.88	-	6,652.88	-
-Bond funds	8,583.52	-	8,583.52	-
-Infra trust	6,028.00	-	-	6,028.00
Derivative financial instruments	274.05		274.05	
Total	**29,895.38**	**0.01**	**23,867.36**	**6,028.00**
Financial liabilities measured at fair value through profit or loss				
Derivative financial instruments	-	-	-	-
Total	-	-	-	-

The following methods and assumptions were used to estimate the fair values:

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Investments in mutual funds/ fixed maturity plans/bond funds : Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) declared by fund house.

Investment in market linked non-convertible debentures: Fair value is determined by reference to valuation provided by CRISIL.

Investment in infrastructure trust: Fair value is derived on the basis of valuation certificate by independent professional based on net asset at fair value approach, in this approach the net asset at fair value is used to capture the fair value of these investments.

Derivative contracts: The group has entered into foreign currency contracts to manage its exposure to fluctuations in foreign exchange rates . These financial exposures are managed in accordance with the Group's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorised dealers banks.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

(c) Reconciliation of Level 3 fair value measurements is given below:

Particulars	Amount
As at April 1, 2022	5,376.80
Additions during the year	-
Sales during the year	-
Gain/(loss) recognised in profit and loss on fair value changes	651.20
As at March 31, 2023	**6,028.00**
Additions during the year	-
Sales during the year	-
Gain/(loss) recognised in profit and loss on fair value changes	(690.80)
As at March 31, 2024	5,337.20

Note 46C: Financial risk management

The group's principal financial liabilities comprise borrowings, trade and other payables and the main purpose of these financial liabilities is to manage finances for the day to day operations of the group. The group's principal financial assets include trade and other receivables, and cash and bank balances that arise directly from its operations.

The group is exposed to market risk, credit risk and liquidity risk. The senior management oversees the management of these risks. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below.

(A) Market risk:

"Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. "

(i) Foreign currency risk:

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and EURO. The foreign currency forward contracts are used to hedge its risks associated with foreign currency fluctuations relating to accounts receivable and accounts payable. The use of foreign currency forward contracts is governed by the strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the group's Risk Management Policy. The group does not use forward contracts for speculative purposes.

a) Foreign currency forward contracts outstanding as at the balance sheet date

Category	Currency	Nature	As at March 31, 2024			As at March 31, 2023		
			No. of contracts	(USD) (in Lakhs)	(INR) (Lakhs)	No. of contracts	(USD) in lakhs	(INR) (Lakhs)
Against receivables	USD/ INR	Sold	25	250.00	20,843.48	17	315.00	25,898.32
Against receivables	EUR/ INR	Sold	9	50.00	4,510.89	0	0.00	-

The line item in the balance sheet that includes the above hedging instruments are "other financial assets and other financial liabilities".

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

b) Particulars of foreign currency risk exposure

The group's exposure to foreign currency risk at the end of the reporting period is as follows:

Particulars	Currency	As at March 31, 2024		As at March 31, 2023	
		Amount in FC (in Lakhs)	Amount in INR (₹ in Lakhs)	Amount in FC (in Lakhs)	Amount in INR (₹ in Lakhs)
I. Financial liabilities					
Loan (A)	USD	-	-	-	-
	Euro	-	-	-	-
Creditors (B)	USD	187.63	15,643.82	123.02	10,114.48
	Euro	2.69	243.07	11.77	1,054.64
Other payables (C)	USD	11.22	935.50	25.59	2,103.96
	Euro	4.19	378.17	9.99	895.14
Total exposure to foreign currency risk (liabilities) (D=A+B+C)	USD	198.85	16,579.31	148.61	12,218.45
	Euro	6.89	621.23	21.76	1,949.78
II. Financial assets					
Trade receivables (E)	USD	342.40	28,547.14	326.62	26,853.85
	Euro	56.73	5,118.12	81.34	7,288.33
Bank balances (F)	USD	0.01	0.96	10.52	865.01
	Euro	0.00	0.11	0.00	0.22
Total exposure to foreign currency risk (assets) (G=E+F)	USD	342.41	28,548.10	337.14	27,718.86
	Euro	56.73	5,118.23	81.34	7,288.55
Net exposure to foreign currency risk after considering natural hedge-receivable/(payable) (H=G-D)	USD	143.56	11,968.79	188.53	15,500.41
	Euro	49.85	4,497.00	59.58	5,338.77
Foreign currency forward contracts outstanding in respect of receivables (I)	USD	250.00	20,843.48	315.00	25,898.32
	Euro	50.00	4,510.89	-	-
Foreign currency forward contracts outstanding in respect of payables (J)	USD	-	-	-	-
	Euro	-	-	-	-
Net exposure to foreign currency risk in respect of receivables after considering natural hedge and forward contracts # (G-I)	USD	-	-	-	-
	Euro	-	-	59.58	5,338.77
Net exposure to foreign currency risk in respect of payables after natural hedge and considering forward contracts # (G-I)	USD	-	-	-	-
	Euro	-	-	-	-

to the extent of receivable/payable in books of account

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

(c) Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

The following table demonstrates the sensitivity in the USD and Euro to the Indian Rupee with all other variables held constant and its impact on the group's profit before tax :

Particulars	Impact on profit- increase/(decrease)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
USD Sensitivity		
Increase in exchange rate by 5% (previous year 5%)	0.00	0.00
Decrease in exchange rate by 5% (previous year 5%)	0.00	0.00
EURO Sensitivity		
Increase in exchange rate by 5% (previous year 5%)	0.00	266.94
Decrease in exchange rate by 5% (previous year 5%)	0.00	(266.94)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's debt obligations with floating interest rates. In order to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(a) Interest risk exposure:

The exposure of the group's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2024			As at March 31, 2023		
	Weighted average interest rate	Outstanding balance (₹ in lakhs)	% of total loans	Weighted average interest rate	Outstanding balance (₹ in lakhs)	% of total loans
Working capital loans from banks						
Variable rate borrowings	5.37%	61,937.81	100	3.67%	74,090.73	100
Fixed rate borrowings	-	-		-	-	
Total borrowings	**5.37%**	**61,937.81**	**100**	**3.67%**	**74,090.73**	**100**

(b) Sensitivity:

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit- increase/(decrease)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest rate - increase by 50 basis points	(309.69)	(370.45)
Interest rate - decrease by 50 basis points	309.69	370.45

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

(iii) Security price risk:

(a) Price risk:

The group manages the surplus funds majorly through investments in debt based fixed maturity plans, mutual fund schemes, non-convertible debentures and infrastructure trust. The price of investment in fixed maturity plans, mutual fund schemes is reflected though net asset value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The price of investment in non-convertible debentures is reflected through valuation by CRISIL on weekly basis. The price of investment in infrastructure trust is reflected through valuation certificate by the independent professional on quarterly basis where valuation is determined based on fair value of assets of trust as on date of valuation. The group is exposed to price risk on such investments.

Particulars	As at March 31, 2024	As at March 31, 2023
Investments in fixed maturity plans, mutual fund schemes, non-convertible debentures and Infrastructure trust	60,479.76	29,621.33

(b) Sensitivity:

The below is the sensitivity analysis at the end of the year in case NAV has been 1% higher / lower.

Particulars	Impact on Profit- Increase/(Decrease)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
NAV increase by 1%	604.80	296.21
NAV decrease by 1%	(604.80)	(296.21)

(B) Credit risk:

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the group. The group is exposed to credit risk from its operating activities (primarily trade receivables, loans to employees and security deposits). Credit risk on cash and cash equivalents, other bank balances is limited as the group generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. The group's credit risk in case of all other financial instruments is negligible.

To manage this, the group periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

The major sales are export based which is diversified in different countries and none of the customer contributes 10% or more of the total revenue for the financial year 2023-24 and 2022-23

(i) Expected credit loss for financial assets

As at March 31, 2024

Financial assets to which loss allowance is measured using 12 months expected credit loss(ECL)	Gross carrying amount	Expected credit loss	Carrying amount (net of ECL)
Loans to employees	154.00	-	154.00
Security deposits	4,607.39	-	4,607.39

All amounts are in ₹ Lakhs unless otherwise stated

Financial assets to which loss allowance is measured using lifetime expected credit loss(ECL)	Gross carrying amount	Expected credit loss	Carrying amount (net of ECL)
Trade receivables	51,184.33	359.45	50,824.88

For the year ending March 31, 2023

Financial assets to which loss allowance is measured using 12 months expected credit loss (ECL)	Gross carrying amount	Expected Credit loss	Carrying amount (net of ECL)
Loans to employees	137.77	-	137.77
Security deposits	3,525.36	-	3,525.36

Financial assets to which loss allowance is measured using lifetime expected credit loss(ECL)	Gross Carrying amount	Expected credit loss	Carrying amount (net of ECL)
Trade receivables	49,003.01	89.02	48,913.99

(ii) Reconciliation of expected credit loss and allowance for credit impairment - trade receivables

The following table summarizes the change in the loss allowances measured using life-time expected credit loss model:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
As at the beginning of year	89.02	419.57
Provided during the year	270.42	-
Reversal during the year	-	(330.55)
As at the end of the year	**359.44**	**89.02**

(C) Liquidity risk:

Liquidity risk is defined as the risk that group will not be able to settle or meet its obligation on time or at a reasonable price. The financial liabilities of the group, other than derivatives, include loans and borrowings, trade and other payables. The group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the net liquidity position through rolling, forecast on the basis of expected cash flows.

Prudent liquidity risk management implies maintaining sufficient availability of standby funding through an adequate line up committed credit facilities to meet financial obligations as and when due.

All amounts are in ₹ Lakhs unless otherwise stated

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

As at March 31, 2024 **(₹ in Lakhs)**

Particulars	Less than 12 months	1 year to 3 years	3 years to 5 years	More than 5 years	Total
Financial liabilities					
Borrowings (current)	61,937.81				61,937.81
Trade payables	42,529.59	-	-	-	42,529.59
Lease liabilities	63.58	48.86	56.27	161.02	329.74
Other financial liabilities	9,238.63	-	-	-	9,238.63
Total	**1,13,769.61**	**48.86**	**56.27**	**161.02**	**1,14,035.76**
Financial assets					
Investments (other than investment in Associates)	32,360.76	28,119.00	-	-	60,479.76
Trade receivables	50,824.88				50,824.88
Cash and cash equivalents	13,705.17				13,705.17
Other bank balances (other than earmarked balances)	25,131.01				25,131.01
Loans	65.91	88.08	-	-	154.00
Others financial assets	4,623.87	20.00	-	4,607.39	9,251.26
Total	**1,26,711.61**	**28,227.09**	**-**	**4,607.39**	**1,59,546.08**

As at March 31, 2023

Particulars	Less than 12 months	1 year to 3 years	3 years to 5 years	More than 5 years	Total
Financial liabilities					
Borrowings (current)	74,090.73	-	-	-	74,090.73
Trade payables	41,195.03	-	-	-	41,195.03
Lease liabilities	39.47	66.48	12.79	47.51	166.25
Other financial liabilities	12,377.31	-	-	-	12,377.31
Total	**1,27,702.54**	**66.48**	**12.79**	**47.51**	**1,27,829.32**
Financial assets					
Investments (other than investment in Associates)	12,369.50	21,930.08	-	-	34,299.57
Trade receivables	48,913.99				48,913.99
Cash and cash equivalents	3,328.83				3,328.83
Other bank balances (other than earmarked balances)	61,030.93				61,030.93
Loans	60.46	77.31	-	-	137.77
Others financial assets	2,336.03	20.00	-	3,525.36	5,881.38
Total	**1,28,039.73**	**22,027.40**	**-**	**3,525.36**	**1,53,592.46**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 47: Carrying amount of pledged assets

Particulars	As at March 31, 2024	As at March 31, 2023
First charge		
Current assets		
(a) Trade receivables	50,824.88	48,913.99
(b) Inventories	1,19,415.23	1,44,011.50
Total (A)	**1,70,240.11**	**1,92,925.48**
Secondary charge		
Property, plant and equipment and intangible assets (including capital work-in-progress)	1,96,277.57	1,82,172.80
Total (B)	**1,96,277.57**	**1,82,172.80**
Total (A+B)	**3,66,517.68**	**3,75,098.28**

Note 48: Disclosure under Ind AS 115 "Revenue from contracts with customers"

(i) Disaggregation of revenue from contracts with customers

(a) Type of products

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
- Graphite electrode	2,19,492.36	2,23,411.50
- Graphite by-products	15,269.00	16,141.71
- Power	3,220.62	3,978.38
Total	**2,37,981.98**	**2,43,531.57**

(b) Geographical

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from customers within India (including sale to SEZ units)	76,682.66	75,107.61
Revenue from customers based outside India	1,61,299.32	1,68,423.95
Total	**2,37,981.98**	**2,43,531.56**

(c) Timing of revenue recognition

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from goods transferred to customers at a point in time	2,37,981.98	2,43,531.56
Revenue from goods transferred to customers over time	-	-
Total	**2,37,981.98**	**2,43,531.56**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

(ii) Reconciliation of revenue from contract with customers

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contract with customer as per the contract price	2,37,329.64	2,43,131.89
Adjustments made to contract price on account of :-		
a) Discounts / rebates / incentives	-	-
b) Sales returns / credits / reversals	652.34	399.67
Revenue from contract with customer	**2,37,981.98**	**2,43,531.57**
Other operating revenue	1,508.38	3,192.15
Revenue from operations	**2,39,490.36**	**2,46,723.73**

(iii) Trade receivables and contract balances

The balances of trade receivables and advance from customers at the beginning and end of the reporting period have been disclosed at note no. 10 and 24 respectively.

The revenue recognised during the year ended March 31, 2024 includes revenue against advances from customers amounting to ₹147.20 Lakhs (Previous year- ₹310.07 lakhs) at the beginning of the year.

The revenue of Nil has been recognised during the year ended March 31, 2024 (Previous year -Nil) against performance obligations satisfied (or partially satisfied) in previous periods.

(iv) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the group expects to recognize these amounts in revenue.

Particulars	As at March 31, 2024	As at March 31, 2023
The aggregate value of performance obligations that are completely or partially unsatisfied	NIL	NIL

Note 49: Key financial ratios

Particulars	Numerator	Denominator	Year ended March 31, 2024	Year ended March 31, 2023	Variance	Reasons for variance (in case the variance is more than 25%)
Current Ratio (in times)	Current assets	Current liabilities	2.25	2.17	3.92%	
Debt – equity Ratio (in times)	Total debt	Shareholder's equity	0.14	0.17	-19.14%	
Debt service coverage ratio (in times)	Earnings available for debt service(1)	Debt service(2)	0.80	0.86	-7.30%	
Return on equity (ROE) (in %)	Profit after tax	Average shareholder's equity	7.16%	12.99%	-44.90%	Net profit has decreased
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	0.87	0.76	15.48%	
Trade receivables turnover ratio (in times)	Revenue from sale of goods	Average trade receivable	4.77	4.52	5.65%	
Trade payables turnover ratio (in times)	Purchases of goods and services	Average trade payables	3.69	5.05	-26.88%	Credit period of key raw materials reduced
Net capital turnover ratio (in times)	Revenue from sale of goods	Working capital	1.63	1.59	2.67%	

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Net profit ratio (in %)	Profit after Tax	Revenue from sale of goods	13.10%	21.86%	-40.09%	Net profit margin has decreased due to fall in sale prices.
Return on capital employed (ROCE) (in %)	Earning before interest and taxes	Capital employed(3)	6.82%	12.78%	-46.66%	Net profit has decreased
Return on investment (ROI) (in %)	Income generated from investments	Average investments (other than investment in Associates)	3.00%	5.10%	-41.12%	Net profit has decreased

(1) Earning available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments i.e. loss on sale of property plant and equipment etc.

(2) Debt service = Interest & Lease Payments + Principal Repayments

(3) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

Note 50: Reconciliation of cash flow from financing activities

(Changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Borrowings (current)	Borrowings (non-current)	Borrowings (current)	Borrowings (non-current)
Opening balance of financial liabilities coming under the financing activities of statement of cash flows	74,090.73	-	66,340.05	-
Changes during the year				
a) Changes from cash flows	(12,152.92)	-	7,750.68	-
b) The effect of changes in foreign exchanges rates- (gain)/loss	-		-	
c) Changes in fair value	-	-	-	-
d) Other Changes	-	-	-	-
Closing balance of financial liabilities coming under the financing activities of statement of cash flows	**61,937.81**	-	**74,090.73**	-

Note 51: Details of research and development expenditure

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Capital	-	-
b) Revenue	158.11	134.05

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 52: Government grants

Particulars	Grants recognised		Grants recoverable	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Government grant shown as other operating revenue				
Export incentives	1,345.62	2,460.68	79.09	493.18
B. Government grant deducted from respective expense				
Interest subvention on export packing credit loans reduced from finance cost (#)	1,257.62	1,317.74	286.95	2.93
Total of government grants recognised & grants recoverable	2,603.24	3,778.42	366.05	496.11

(#) Out of Interest subvention recognized during the year ended March 31, 2024, Interest subvention of ₹893.79 lakhs pertains to loans availed during the financial year 2023-24 and ₹363.83 lakhs pertains to loans availed during earlier year.

Note 53:

The Holding Company has taken borrowings from banks on the basis of security of current assets. The quarterly returns/statements filed with the banks are in agreement with the books of account.

Note 54: Disclosures required as per Schedule III to the Companies Act, 2013

(i) The group did not have any transaction with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year.

(ii) No proceeding have been initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

(iii) The group has not been declared as wilful defaulter by any bank or financial institution or other lender.

(iv) No funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the group; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) No funds have been received by the group from any person(s) or entity(ies), including foreign entities ("funding party") with the understanding, whether recorded in writing or otherwise, that the group shall directly or indirectly lend or invest in other persons or entities in any manner whatsoever by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vi) During the financial year, the group has not traded or invested in Crypto currency or virtual currency.

(vii) The group does not have any charge or satisfaction thereof which is pending for registration with ROC beyond the statutory period.

(viii) The group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

(ix) The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 55: A. Interest in other entities

Name of Company	Country of incorporation/ Principal place of business	Activities	Proportion of ownership of interest	
			March 31, 2024	March 31, 2023
A. Subsidiary				
TACC Limited	India	Anode manufacturing for lithium batteries	100.00%	100.00%
B. Associates				
Bhilwara Infotechnology Limited	India	IT enabled services	38.59%	38.59%
Bhilwara Energy Limited	India	Power generation and power consultancy	49.01%	49.01%

Note 55: B. Summarised financial information of Associates

Particulars	Bhilwara Energy Limited		Bhilwara Infotechnology Limited	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
I. Assets				
(A) Non current assets	1,54,083.48	1,54,945.37	883.43	2,398.07
(B) Current assets				
i) Cash and cash equivalent	18,148.10	8,630.10	232.18	1,630.24
ii) Others	34,560.44	19,556.85	4,860.72	1,617.58
Total current asset	52,708.54	28,186.95	5,092.90	3,247.82
Total asset (A+B)	2,06,792.02	1,83,132.32	5,976.33	5,645.89
II. Liabilities				
(A) Non current liabilities				
i) Financial liabilities				
A. Borrowings	2,732.09	6,159.25	-	-
B. Other financial liabilities	24.12	41.51	18.71	308.20
ii) Other liabilities (including provisions)	8,712.92	3,247.51	205.32	102.41
Total non current liabilities	11,469.13	9,448.27	224.03	410.61
(B) Current liabilities				
i) Financial liabilities				
A. Borrowings	548.03	486.53		
B. Trade payables	3,938.75	3,378.25	73.91	81.23
C. Other financial liabilities	1,541.27	927.37	117.33	118.62
ii) Other liabilities (including provisions)	3,897.61	814.91	94.93	102.69
Total current liabilities	9,925.66	5,607.06	286.17	302.53
Total liabilities (A+B)	21,394.79	15,055.33	510.20	713.15
Net assets (including non controlling interest) (I-II)	1,85,397.23	1,68,076.99	5,466.13	4,932.74
III. Contingent liabilities and commitments				
Contingent liabilities	760.79	1,505.18	-	-
Capital commitments	1,622.64	1,557.92	-	-
Group's share of contingent liabilities	372.83	737.63	-	-
Group's share of capital commitments	795.19	763.48	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 55: C. Summarised performance of Associates

Particulars	Bhilwara Energy Limited		Bhilwara Infotechnology Limited	
	Yead ended March 31, 2024	Year ended March 31, 2023	Yead ended March 31, 2024	Year ended March 31, 2023
I. Summarised performance of Associates				
(i) Revenue from operations	47,509.65	48,822.38	2,776.75	2,987.92
(ii) Profit before tax	34,657.51	33,662.03	641.71	297.95
(iii) Profit after tax (attributable to owners of Associate)	16,240.48	15,746.38	535.77	253.23
(iv) Other comprehensive income (attributable to owners of Associate)	(20.04)	(31.42)	(2.38)	6.82
(v) Total comprehensive income (attributable to owners of Associate)	16,220.44	15,714.96	533.39	260.05
II. Group's share in Associate				
Proportion of group's ownership in Associate	49.01%	49.01%	38.59%	38.59%
(i) Group's share in profit after tax	7,959.46	7,717.30	206.75	97.72
(ii) Group's share in other comprehensive income	(9.82)	(15.40)	(0.92)	2.63
(iii) Group's share in total comprehensive income	7,949.64	7,701.90	205.84	100.35
III. Other information				
(i) Depreciation & amortisation expense	4,741.78	5,367.87	95.68	83.44
(ii) Interest income	2,070.46	945.02	164.45	168.87
(iii) Interest expense	141.31	851.00	34.44	16.97
(iv) Tax expense	7,211.08	4,037.17	105.94	44.72

Note 55: D. Movement of investment in Associates accounted for using the Equity method

Particulars	As at March 31, 2024	As at March 31, 2023
Investment at cost - at the beginning of the Period	31,130.50	31,130.50
Add: Cost of investment acquired during the year (including goodwill)	-	-
Investment at cost -at the end of the reporting year	31,130.50	31,130.50
Profit till date at the beginning of the year	20,496.80	13,691.72
Add: Share of profit for the period	8,166.21	7,815.02
Add: Share of OCI for the period	(10.74)	(12.77)
Add: Impact of direct adjustment in reserves of Associates	(288.64)	(997.15)
Profit till date at the end of the reporting year	28,363.63	20,496.80
Investment at equity method - at the beginning of the year	51,627.31	44,822.21
Investment at equity method - at the end of the year	59,494.13	51,627.31

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 55: E. Other details mandated by Schedule III of Companies Act 2013, by way of additional information:

As at March 31, 2024

Name of entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Holding Company	93.65%	4,14,508.29	74.29%	23,154.31	144.55%	34.85	74.34%	23,189.16
Subsidiary								
Indian	(0.06)%	(277.83)	(0.49)%	(152.61)	0.00%	-	(0.49)%	(152.61)
Associates (Investment as per the Equity method)								
Indian	6.41%	28,363.67	26.20%	8,166.21	(44.55)%	(10.74)	26.15%	8,155.47
Total	**100.00%**	**4,42,594.13**	**100.00%**	**31,167.91**	**100.00%**	**24.11**	**100.00%**	**31,192.02**

As at March 31, 2023

Name of entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Holding Company	95.24%	4,07,722.24	85.56%	45,551.03	82.89%	(61.86)	85.56%	45,489.17
Subsidiary								
Indian	(0.03)%	(125.23)	(0.24)%	(125.23)	0.00%	-	(0.24)%	(125.23)
Associates (Investment as per the Equity method)								
Indian	4.79%	20,496.82	14.68%	7,815.02	17.11%	(12.77)	14.68%	7,802.26
Total	**100.00%**	**4,28,093.84**	**100.00%**	**53,240.84**	**100.00%**	**(74.62)**	**100.00%**	**53,166.20**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Note 56: **The notes disclosed in the consolidated financial Statements of Bhilwara Energy Limited, one of the Associate companies, referred in the Auditor's Report of Associate under 'Emphasis of matter' paragraph are being reproduced hereunder:**

(a) In case of Malana Power Company Ltd (MPCL), a Subsidiary of the Associate:

On April 27, 2019, the MPCL received a provisional net demand of ₹8,069.00 lakhs in relation to wheeling charges for the period April 01, 2008 to March 31, 2019 from Himachal Pradesh State Electricity Board Limited (HPSEBL) based on an order passed by the Himachal Pradesh Electricity Regulatory Commission (HPERC). In this regard, the Company has paid under protest an amount of ₹2,817.00 lakhs and had filed an appeal before Appellate Tribunal for Electricity (APTEL) on April 24, 2019 at New Delhi which is to be heard and settled. In the meantime, APTEL vide order dated December 11, 2023 directed to deposit further amount of ₹1,218.00 lakhs with HPSEBL in order to make a total deposit equal to 50% of the demand in arrears. Accordingly, the Company has deposited the additional amount of ₹1218.00 lakhs on January 05, 2024 and the aggregate amount deposited as at March 31, 2024 is ₹4,035.00 lakhs.

During the previous year, HPERC vide Order dated November 30, 2022 determined the voltage wise wheeling charges for the period July 01, 2019 to October 31, 2022. Based on the legal opinion obtained, the Company is of the view that APTEL will adopt the same analogy for determination of wheeling charges for the period April 01, 2008 to March 31, 2019. Considering the same, based on legal advice, the Company believes that there might be high likelihood of final orders with wheeling charges at least in the range of tariff rates announced for the period July 01, 2019 to October 31, 2022. Accordingly, based on management's assessment, the Company had created additional provision of ₹377.00 lakhs during the previous year related to wheeling charges on or before June 30, 2019 in addition to the amount of ₹954.00 lakhs, already provided for in earlier years post which the aggregate amount of provision carried in respect of the matter as at March 31, 2024 is ₹1,331.00 lakhs.

Based upon the legal opinion, the Company is of the view that the demand for the period April 01, 2008 to March 31, 2019 is not legally tenable and would not result in any further material liability on the Company.

(b) In case of NJC Hydro Power Limited (NHPL), a Subsidiary of the Associate:

The project of NHPL is on hold for quite some time due to suspension of environment clearance by Hon'ble National Green Tribunal and thereafter Wildlife Institute of India (WII) in its report has mentioned that project could not be undertaken at the project site.

As per directions of Hon'ble Supreme Court, arbitration notice was sent to GoAP and have also indicated the name of arbitrator. Simultaneously, efforts were initiated to settle the issue by mutual negotiations. As the project is not doable any more, NHPL has decided not to implement the project and sought the refund of upfront premium of ₹2,546.80 lakhs from GoAP invoking the clauses of MoA and presently the matter is under litigation with GoAP.

Accordingly, the Board of Directors of NHPL on dated June 15, 2022 decided to write-off capital work-in-progress (CWIP) including pre-operative expenses net of waiver of loan from Holding Company (Bhilwara Energy Limited (BEL)) and charged to the statement of profit & loss (shown under exceptional items) during the year except the upfront premium paid.

(c) In case of Chango Yangthang Hydro Power Limited (CYHPL), a Subsidiary of the Associate:

The CYHPL has written off capital work in progress during the financial year 2017-2018 ₹2,713.18 lakhs on account of board decision to surrender the Chango Yangthang HEP (180 MW) project to Directorate of Energy, Government of Himachal Pradesh due to the below main reasons/events.

Delay and uncertainty in project execution

Local Unrest - The CYHPL has closed the project office and stopped all site activities again due to continuous unrest from the local villagers and habitants from the villages of project area. Security and safety issues of the employees and other assets of the Company have also become important now.

Protests & representations by the local panchayats and Sangharsh Samiti are continued.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

All amounts are in ₹ Lakhs unless otherwise stated

The State Pollution Control Board has not been able to conduct the public hearing for the project in last two years despite the completion of all formalities from our side.

Long delay in Government approvals and licenses lapse

The proposal for forest clearance lying pending with the office of the Nodal Officer, State Forest Department, Shimla for want of FRA certificates for almost two & half years.The applications for NOC from Ministry of Home Affairs was submitted by us to Government of Himachal Pradesh vide our letter dated July 27, 2011. It's a border area project and requires the clearance from Ministry of Defence, Government of India. The application for NOC from Ministry of Defence was filed on December 20, 2012. TEC and TOR from MoEF has expired or is expiring shortly.

Since the project is not to be executed purely on account of various social-legal issues neither in the control of the CYHPL nor in the control of local administration/authorities, the Company requested for refund of security deposit and upfront premium paid for the project amounting to ₹3,969.45 lakhs. In response to the request dated February 01, 2018 the Government has not considered the request of Company for surrender of the project and refund of the premium and security. However, GoHP mentioned that the CYHPL can apply for the extension in time lines without levy of the extension fees till the ground situation become favorable towards implementation of Hydro Electric Projects.

The CYHPL on February 16, 2018 has reaffirmed their intention and asked the authorities for their decision on application of surrender of the project since the project is not to be executed purely on account of various social-legal issues neither in the control of the CYHPL nor in the control of local administration/authorities. GoHP vide notification dated November 03, 2018 has formed a committee to deal with the issues of various projects which includes Chango Yangthang Hydro Power Limited (CYHPL). On the direction of GoHP, a public meeting was conveyed on November 14, 2018 which was attended by various villagers of the project affected area, officials of DoE, District administration and CYHPL.

During the meeting, the villagers categorically refused for development of any Hydro Electric project in the Hangrang valley including 180 MW Chango Yangthang HEP and refused to co-operate on the issue of development of any project. The said committee discussed the Sutlej Valley projects on February 18, 2019 which included CYHPL. During the meeting CYHPL categorically refused to execute the project in view of severe local issue and lapse of clearances for the project. Committee has noted the same. This CYHPL was incorporated as a Special Purpose Vehicle for above said 180MW HEP project and is a wholly owned Subsidiary of Bhilwara Energy Limited (BEL) with no external debt.

As per our report of even date attached

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Date : May 22, 2024

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN : 00061060

Manish Gulati
Executive Director
DIN : 08697512

Shekhar Agarwal
Director
DIN : 00066113

Satish Chand Mehta
Director
DIN : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

FORM NO. AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part – A: Subsidiaries

1.	Name of the Subsidiary:	TACC Limited
2.	Reporting period for the Subsidiary concerned, if different from the holding Company's reporting period:	01.04.2023 to 31.03.2024
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign Subsidiaries:	N.A.
4.	Share capital:	Authorized Share Capital: ₹210 Crore Paid Up Share Capital: ₹80 Crore
5.	Reserves & surplus:	(277.85) Lakhs
6.	Total assets:	8215.34 Lakhs
7.	Total Liabilities:	493.19 Lakhs
8.	Investments:	0
9.	Turnover:	0
10.	Profit/Loss before taxation:	(152.62) Lakhs
11.	Provision for taxation:	0
12.	Profit/Loss after taxation:	(152.62) Lakhs
13.	Proposed Dividend:	-
14.	% of shareholding:	100%

Notes:

1. The aforesaid Subsidiary is yet to commence operations.
2. No Subsidiary has been liquidated or sold during the financial year.

Part – B : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Amount (₹ in Lakhs)

Name of Associates/Joint Ventures	Bhilwara Energy Ltd	Bhilwara Infotechnology Ltd
1. Latest audited Balance sheet date	31/03/2024	31/03/2024
2. Date on which the Associate was associated or acquired	28/03/2007	10/01/2012
3. Shares of Associate held by the Company on the year end		
No. of Shares	8,12,32,560	12,62,048
Amount of investment in Associates	30,711.50	419.00
Extend of holding (in percentage)	49.01	38.59
4. Description of how there is significant influence	Due to percentage of share capital	Due to percentage of share capital
5. Reason why the Associate is not consolidated	-	-
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	54,028.64	2,109.38
7. Profit / Loss for the year		
i. Considered in consolidation (₹ in Lakhs)	7,949.64	205.84
ii. Not Considered in consolidation	-	-

1. Names of Associates or joint ventures which are yet to commence operations: N.A.
2. Names of Associates or joint ventures which have been liquidated or sold during the year: N.A.

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN : 00061060

Manish Gulati
Executive Director
DIN : 08697512

Shekhar Agarwal
Director
DIN : 00066113

Satish Chand Mehta
Director
DIN : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Date : May 22, 2024

Corporate Information

CHAIRMAN-EMERITUS
L. N. Jhunjhunwala

BOARD OF DIRECTORS

Ravi Jhunjhunwala
Chairman, Managing Director & CEO

Riju Jhunjhunwala
Vice-Chairman

Manish Gulati
Executive Director

Shekhar Agarwal
Director

Vinita Singhania
Director

Dr. Kamal Gupta
Director

Satish Chand Mehta
Director

Davinder Kumar Chugh *
Director

Ramni Nirula
Director

Jayant Davar
Director

GROUP CHIEF FINANCIAL OFFICER
O. P. Ajmera

CHIEF FINANCIAL OFFICER
Gulshan Kumar Sakhuja

COMPANY SECRETARY
Vivek Chaudhary

BANKERS
State Bank of India
HDFC Bank Ltd.
IDBI Bank Ltd.
Kotak Mahindra Bank Ltd.
Axis Bank Ltd.
YES Bank Ltd.
ICICI Bank Ltd.
CTBC Bank Co.,Ltd.

AUDITORS
SCV & Co. LLP
Chartered Accountants

*Resigned w.e.f. 22nd May 2024

REGISTRAR & SHARE TRANSFER AGENT
MCS Share Transfer Agent Ltd.
F-65, First Floor,
Okhla Industrial Area, Phase-I
New Delhi - 110020
Phone: 011-41406149-52
Fax: 011-41709881
Website: www.mcsregistrars.com
E-mail: helpdeskdelhi@mcsregistrars.com

STOCK EXCHANGES WHERE THE COMPANY'S SHARES ARE LISTED
BSE Ltd.
National Stock Exchange of India Ltd.

CORPORATE OFFICE
Bhilwara Towers, A-12, Sector-1
Noida - 201301, U.P., India
Phone: +91 (0120) 4390300
Fax: +91 (0120) 4277841
Website: www.hegltd.com
E-mail: heg.investor@lnjbhilwara.com

REGISTERED OFFICE
Mandideep (Near Bhopal)
Distt. Raisen - 462046
Madhya Pradesh, India
Phone: +91 (07480) 233524 to 233527
Fax: +91 (07480) 233522
CIN: L23109MP1972PLC008290

WORKS
Graphite Electrode & Thermal Power Plants
Mandideep (Near Bhopal)
Distt. Raisen - 462046
Madhya Pradesh, India
Phone: + 91 (07480) 233524 to 233527
Fax: +91 (07480) 233522

Hydro Electric Power
Village Ranipur, Tawa Nagar
Distt. Hoshangabad - 461001
Madhya Pradesh, India
Phone: +91 (07572) 272810, 272859
Fax: +91 (07572) 272849

PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

HEG LIMITED

Registered Office:

Mandideep (Near Bhopal)
Distt. Raisen - 462046, Madhya Pradesh, India
Website: www.hegltd.com/www.lnjbhilwara.com
E-mail: heg.investor@lnjbhilwara.com

CIN: L23109MP1972PLC008290